

## THE LAW OF THE REPUBLIC OF AZERBAIJAN ON STATE BUDGET OF THE REPUBLIC OF AZERBAIJAN FOR 2013

### Article 1

The state budget of the Republic of Azerbaijan for 2013 shall be approved with revenues amounting to 19 159 000.0 thousand manats and expenditures amounting to 19 850 000.0 thousand manats (including the centralized revenues of 18 462 397.8 thousand manats, domestic revenues of 696 602.2 thousand manats, the centralized expenditures of 18 335 450.0 thousand manats and domestic expenditures of 1 514 550.0 thousand manats ).

### Article 2

The revenues of the state budget of the Republic of Azerbaijan for 2013 are stipulated in the following amounts based on the sources of revenues:

Income source		State budget revenues
2.1.	Income tax of individuals	783 000,0
2.2.	Profit (income) tax of legal entities	2 279 000,0
2.3.	Land tax of legal entities	31 000,0
2.4.	Property tax of legal entities	116 000,0
2.5.	Value added tax	2 768 600,0
2.5.1.	Value added tax on the import of goods to the territory of the Republic of Azerbaijan	992 600,0
2.6.	Simplified tax	117 000,0
2.7.	Excise duty	594 000,0
2.7.1.	Excise duty on the import of goods to the territory of the Republic of Azerbaijan	83 000,0
2.8.	Road tax	54 000,0
2.8.1.	Road tax paid by the owners of motor vehicles of foreign countries	19 000,0
2.9.	Mine tax	121 000,0
2.10.	Customs duties	285 400,0
2.11.	Revenues from difference between contract (sale) price (export expenditures not included) and domestic retail price of products made in the Republic of Azerbaijan, price of which is regulated	370 000,0
2.12.	Revenues from the credits granted from the budget	4 269,4
2.13.	Revenues from the credits taken under the guarantee of the Republic of Azerbaijan	2 675,0

2.14.	Revenues from the credits granted to the governments of foreign countries	845,0
2.15.	Dividends from organizations with the share of state in their stocks	2 000,0
2.16.	Revenues from the management of single balance account	5 000,0
2.17.	Revenues from the State Oil Fund	11 350 000,0
2.18.	Revenues from the lease of state property and the lands occupied by the privatized state enterprises and facilities	5 000,0
2.19.	Rentals from the lease of the lands in state ownership	6 000,0
2.20.	Revenues from the sales of documentary stamps	3 000,0
2.21.	State dues	115 000,0
2.22.	Revenues to "Security fund of loans borrowed under state guarantee"	6 210,6
2.23.	Other revenues collected by tax agencies	140 000.0

### Article3

It shall be determined that the "Motor Roads" Purpose Budget Fund and "Security fund of loans borrowed under state guarantee" are established out of the following sources of revenues

3.1	"Motor Roads" Purpose Budget Fund	194 000,0
3.1.1.	Road tax	54 000,0
3.1.2.	Simplified tax paid by the persons performing passenger transportation and freight forwarding by means of the vehicles in their ownership or use	10 000,0
3.1.3.	Excise duties applied to the imported cars	53 000,0
3.1.4.	Customs duties applied to the imported motor vehicles	51 500,0
3.1.5.	State due charged for the issue of the authorization regulating the international motor transportations in the territory of the Republic of Azerbaijan	13 500,0
3.1.6.	State due charged for the annual technical inspection of vehicles, including motor vehicles, trailers and semi-trailers	12 000,0
3.2.	"Security fund of loans borrowed under state guarantee"	8 885,6
3.2.1	Revenues from the credits	2 675,0

	borrowed from the credit organizations under the state guarantee of the Republic of Azerbaijan	
3.2.2	Revenues to "Security fund of loans borrowed under state guarantee"	6 210,6

#### Article 4

Tax revenues to the state budget of the Republic of Azerbaijan for 2012 are calculated based on the tax rates stipulated in the Tax Code of the Republic of Azerbaijan.

