

THE LAW OF THE REPUBLIC OF AZERBAIJAN

On the state budget of the Republic of Azerbaijan for 2014

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

The Article 1. The income of the state budget of Azerbaijan Republic for 2014 shall be approved in amount of 18,384,000. thousand AZN, the expenditures shall be approved in amount of 20,063,000.0 thousand AZN (including the centralized incomes in amount of 17,601,576.0 thousand AZN, local incomes in amount of 782,424.0 thousand AZN, and centralized expenditures in amount of 18,433,551 thousand AZN, local expenditures in amount of 1,629,449.0 thousand AZN).

The Article 2. The incomes of the state budget of Azerbaijan Republic for 2014 shall be considered in following amounts on the income sources:

Sources of incomes	Amount (thousand manat)
2.1. Income tax of physical entities	882,000.0
2.2. Profit (income) tax of legal entities	2,217,000.0
2.3. Land tax of legal entities	48,000.0
2.4. Property tax of legal entities	132,000.0
2.5. Value Added Tax	3,209,000.0
2.5.1. Value Added Tax for import of goods into Azerbaijan Republic	1,070,000.0
2.6. Simplified tax	130,000.0
2.7. Excise	874,500.0

2.7.1.	Excise for import of goods into Azerbaijan Republic	90,000.0
2.8.	Road tax (toll)	69,500.0
2.8.1.	Road tax paid by the owners of vehicles of foreign countries	20,000.0
2.9.	Extraction tax	116,000.0
2.10.	Customs duties	330,000.0
2.11.	Incomes received from variations between the in country wholesale prices and contract (procurement) prices of goods (excluding the import prices) produced in Azerbaijan Republic with regulated prices	313,000.0
2.12.	Incomes received from the credits provided form the Budget	4,026.0
2.13.	Incomes on the loans received from the credit institutions with the state guarantee of Azerbaijan Republic	2,525.0
2.14.	Incomes on the loans provided to the governments of foreign countries	3,074.0
2.15.	Dividends received from the entities with state shares on their stock	1,980.0
2.16.	Incomes on management of remainder of the single treasury account (unissued remainder)	4,735.0
2.17.	Incomes from the State Oil Fund	9,337,000.0
2.18.	Incomes from the rent of lands under the state property, privatized entities and facilities	5,000.0
2.19.	Incomes from the rent of lands under the state property	8,000,0
2.20.	Incomes from the sale of excise labels	3,000.0
2.21.	State fees	123,000,0
2.22.	Incomes on restoration of “Guarantee Fund for the loans received with state guarantee”	10,660.0
2.23.	Incomes on chargeable services of budget organizations	400,000.0

2.24. Other incomes accumulated through tax bodies 160,000,0

Article 3. It shall be defined that the “Roads” on Purpose Budget Fund and “Guarantee Fund for the loans received with state guarantee” are formed on the basis of the following income sources of the state budget:

3.1.	The “Roads” on Purpose Budget Fund	214,000,0
3.1.1.	Road tax	69,500,0
3.1.2.	Simplified tax paid by the persons conducting transportation of passengers and goods with the vehicles under their property or exploitation	10,000.0
3.1.3.	Excise applied to the imported cars	56,400,0
3.1.4.	Custom fee applied to the imported cars	52,600.0
3.1.5.	State fee charged for permissions regulating international vehicle transportations within the Azerbaijan Republic	13,500.0
3.1.6.	State fee charged for annual technical survey of vehicles, including motorcycles, trailers and semi - trailers	12,000.0
3.2.	“Guarantee Fund for the loans received with state guarantee”	324,000.0
3.2.1.	Incomes on the loans received from the credit institutions with the state guarantee of Azerbaijan Republic	2,525.0
3.2.2.	Incomes on restoration of “Loans received with state guarantee to the Guarantee Fund”	10,660.0
3.2.3	Funds allocated from the centralized incomes of the state budget, excluding revenues specified in the provisions 2.13, 2.22 and 3.1.1.-3.1.6 of the Law of the Republic of Azerbaijan “on the state budget of the Republic of Azerbaijan for 2014”.	310,815.0

Article 4. The tax incomes to the state budget of Azerbaijan Republic for 2014 are calculated in accordance to the tax rates defined on the Tax Code of the Republic of Azerbaijan.

