

THE LAW OF THE REPUBLIC OF AZERBAIJAN

On the state budget of the Republic of Azerbaijan for 2018

The Milli Mejlis of the Republic of Azerbaijan is making the following decision referring the provision 5 of the 1st chapter of the article 95 of the Constitution of the Republic of Azerbaijan:

The Article 1. The income of the state budget of the Republic of Azerbaijan for 2018 shall be approved in amount of 20 127 000.0 thousand AZN, the expenditures shall be approved in amount of 21 047 000.0 thousand AZN (including the centralized incomes in amount of 19 473 650.0 thousand AZN, local incomes in amount of 653 350.0 thousand AZN, and centralized expenditures in amount of 20 323 075.0 thousand AZN, local expenditures in amount of 723 925.0 thousand AZN).

The Article 2. The incomes of the state budget of the Republic of Azerbaijan for 2018 shall be considered in following amounts on the income sources:

No.	Source of income	Amount (thousand AZN)
1	2	3
2.1.	Income tax of physical entities	1 196 000.0
2.2.	Profit (income) tax of legal entities	2 320 000.0
2.3.	Land tax of legal entities	50 000.0
2.4.	Property tax of legal entities	182 000.0
2.5.	Value Added Tax	4 288 000.0
2.6.1.	Value Added Tax for import of goods into the Republic of Azerbaijan	1 705 000.0
2.6.	Simplified tax	380 000.0
2.7.	Excise	726 000.0
2.7.1.	Excise for import of goods into the Republic of Azerbaijan	172 000.0
2.8.	Road tax (toll)	91 000.0
2.8.1.	Tax paid for import of fuel to the Republic of Azerbaijan and road tax paid by the owners of vehicles of foreign countries	18 000.0
2.9.	Extraction tax	136 000.0
2.10.	Custom duties	535 000.0
2.11.	Incomes received from variations between the in country wholesale prices and contract (procurement) prices of goods (excluding the import prices) produced in the Republic of Azerbaijan with regulated prices	177 000.0
2.12.	Incomes received from the credits provided to foreign countries from the Budget	68 529.0
2.13.	Dividends received from the entities with state shares on their stock	3 180.0
2.14.	Incomes from the State Oil Fund (upper limit of transfer)	9 216 000.0
2.15.	Incomes from the rent of lands under the state property, privatized entities and facilities	8 000.0
2.16.	Incomes from the rent of lands under the state property	8 000.0
2.17.	State fees	112 000.0
2.18.	Incomes on chargeable services of budget organizations	460 000.0

2.19.	Other incomes collected by tax authorities	136 000.0
2.21.	Other incomes	34 291.0

The Article 3. It shall be defined that “Roads” on Purpose Budget Fund is formed on the basis of the following income sources of the state budget:

3.1.	The “Roads” on Purpose Budget Fund	333 000.0
3.1.1.	Road tax	91 000.0
3.1.2.	Simplified tax paid by the persons conducting transportation of passengers and goods with the vehicles under their property exploitation	7 000.0
3.1.3.	Excise applied to imported cars	30 000.0
3.1.4.	Customs fees applied to imported cars	41 000.0
3.1.5.	State fee charged for permissions regulating international vehicle transportations within the Republic of Azerbaijan	15 000.0
3.1.6.	State fee charged for annual technical survey of vehicles, including motorcycles, trailers and semitrailers	16 000.0
3.1.7.	Funds allocated from the centralized incomes of the state Budget of the Republic of Azerbaijan for 2018	133 000.0

The Article 4. The tax incomes to the state budget of the Republic of Azerbaijan for 2018 are calculated in accordance to the tax rates defined on the Tax Code of the Republic of Azerbaijan.

The Article 5. The collection to the state budget is defined in 30 percent of the variations between the in country wholesale prices and contract (procurement) prices of goods (excluding the import prices) produced in the Republic of Azerbaijan with regulated tax and these collections are not incorporated into taxpayers’ taxes, percentages, financial sanctions and administrative fines.

The Article 6. The centralized incomes of the state budget of the Republic of Azerbaijan for 2018 are formed based on following sources:

6.1. The incomes after local expenditures of the cities and districts for 2018 defined by the Article 10 of this law (except the ones included to the “Roads” on Purpose Budget Fund)

6.2. customs fees, Value Added Tax and excise for import of goods into the Republic of Azerbaijan (excluding the collection from the custom structures of Nakhchivan Autonomous Republic), incomes from the rent of lands under state property, privatized state entities and facilities, incomes from the loans provided to the governments of foreign countries, dividends from companies with state shares in their stock, incomes from the State Oil Fund of the Republic of Azerbaijan, incomes from the sale of excise labels, other incomes, incomes from chargeable services of budget entities funded from the centralized state expenditures, incomes of “Roads” on Purpose Budget Fund (total amount)

The Article 7. Incomes of district and cities for 2018, defined by the Article 10 of this Law, in amount not exceeding local expenditures of respective district and cities forms their local revenues.