#### Article 5

A duty amounting to 30 percent is imposed on the variance between the contracting (sales) price (excluding the export expenses) and the domestic wholesale price during the export of the goods produced in the Republic of Azerbaijan and the price-regulated goods. Duty for the reporting period is the calendar month. Duty is transacted to the state budget no later than 20<sup>th</sup> of the next month of reporting period and an appropriate report should be submitted to corresponding legislative body by the body implementing the duty. Violation of payment date and period, diversion and shrinking of duty is subject to financial sanctions and corresponding interest rate will be calculated according to Tax codexes of the Republic of Azerbaijan.

#### Article 6

The centralized revenues of the state budget of the Republic of Azerbaijan for 2013 are established out of the allocations from the following sources based on the specified standards:

6.1.	Revenues on Baku City (excluding the revenues relevant to "Motor Roads" Purpose Budget Fund)	96,37 percent
6.2.	Revenues from the following sources: Customs duties, value added tax and excise duties for the import of goods to the territory of the Republic of Azerbaijan (excluding those collected by the customs authorities of the Autonomous Republic of Nakhchivan), revenues from the lease of state property and the lands occupied by the privatized state enterprises and facilities, revenues from the credits granted to the governments of foreign countries, dividends from organizations with the share of state in their stocks, revenues from the credits borrowed from the	100.00 percent

	credit organizations under the state guarantee of the Republic of Azerbaijan, balance of treasury single account, revenues from the State Oil Fund, revenues from the sales of documentary stamps, revenues of the credits granted from the budget, revenues to "Security fund of loans borrowed under state guarantee", revenues of the "Motor Roads" Purpose Budget Fund	
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### Article 7

The following are included into the local revenues of cities and regions:

7.1. Baku City – 2.51 percent of revenues by Baku City (excluding the revenues relevant to "Motor Roads" Purpose Budget Fund)

7.2. Other cities and regions (excluding the revenues relevant to "Motor Roads" Purpose Budget Fund) - 100 percent of revenues by other cities and regions, as well as income, property and land taxes of individuals operating in a centralized manner in the cities and regions.

### Article 8

Expenditures of the state budget of the Republic of Azerbaijan for 2012 are assigned to the following purposes at the sectional and sub-sectional levels of the functional classification:

Indicators of expenditures		Amount (manats)
8.1.	General Public Services	1.804.593.432,0
8.1.1.	expenditures related to the maintenance of legislative and executive powers and local self-government 341.418.084,0	440.507.363,0
8.1.3.	expenditures related to membership fees to international organizations	112.864.381,0
8.1.4.	expenditures related to science	130.499.837,0
	expenditures of general public services not relevant to other categories	57.134.284,0
8.1.5.	expenditures related to servicing of public debts and liabilities	780.687.567,0
8.1.6.	subsidies to local (municipal) budgets	5.200.000,0
8.1.7.	Subsidies to the budget of the Autonomous Republic of Nakhchivan	277.700.000,0

8.2.	Defense	1.528.582.583,0
8.2.1.	defense forces	1.416.364.563,0
8.2.2.	national security	106.439.919,0
8.2.3.	applied researches in the field of defense and security	2.773.302,0
8.2.4.	expenditures not relevant to other categories	3.004.799,0
8.3.	Judicial authority, law enforcement and prosecutive jurisdiction	1.114.796.320,0
8.3.1	judicial authority	58.498.907,0
8.3.2.	law enforcement	890.543.726,0
8.3.3.	prosecutive jurisdiction	48.217.922,0
8.3.4.	expenditures not relevant to other categories	117.535.765,0
8.4.	Education	1.530.482.591,0
8.4.1.	preschool and primary education	145.799.924,0
8.4.2.	incomplete and secondary education	798.825.898,0
8.4.3.	boarding and special schools	53.122.604,0
8.4.4.	technical vocational schools and lyceums	81.071.030,0
8.4.5.	higher education	57.163.073,0
8.4.6.	applied researches in the field of education	5.771.304,0
8.4.7.	other services in the field of education	388.728.758,0
8.5.	Health services	669.250.451,0
8.5.1.	polyclinics and outpatient departments	98.075.966,0
8.5.2.	hospitals	329.750.873,0
8.5.3.	other services in the field of public health	4.894.003,0
8.5.4.	applied researches in the field of public health	4.209.014,0
8.5.5.	other services relevant to the public health	232.320.595,0
8.6.	Social Protection and Social Security	1.813.581.507,0
8.6.1.	social protection expenditures	1.792.171.769,0
8.6.1.1.	Allocations (transfers) from the state budget to the State Social Protection Fund of the Republic of Azerbaijan	1.077.033.600,0
8.6.2.	social security expenditures	21.409.738,0
8.7.	Culture, Art, Information, Physical Training and activities in the fields not relevant to other categories	289.729.709,0
8.7.1.	activities in the field of art and culture	134.143.148,0
8.7.2.	radio, television and publication	65.269.733,0
8.7.3.	physical training, youth policy and tourism	50.980.438,0
8.7.4.	activities not relevant to other categories	39.336.390,0
8.8.	Housing and communal services	399.003.895,0
8.8.1.	housing services	75.706.613,0
8.8.2.	communal services	311.300.659,0