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 Azerbaijan Republic with regulated prices.

It should be defined that the calendar month is considered as a reporting period for the collection for 2014 and next years. The collection is transferred to the state budget not later than 20th of the next month after the reporting period and a report is submitted in a form defined by the corresponding executive body to that executive body on behalf of the organizations implementing the collection. The percentage rates are calculated and financial sanction is applied in accordance to the Tax Code of Azerbaijan Republic for delay in payment of collections, decrease and delay of submission of report before the deadline.

Article 6. The centralized incomes of the state budget of the Republic of Azerbaijan for 2014 are formed on the basis of allocations on the norms provided from the following sources:

6.1.	Incomes on Baku city (except the ones included to the “Roads” on Purpose Budget Fund)	96.56 percent
6.2.	The incomes on the following sources: Custom fees, value added tax and excise for import of goods into Azerbaijan Republic (excluding the collection from the custom structures of Nakhchivan Autonomous Republic), incomes from the rent of lands under the state property, privatized entities and facilities, incomes on the loans provided to the governments of foreign countries, dividends received from the entities with state shares on their stock, incomes on the loans received from the credit institutions with the state guarantee of Azerbaijan Republic, Incomes on management of remainder of the single treasury account (unissued remainder), incomes from the State Oil Fund, incomes from the sale of excise labels, incomes received from the credits provided from the state budget, incomes on chargeable services of budget organizations financed at the centralized expenditures of the state budget, incomes on restoration of “Loans received with state guarantee to the Guarantee Fund”, profits of the “Roads” on Purpose Budget Fund.	100.0 percent

Article 7. The followings are given to the local incomes of cities and districts:

7.1. On Baku city (excluding the incomes related to the “Roads” on Purpose Budget Fund and incomes on chargeable services of budget organizations financed at the local expenditures of the state budget) – 3.44 percent of the incomes on Baku city;

7.2. On other cities and districts (excluding the incomes related to the “Roads” on Purpose Budget Fund) – 100 percent of incomes on corresponding cities and districts, as well as tax calculated from the tax payers operating in the territories of cities and districts and registered at the ministry of taxes in centralized order, property and land taxes.

Article 8. The expenditures of the state budget of Azerbaijan Republic for 2014 are directed to the following purposes in the level of sectors of functional classification and supplementary sectors:

Directions of expenditures		Amount (in AZN)
8.1.	General state services	1,997,541,608.0
8.1.1.	Legislation and executive power bodies, maintenance costs for local municipality authorities	526,437,047.0
8.1.2.	International activities and costs for membership fees to international organizations	205,413,677.0
8.1.3.	Science expenditures	146,815,903.0
8.1.4.	General state services costs not related to other categories	49,472,921.0
8.1.5.	Expenditures related to maintenance of state debts and commitments	780,502,060.0
8.1.6.	Subsidiaries allocated for local budgets (municipalities)	5,200,000.0
8.1.7.	Subsidiaries allocated to the budget of Nakhchivan Autonomous Republic	283,700,000.0
8.2.	Defense	1,637,362,284.0
8.2.1.	Security forces	1,525,351,557.0
8.2.2.	national security	106,318,488.0
8.2.3.	Applied research in the field of defense and security	2,758,805.0
8.2.4.	Expenditures not related to other categories	2,933,434.0
8.3.	Judicial authority, law – enforcement and prosecution bodies	1,240,297,642.0
8.3.1.	Judicial authority	59,392,983.0
8.3.2.	law – enforcement	928,580,510.0
8.3.3.	Prosecution	49,398,499.0