The Article 8. The expenditures of the state budget of the Republic of Azerbaijan for 2018 are directed to the following purposes in the level of sectors of functional classification and supplementary sectors:

No.	Directions of expenditures	Amount (in AZN)
1.	2.	3.
8.1.	General state services	3 622 839 062.0
8.1.1.	Maintenance cost of legislation and executive power bodies	656 928 433.0
8.1.2.	International activities and costs for membership fees to international organizations	215 700 000.0
8.1.3.	Science expenditures	128 060 175.0
8.1.4.	General state services costs not related to other categories	72 272 931.0
8.1.5.	Expenditures related to maintenance of state debts and commitments	2 262 777 523.0
8.1.6.	Subsidiaries allocated to local budgets (municipalities)	5 200 000.0
8.1.7.	Subsidiaries to Nakhchivan Autonomous Republic	281 900 000.0
8.2.	Defense	2 738 721 836.0
8.2.1.	Security forces	1 366 267 865.0
8.2.2.	National security	111 658 826.0
8.2.3.	Applied researches in field of defense and security	2 663 347.0
8.2.4.	Expenditures not related to other categories	1 258 131 798.0
8.3.	Judicial power, law enforcement and prosecution bodies	1 329 535 133.0
8.3.1.	Judicial power	54 346 645.0
8.3.2.	Law enforcement	974 751 945.0
8.3.3.	Prosecution	58 270 259.0
8.3.4.	Expenditures not related to other categories	242 166 284.0
8.4.	Education	2 001 978 015.0
8.4.1.	Pre-school	175 314 065.0
8.4.2.	Primary school	1 082 159 571.0
8.4.3.	Specialization school	27 977 633.0
8.4.4.	Secondary school	41 302 250.0
8.4.5.	Higher education	42 716 929.0
8.4.6.	Tertiary education	3 743 051.0
8.4.7.	Other bodies and events in education	628 764 516.0
8.5.	Healthcare	739 334 330.0
8.5.1.	Polyclinics and ambulatory hospitals	109 566 549.0
8.5.2.	Hospitals	349 195 543.0
8.5.3.	Other services in healthcare field	6 608 160.0
8.5.4.	Applied researches in healthcare	5 12 214.0
8.5.5.	Other services related to healthcare	268 851 864.0
8.6.	Social protection and social security	2 197 182 103.0
8.6.1.	Social protection expenditures	2 163 420 302.0
8.6.1.1.	Allocations (transfers) from the state budget to the State Social Protection Fund of the Republic of Azerbaijan	1 300 000 000.0
8.6.2.	Social security expenditures	33 701 801.0
8.6.3.	Applied researches in social security and social protection	60 000.0
8.7.	Activities in the field of culture, art, information, sport and fields not related to other categories	306 126 560.0
8.7.1.	Activities in the field of culture and art	128 547 661.0

8.7.2.	Radio, TV and print media	57 721 175.0
8.7.3.	Sport, youth policy and tourism	44 590 913.0
8.7.4.	Activities not related to other categories	75 266 811.0
8.8.	Housing and communal services	458 558 557.0
8.8.1.	Housing services	61 206 293.0
8.8.2.	Communal services	345 056 129.0
8.8.3.	Water economy	33 961 000.0
8.8.4.	Other services related to housing and communal services	18 335 135.0
8.9.	Fuel and energy	8 016 600.0
8.9.1.	Energy complex	6 995 000.0
8.9.2.	Applied researches in the field of fuel and energy complex	1 021 600.0
8.10.	Agriculture, forestry, fishery, hunting and protection of environment	656 259 888.0
8.10.1.	Agriculture	616 598 035.0
8.10.2.	Forestry	13 068 738.0
8.10.3.	Fishery and hunting	2 888 772.0
8.10.4.	Protection of environment	15 924 935.0
8.10.5.	Hydrometeorology activities	7 779 408.0
8.11.	Industry, construction and natural fossils	4 844 376 000.0
8.11.1.	Construction	4 827 476 000.0
8.11.1.1.	State investment (investment costs)	4 824 200 000.0
8.11.2.	Natural fossils	12 900 000.0
8.11.3.	Geodesy and cartography	4 000 000.0
8.12.	Transportation and communication	166 790 678.0
8.12.1	Transportation	110 286 678.0
8.12.2.	Communication	56 504 000.0
8.13.	Economic activity	245 511 000.0
8.13.1.	Economic and commercial activities	196 481 000.0
8.13.1.1.	Support to entrepreneurship	46 481 000.0
8.13.1.2.	Support to mortgage loans	150 000 000.0
8.13.2.	Other fields of economic activities	49 030 000.0
8.14.	Services not related to main sectors	1 731 770 238.0
8.14.1.	On purpose budget funds	333 000 000.0
8.14.1.1.	“Roads” on purpose Budget Fund	333 000 000.0
8.14.2.	Reserve funds	404 000 000.0
8.14.2.1.	Reserve Fund of the President of the Republic of Azerbaijan	304 000 000.0
8.14.2.2.	The Reserve Fund of the State Budget	100 000 000.0
8.14.3.	Other expenditures not related to main sectors	994 770 238.0
8.14.3.1.	Expenditures related to the holding of international and local events	20 000 000.0
8.14.3.2.	Expenditures related to elimination of the results of emergency situations	20 000 000.0
8.14.3.3.	Expenditures related to other services	954 770 238.0