8.8.3.	water industry	11.532.950,0
8.8.4.	other services relevant to housing and communal services	463.673,0
8.9.	Oil and energy	2.377.589,0
8.9.1.	Energy complex	2.377.589,0
8.10.	Agriculture, Forestry, Fishery, Hunting and Environmental Protection	494.300.403,0
8.10.1.	agriculture	469.536.732,0
8.10.2.	forestry	10.782.026,0
8.10.3.	fishery and hunting	2.702.814,0
8.10.4.	environmental protection	4.009.450,0
8.10.5.	hydro meteorological activities	7.269.381,0
8.11.	Industry, Construction and Minerals	6.934.233.363,0
8.11.1.	construction	6.918.200.000,0
8.11.1.1.	state capital investment (investment expenditures)	6.915.200.000,0
8.11.2.	minerals	15.233.363,0
8.11.3.	Geodesy and cartography	800.000,0
8.12.	Transport and Communication	111.677.422,0
8.12.1	transport	74.340.184,0
8.12.2	communication	37.337.238,0
8.13.	Economic Activities	275.775.139,0
8.13.1.	economic and commercial activities	241.750.000,0
8.13.1.1.	Business support	201.750.000,0
8.13.1.2.	Mortgage support	40.000.000,0
8.13.2	other fields of economic activities	32.025.139,02.000.000,0
8.13.3.	practical and applied researches in economic activities	
8.14.	Services not relevant to the main sections	2.881.615.596,0
8.14.1.	special-purpose funds	194.000.000,0
8.14.1.1.	"Motor Roads" Purpose Budget Fund	194.000.000,0
8.14.2.	Reserve funds	690.000.000,0
8.14.2.1.	Reserve Fund of the President of the Republic of Azerbaijan	347.000.000,0
8.14.2.2.	Reserve Fund of the State Budget	343.000.000,0
8.14.3.	other expenditures not relevant to the main sections	1.997.615.596,0
8.14.3.1.	Expenditures related to special security projects and measures	1.172.000.000,0
8.14.3.2.	Expenditures related to payments to the citizens of the Republic of Azerbaijan who are depositors of the Bank of Azerbaijan Republic of the savings Banks of the former Soviet Union	500.000.000,0
8.14.3.3.	Expenditures related to the elimination of the consequences of natural disasters and other emergency situations	140.000.000,0
8.14.3.4	Expenditures related to other services	185.615.596,0

**Article 9.**

The expenditures of the state budget of the Republic of Azerbaijan for 2012 shall be approved at the level of the paragraphs of functional and economic classification in the amounts stipulated in the appendix to the present law.

**Article 10.**

The revenues on the cities and regions of the Republic of Azerbaijan 6.400.000.000,0 manats, including of local revenues of the cities and regions 696.602.186,0 manats, of the "Motor Roads" Purpose Budget Fund, shall be approved in the amount of 70.500.000,0 manats, the local expenditures in the amount of 1.512.150.000,0 manats, and the funds allocated from the centralized expenditures for regulation of local revenues and expenditures in the amount of 815.547.814,0 manats.

The off-budget revenues of the organizations financed out of the local expenditures of the mentioned cities and regions shall be approved to be 2.400.000, 0 manats.