Directions of expenditures		Amount (in AZN)
8.3.4.	Expenditures not related to other categories	202,925,650.0
8.4.	Education	1,653,445,192.0
8.4.1.	Pre – school and primary education	158,653,570.0
8.4.2.	high and college education	851,029,044.0
8.4.3.	boarding and special schools	43,230,390.0
8.4.4.	technical – vocational schools and lyceums	78,614,372.0
8.4.5.	Higher education	32,978,063.0
8.4.6.	Applied research in the field of education	5,024,398.0
8.4.7.	other services in the field of education	483,915,355.0
8.5.	Healthcare	725,586,166.0
8.5.1.	Polyclinics and ambulatory hospitals	106,051,025.0
8.5.2.	Hospitals	367,188,628.0
8.5.3.	Other services in the field of healthcare	6,182,339.0
8.5.4.	Applied research in the field of healthcare	5,592,580.0
8.5.5.	other services in the field of healthcare	240,571,594.0
8.6.	Social protection and social security	2,072,233,879.0
8.6.1.	social protection expenditures	2,044,000,385.0
8.6.1.1.	allocations (transfers) from the state budget to the State Social Protection Fund of Azerbaijan Republic	1,142,033,600.0
8.6.2.	social security costs	28,233,494.0
8.7.	Activities in the field of culture, art, information, sport and fields not related to other categories	311,410,550.0
8.7.1.	activities in the field of culture and art	140,740,819.0
8.7.2.	radio, TV and print media	66,701,721.0
8.7.3.	sport, youth policy and tourism	53,584,324.0
8.7.4.	activities not related to other categories	50,383,686.0
8.8.	Housing and communal services	457,144,043.0
8.8.1.	Housing services	77,593,449.0
8.8.2.	communal services	335,219,642.0
8.8.3.	water economy	16,114,714.0
8.8.4.	other services related to housing and communal services	28,216,238.0
8.9.	Fuel and energy	3,487,480.0
8.9.1.	energy complex	3,487,480.0
8.10.	Agriculture, forestry, fishery, hunting and protection of	562,887,241.0

Directions of expenditures		Amount (in AZN)
	environment	
8.10.1.	Agriculture	535,979,005.0
8.10.2.	forestry	11,716,759.0
8.10.3.	fishery and hunting	2,838,358.0
8.10.4.	protection of environment	4,495,359.0
8.10.5.	hydrometeorology activities	7,857,760.0
8.11.	Industry, construction and natural fossils	6,281,954,730.0
8.11.1.	industry	2,000,000.0
8.11.2.	construction	6,262,776,128.0
8.11.2.1.	state investment (investment costs)	6,260,000,000.0
8.11.3.	natural fossils	17,178,602.
8.12.	Transportation and communication	121,437,589.0
8.12.1.	Transportation	82,573,891.0
8.12.2.	Communication	38,863,698.0
8.13.	Economic activity	328,156,825.0
8.13.1.	Economic and commercial activity	242,500,000.0
8.13.1.1.	support to entrepreneurship	202,500,000.0
8.13.1.2.	support to mortgage loans	40,00,000.0
8.13.2.	other fields of economic activity	83,656,825.0
8.13.3.	practical and applied research on the fields of economic activities	2,000,000.0
8.14.	Services not related to main sectors	2,670,054,771.0
8.14.1.	on the purpose budget funds	538,000,000.0
8.14.1.1.	The "Roads" on Purpose Budget Fund	214,000,000.0
8.14.1.2.	"Guarantee Fund for the loans received with state guarantee"	324,000,000.0
8.14.2.	reserve funds	710,000,000.0
8.14.2.1.	Reserve Fund of the President of the Republic of Azerbaijan	367,000,000.0
8.14.2.2.	The Reserve Fund of the state budget	343,000,000.0
8.14.3.	Other expenditures not related to main sectors	1,422,054,771.0
8.14.3.1.	Expenditures on special projects and activities of defense	1,172,000,000.0
8.14.3.2.	Expenditures on other services	250,054,771.0

Article 9. The expenditures of the state budget of Azerbaijan Republic for 2014 are approved in the level of paragraphs of functional and economic classification in amount provided on the annex of this Law.

Article 10: The incomes on the cities and districts of Azerbaijan Republic shall be approved in amount of 7,102,000,000.0 AZN, including the amount related to local incomes of cities and districts in amount of 779,454,000.0 AZN, the amount related to the “Roads” on Purpose Budget Fund in amount of 85,000,000.0 AZN, e.g. having local expenditures in amount of 1,626,479,000.0, the amount extracted from the centralized expenditures for regulation of local incomes and expenditures in amount of 847,025,000.0 AZN.