The Article 9. The expenditures of the state budget of the Republic of Azerbaijan for 2018 are approved in the level of paragraphs of functional and economic classification in amount provided in the annex of this Law.

The Article 10. The incomes on the cities and districts of the Republic of Azerbaijan shall be approved in the amount of 7 907 000 000.0 AZN, including the amount related to “Roads” on Purpose Budget Fund in the amount of 111 000 000.0 AZN, local expenditures 723 925 000.0 AZN, part of incomes after local expenditures and related to centralized incomes in the amount of 7 142 650 000.0 AZN, the maximum amount of allocation from centralized expenditures for regulating local incomes and expenditures in the amount of 70 575 000.0 AZN; including:

(in AZN)

No.	Name of cities and districts	Incomes		Local expenditures	The minimum Level of incomes after the local expenditures and related to centralized incomes	The maximum level of allocation from centralized expenditures for regulating local incomes and expenditures
		Total	Including Amount related to “Roads” on Purpose Budget Fund			
1	2	3	4	5	6	7
	Cities:					
1	Baku	7 283 800 000	88 516 000	211 311 000	6 983 973 000	0
2	Ganja	46 316 000	800 000	33 534 000	11 982 000	0
3	Lankaran	17 215 000	813 000	14 051 000	2 351 000	0
4	Mingachevir	21 220 000	60 000	12 212 000	8 948 000	0
5	Naftalan	3 950 000	4 000	2 524 000	1 422 000	0
6	Sumgait	88 510 000	848 000	45 186 000	42 476 000	0
7	Shaki	19 698 000	840 000	15 106 000	3 752 000	0
8	Shirvan	16 857 000	531 000	8 049 000	8 277 000	0
9	Yevlakh	14 638 000	740 000	5 442 000	8 456 000	0
10	Khankandi					
	Districts					
11	Absheron	36 280 000	112 000	13 179 000	22 989 000	0
12	Agjabedi	9 561 000	431 000	8 940 000	190 000	0
13	Aghdam	4 806 000	34 000	10 099 000	0	5 327 000
14	Agdash	5 280 000	26 000	4 416 000	838 000	0
15	Aghstafa	4 767 000	54 000	7 497 000	0	2 784 000
16	Aghsu	3 867 000	287 000	5 923 000	0	2 343 000
17	Astara	10 383 000	4 614 000	6 260 000	0	491 000
18	Balakan	5 442 000	1 320 000	6 477 000	0	2 355 000
19	Beylagan	7 899 000	34 000	6 010 000	1 855 000	0
20	Barda	10 946 000	54 000	10 892 000	0	0
21	Bilasuvar	7 332 000	1 618 000	5 714 000	0	7 332 000
22	Jabrail	1 103 000	28 000	2 446 000	0	1 371 000
23	Jalilabad	7 397 000	44 000	10 140 000	0	2 787 000
24	Dashkesen	2 733 000	4 000	3 771 000	0	1 042 000
25	Fuzuli	6 330 000	16 000	9 280 000	0	2 966 000
26	Gadabay	4 770 000	20 000	8 855 000	0	4 105 000
27	Goranboy	4 833 000	8 000	8 078 000	0	3 253 000