#	Cities and regions	Revenues			Expenditure	Funds allocated from the centralized expenditures for regulation of local revenues and expenditures
		Total	Including			
			Centralized amount relevant to the local revenues of the cities and regions	Amount relevant to the "Motor Roads" Purpose Budget Fund		
	<b>Cities</b>					
	Baku	5 885 000 000	212 176 186	39 926 000	212 176 186	
	Ganja	33 449 000	32 133 000	1 316 000	60 933 390	28 800 390
	Sumgayit	72 708 000	70 857 900	1 850 100	70 857 900	
	Lankaran	14 146 000	13 482 000	664 000	34 858 491	21 376 491
	Shaki	17 492 000	16 954 000	538 000	36 363 582	19 409 582

	Yevlakh	11 794 000	11 422 000	372 000	23 142 155	11 720 155
	Mingachevir	24 058 000	23 754 000	304 000	30 426 999	6 672 999
	Shirvan	16 564 000	15 955 800	608 200	15 955 800	
	Naftalan	2 345 000	2 315 000	30 000	3 545 072	1 230 072
	Khankandi					
	<b>Regions</b>					
	Absheron	31 990 000	27 684 300	4 305 700	27 684 300	
	Aghjabadi	6 179 000	5 814 000	365 000	24 013 801	18 199 801
	Aghdam	5 008 000	4 826 000	182 000	35 469 988	30 643 988
	Aghdash	5 161 000	5 029 000	132 000	20 151 831	15 122 831
	Aghstafa	3 866 000	3 660 000	206 000	16 582 121	12 922 121
	Aghsu	3 108 000	2 810 000	298 000	13 022 781	10 212 781
	Astara	9 653 000	4 623 000	5 030 000	18 755 031	14 132 031
	Balakan	4 056 000	3 024 000	1 032 000	15 988 353	12 964 353
	Beylagan	6 374 000	6 240 000	134 000	15 842 142	9 602 142
	Barda	9 556 000	9 360 000	196 000	28 690 806	19 330 806
	Bilasuvar	4 738 000	3 716 000	1 022 000	15 232 240	11 516 240
	Jabrayil	1 407 000	1 331 000	76 000	11 895 390	10 564 390
	Jalilabad	6 771 000	6 459 000	312 000	31 284 621	24 825 621
	Dashkasan	2 379 000	2 337 000	42 000	11 563 641	9 226 641
	Fuzuli	5 343 000	5 252 000	91 000	26 742 105	21 490 105
	Gadabay	3 771 000	3 627 000	144 000	24 190 848	20 563 848
	Goranboy	4 171 000	4 057 000	114 000	24 119 077	20 062 077
	Goychay	7 867 000	7 761 000	106 000	21 498 182	13 737 182
	Goygol	3 865 000	3 774 000	91 000	14 783 783	11 009 783



	Hajygabul	4 028 000	3 855 000	173 000	10 507 782	6 652 782
	Khachmaz	19 545 000	18 896 000	649 000	29 430 214	10 534 214
	Khizi	1 573 000	1 546 000	27 000	5 465 763	3 919 763
	Khojali	342 000	322 000	20 000	3 492 180	3 170 180
	Khojavand	668 000	630 000	38 000	4 697 174	4 067 174
	Imishli	14 346 000	14 144 000	202 000	19 502 358	5 358 358
	Ismayilli	4 758 000	4 676 000	82 000	19 715 884	15 039 884
	Kalbajar	1 367 000	1 343 000	24 000	19 627 800	18 284 800
	Kurdamir	6 161 000	6 059 000	102 000	18 113 802	12 054 802
	Gakh	3 112 000	3 032 000	80 000	16 111 416	13 079 416
	Gazakh	5 188 000	4 900 000	288 000	19 775 930	14 875 930
	Gabala	8 783 000	8 632 000	151 000	19 707 805	11 075 805
	Gobustan	2 359 000	2 291 000	68 000	8 223 098	5 932 098
	Guba	15 078 000	14 738 000	340 000	29 646 895	14 908 895
	Gubadli	2 824 000	2 743 000	81 000	10 015 387	7 272 387
	Gusar	5 629 000	5 525 000	104 000	18 763 084	13 238 084
	Lachin	1 990 000	1 924 000	66 000	20 069 572	18 145 572
	Lerik	1 919 000	1 887 000	32 000	16 759 460	14 872 460
	Masalli	7 597 000	7 386 000	211 000	25 953 507	18 567 507
	Neftchala	4 643 000	4 513 000	130 000	15 348 078	10 835 078
	Oghuz	2 465 000	2 406 000	59 000	10 730 880	8 324 880
	Saatli	6 358 000	6 264 000	94 000	17 947 187	11 683 187
	Sabirabad	8 256 000	8 034 000	222 000	26 326 759	18 292 759
	Salyan	7 562 000	7 348 000	214 000	23 584 193	16 236 193
	Samukh	2 684 000	2 606 000	78 000	12 129 296	9 523 296