The incomes on chargeable expenditures and expenditures of budget organizations financed at the local expenditures of of the state budget of those cities and districts shall be approved correspondingly in amount of 2,970,000.0 and 2,970,000.0 AZN.

Amount (in AZN)						
	Name of cities and districts	Incomes			Expenditures	The amount extracted from the centralized expenditures for regulation of local incomes and expenditures
		Total	including			
			The amount related to local incomes of cities and districts	The amount related to the “Roads” on Purpose Budget Fund		
Cities:						
1	Baku	6 524 000 000	222 216 000	64 238 000	222 216 000	
2	Gandja	40 100 000	39 294 000	806 000	65 891 000	26 597 000
3	Sumgayit	77 165 500	76 103 000	1 062 500	76 103 000	
4	Lankaran	15 572 000	15 348 000	224 000	37 762 000	22 414 000
5	Shaki	20 804 000	20 526 000	278 000	38 705 000	18 179 000
6	Yevlakh	13 512 000	13 084 000	428 000	24 499 000	11 415 000
	Mingachevi					
7	r	32 892 000	32 727 000	165 000	32 727 000	
8	Shirvan	17 796 000	17 217 000	579 000	17 217 000	
9	Naftalan	2 500 000	2 488 000	12 000	3 867 000	1 379 000
10	Khankandi					
Regions:						
11	Absheron	32 905 000	32 712 000	193 000	32 712 000	
12	Ashjbedi	6 914 000	6 802 000	112 000	25 912 000	19 110 000

	Name of cities and districts	Incomes			Expenditures	The amount extracted from the centralized expenditures for regulation of local incomes and expenditures
		Total	including			
			The amount related to local incomes of cities and districts	The amount related to the "Roads" on Purpose Budget Fund		
13	Aghdam	5 428 000	5 338 000	90 000	38 489 000	33 151 000
14	Aghdash	5 722 000	5 635 000	87 000	21 671 000	16 036 000
15	Aghstafa	4 136 000	4 024 000	112 000	17 521 000	13 497 000
16	Aghsu	3 459 000	3 389 000	70 000	14 896 000	11 507 000
17	Astara	10 634 000	5 594 000	5 040 000	20 014 000	14 420 000
18	Balakan	4 574 000	3 136 000	1 438 000	17 332 000	14 196 000
19	Beylagan	6 828 000	6 766 000	62 000	17 020 000	10 254 000
20	Barda	10 402 000	10 288 000	114 000	30 868 000	20 580 000
21	Bilasuvay	5 312 000	4 414 000	898 000	16 496 000	12 082 000
22	Jabrayil	1 414 000	1 380 000	34 000	12 972 000	11 592 000
23	Jalilabad	7 386 000	7 266 000	120 000	32 447 000	25 181 000
24	Dashkesen	2 584 000	2 574 000	10 000	12 122 000	9 548 000
25	Fuzuli	6 086 000	6 024 000	62 000	30 431 000	24 407 000
26	Gadabay	4 100 000	4 054 000	46 000	25 932 000	21 878 000
27	Goranboy	4 526 000	4 466 000	60 000	24 898 000	20 432 000
28	Goychay	8 530 000	8 447 000	83 000	23 036 000	14 589 000
29	Goygol	4 118 000	4 077 000	41 000	15 646 000	11 569 000
30	Hajigabul	4 554 000	4 498 000	56 000	11 339 000	6 841 000
31	Khachmas	22 604 000	22 457 000	147 000	31 878 000	9 421 000
32	Khizi	1 712 000	1 699 000	13 000	5 921 000	4 222 000
33	Khojali	386 000	368 000	18 000	3 833 000	3 465 000
34	Khojavand	752 000	738 000	14 000	5 329 000	4 591 000
35	Imishly	21 036 500	20 964 000	72 500	20 964 000	
36	Ismayilly	5 352 000	5 298 000	54 000	21 028 000	15 730 000
37	Kalbajar	1 428 000	1 402 000	26 000	22 153 000	20 751 000
38	Kurdamir	6 834 000	6 756 000	78 000	18 929 000	12 173 000
39	Gakh	3 270 000	3 216 000	54 000	17 601 000	14 385 000
40	Gazakh	5 626 000	5 490 000	136 000	21 143 000	15 653 000
41	Gabala	10 202 000	10 124 000	78 000	20 619 000	10 495 000
42	Gobustan	2 500 000	2 442 000	58 000	8 878 000	6 436 000
43	Guba	16 168 000	16 038 000	130 000	31 777 000	15 739 000
44	Gubadly	2 832 000	2 794 000	38 000	10 819 000	8 025 000
45	Gusar	6 208 000	6 144 000	64 000	19 923 000	13 779 000