28	Goychay	8 869 000	40 000	8 829 000	0	0
29	Goygol	4 505 000	9 000	5 890 000	0	1 394 000
30	Hajigabul	5 305 000	13 000	3 904 000	1 388 000	0
31	Khachmaz	21 522 000	2 492 000	11 458 000	7 572 000	0
32	Khizi	2 031 000	3 000	2 822 000	0	794 000
33	Khojali	427 000	4 000	1 356 000	0	933 000
34	Khojavand	621 000	10 000	2 395 000	0	1 784 000
35	Imishli	21 912 000	271 000	6 820 000	14 821 000	0
36	Ismayilli	7 765 000	19 000	6 837 000	909 000	0
37	Kalbajar	1 174 000	2 000	3 301 000	0	2 129 000
38	Kurdamir	7 275 000	14 000	6 182 000	1 079 000	0
39	Gakh	3 780 000	20 000	7 853 000	0	4 093 000
40	Gazakh	9 738 000	36 000	9 363 000	339 000	0
41	Gabala	14 930 000	35 000	6 859 000	8 036 000	0
42	Gobustan	3 006 000	6 000	3 448 000	0	448 000
43	Guba	13 987 000	62 000	8 919 000	5 006 000	0
44	Gubadli	2 573 000	2 000	2 117 000	454 000	0
45	Gusar	6 699 000	30 000	6 471 000	198 000	0
46	Lachin	1 916 000	72 000	5 647 000	0	3 803 000
47	Lerik	2 201 000	7 000	5 300 000	0	3 106 000
48	Masalli	8 951 000	41 000	8 210 000	700 000	0
49	Neftchala	6 480 000	32 000	6 448 000	0	0
50	Oghuz	2 950 000	31 000	5 057 000	0	2 138 000
51	Saatli	8 369 000	10 000	7 207 000	1 152 000	0
52	Sabirabad	11 180 000	20 000	8 247 000	2 913 000	0
53	Salyan	10 573 000	25 000	10 548 000	0	0
54	Samukh	2 877 000	68 000	4 784 000	0	1 975 000
55	Siyazan	3 225 000	15 000	3 210 000	0	0
56	Shabran	4 470 000	33 000	4 300 000	137 000	0
57	Shamakhi	8 079 000	30 000	7 612 000	437 000	0
58	Shamkir	13 021 000	50 000	16 608 000	0	3 637 000
59	Shusha	1 109 000	4 000	2 055 000	0	950 000
60	Tartar	4 913 000	12 000	7 366 000	0	2 465 000
61	Tovuz	15 577 000	5 481 000	12 780 000	0	2 684 000
62	Ujar	4 374 000	16 000	5 939 000	0	1 581 000
63	Yardimli	2 191 000	9 000	4 438 000	0	2 256 000
64	Zagatala	7 844 000	98 000	9 951 000	0	2 205 000
65	Zangilan	1 641 000	4 000	1 940 000	0	303 000
66	Zardab	3 007 000	18 000	6 062 000	0	3 073 000
	Total	7 907 000 000	111 000 000	723 925 000	7 142 650 000	70 575 000

The Article 11. In case, incomes of cities and districts, as well as the highest verge of funds allocated for regulation of local incomes and expenditures are not enough to cover local expenditures, relevant executive authority allocates funds not more than 10 percent of expenditures of those cities and districts to ensure financing of local expenditures identified in the Article 10 of this Law.

The Article 12. The amounts of payment of internal and foreign state debts of the Republic of Azerbaijan

for 2018 shall be approved as following (in AZN):

12.1.	On internal state budget	103 180 383.0
12.1.1.	Interest rate	80 173 398.0
12.1.2.	On the main loan	23 006 985.0
12.2.	On foreign state debt	2 159 597 140.0
12.2.1.	Interest rate	533 591 421.0
12.2.2.	On the main loan	1 626 005 719.0

The Article 13. The highest verge (limit) of internal state debt of the Republic of Azerbaijan for 2018 shall be approved in the amount of 700 000.0 thousand AZN and the highest verge (limit) of the foreign state debt shall be approved in the amount of 2 150 000.0 thousand AZN. The highest verge (limit) of the state guarantee during the year shall approved in the amount of 4 000 000.0 thousand AZN.

The Article 14. According to the Article 7 of the Law of the Republic of Azerbaijan on the “Budget system” within the process of execution of the state budget the justified provisions for expenditures are financed prior, the rest of the provisions for expenditures are financed depending on conditions of transfers on sources of funding of incomes and deficit of the state budget.

The Article 15. The highest verge (limit) of the state budget deficit shall be approved in the amount of 920 000.0 thousand AZN. Its funding in the amount of 891 000 AZN shall be implemented from the transfers form privatization and other sources (transfers from internal and foreign debts and from the united treasure account of the state budget for January 1, 2018), and from European Union grants in the amount of 29 000 AZN.

The Article 16. The highest verge of expenditures of summary budget of the Republic of Azerbaijan for 2018 shall be approved in the amount of 24 936 733.6 thousand AZN.

The Article 17. The budget deficit of the summary of budget of the Republic of Azerbaijan for 2018 shall be approved in the amount of 12 389 746.0 thousand AZN without taking into consideration the incomes of the State Oil Fund of the Republic of Azerbaijan.

The Article 18. This Law is coming into force starting from January 1, 2018.

Ilham Aliyev

President of the Republic of Azerbaijan

Baku, December 1, 2017