	Siyazan	3 105 000	3 049 000	56 000	7 909 998	4 860 998
	Shabran	4 394 000	4 323 000	71 000	10 970 177	6 647 177
	Shamakhi	6 664 000	6 536 000	128 000	19 579 046	13 043 046
	Shamkir	8 528 000	8 069 000	459 000	37 958 795	29 889 795
	Shusha	1 366 000	1 354 000	12 000	6 676 701	5 322 701
	Tartar	4 040 000	3 936 000	104 000	15 096 330	11 160 330
	Tovuz	12 454 000	6 216 000	6 238 000	32 569 128	26 353 128
	Ujar	3 790 000	3 694 000	96 000	15 438 657	11 744 657
	Yardimli	1 832 000	1 799 000	33 000	13 082 332	11 283 332
	Zagatala	6 647 000	6 450 000	197 000	23 515 365	17 065 365
	Zangilan	2 185 000	2 157 000	28 000	8 365 603	6 208 603
	Zardab	2 941 000	2 885 000	56 000	13 571 748	10 686 748
	<b>Total:</b>	<b>6 400 000 000</b>	<b>696 602 186</b>	<b>70 500 000</b>	<b>1 512 150 000</b>	<b>815 547 814</b>

#### **Article 11.**

Regulation of expenditures for Baku City envisaged in Article 10 of this law is carried out by corresponding executive power body by increasing and decreasing, respectively not more than 2 percent-item, the norms of allocation from Baku City incomes envisaged in articles 6.1 and 7.1 of this law to the state budget centralized incomes and Baku City local incomes

#### **Article 12.**

The amounts of the payments under the domestic and foreign public debts of the Republic of Azerbaijan in 2012 shall be approved as follows:

12.1. under the domestic public debt	133.351.490,0
12.1.1. repayment of interests	30.264.508,0

12.1.2. repayment of principals	103.086.982,0
12.2. under the external public debt	647.336.077,0
12.2.1. repayment of interests	165.126.355,0
12.2.2. repayment of principals	482.209.722,0

**Article 13.**

The upper limit of the domestic public debts of the Republic of Azerbaijan in 2013 shall be approved to be 2 000 000,0 thousand manats and the upper limit of the foreign public debts shall be approved to be 750 000,0 thousand manats.

**Article 14.**

In accordance with Article 7 of Law of the Republic of Azerbaijan 'On budget system', in the course of fulfillment of state budget, the secured expenditure items shall be financed in the first turn, and the expenditures stipulated in other expenditure items shall be financed thereafter, depending on the receipt of revenues and taking into account the established limits of the deficit.

**Article 15.**

The upper limit of the state budget deficit shall be approved in the amount of 691 000,0 thousand manats. It shall be financed out of the revenues from privatization, domestic and foreign debts, sales of securities in foreign markets, paid services of organizations funded from state budget and the whole amount of the surplus of the single budget account till 1 January 2013.

**Article 16.**

The upper limit of the expenditures of the consolidated budget of the Republic of Azerbaijan for 2013 shall be stipulated in the amount of 24 500 055,4 thousand manats.

**Article 17.**

The deficit of the consolidated budget of the Republic of Azerbaijan for 2013 shall be stipulated in the amount of 15 590 281,6 thousand manats, irrespective of the revenues of the State Oil Fund of the Republic of Azerbaijan.

**Article 18.**

The present law comes into force from 1 January 2013.

**Ilham Aliyev,**

**President of the Republic of Azerbaijan.**

Baku, 30 November 2012

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