	Name of cities and districts	Incomes			Expenditures	The amount extracted from the centralized expenditures for regulation of local incomes and expenditures
		Total	including			
			The amount related to local incomes of cities and districts	The amount related to the "Roads" on Purpose Budget Fund		
46	Lachin	2 030 000	1 986 000	44 000	22 247 000	20 261 000
47	Lerik	2 134 000	2 114 000	20 000	18 093 000	15 979 000
48	Masally	8 454 000	8 296 000	158 000	28 532 000	20 236 000
49	Neftchala	5 156 000	5 104 000	52 000	16 323 000	11 219 000
50	Oghuz	2 744 000	2 700 000	44 000	11 671 000	8 971 000
51	Saatly	7 070 000	7 022 000	48 000	19 549 000	12 527 000
52	Sabirabad	8 816 000	8 734 000	82 000	27 833 000	19 099 000
53	Salyan	8 292 000	8 202 000	90 000	25 725 000	17 523 000
54	Samukh	2 778 000	2 726 000	52 000	13 233 000	10 507 000
55	Siyazan	3 456 000	3 432 000	24 000	8 558 000	5 126 000
56	Shabran	4 566 000	4 524 000	42 000	11 865 000	7 341 000
57	Shamakhy	7 168 000	7 082 000	86 000	21 186 000	14 104 000
58	Shamkir	10 782 000	10 588 000	194 000	40 939 000	30 351 000
59	Shusha	1 374 000	1 360 000	14 000	7 400 000	6 040 000
60	Tartar	4 500 000	4 448 000	52 000	16 382 000	11 934 000
61	Tovuz	13 156 000	6 974 000	6 182 000	34 875 000	27 901 000
62	Ujar	4 232 000	4 160 000	72 000	16 405 000	12 245 000
63	Yardimly	2 042 000	2 023 000	19 000	14 573 000	12 550 000
64	Zagatala	6 948 000	6 796 000	152 000	25 546 000	18 750 000
65	Zangilan	2 200 000	2 160 000	40 000	9 426 000	7 266 000
66	Zardab	3 238 000	3 206 000	32 000	14 582 000	11 376 000
	Total:	7 102 000 000	779 454 000	85 000 000	1 626 479 000	847 025 000

Article 11: According to the article 10 of this Law regulation of expenditures by the corresponding executive authority considered within Baku city is conducted through the way of accordingly increasing and decreasing the allocation norms from the incomes on Baku city to the centralized incomes of the state budget and local incomes on Baku city not more than 2 percentage – point defined with the Articles 6.1 and 7.1 of the Law.

Article 12. The amounts of payment of internal and foreign state debts of Azerbaijan Republic for 2014 shall be approved as following:

	(in AZN)
12.1. Interest rates payments on internal	83.272.467,0
12.1.1. state debts	20.225.483,0
12.1.2. Payments on the basic loan	63.046.984,0
12.2. Interest rates payments on foreign	697.229.593,0
12.2.1. state debts	204.581.902,0
12.2.2. Payments on the basic loan	492.647.691,0

Article 13. The highest verge (limit) of internal state debt of Azerbaijan Republic in 2014 is approved in amount of 1,200,000.0 thousand AZN, highest verge (limit) of foreign state debt in amount of 2,000,000.0 thousand AZN.

Article 14. According to the Article 7 of the Law of Azerbaijan Republic 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 done depending on conditions of transfers on sources of funding of incomes and deficit of the state budget.

Article 15. The highest verge (limit) of the state budget deficit shall be approved in amount of 691 000,0 thousand AZN. Its funding shall be implemented from the transfers accepted from privatization and internal and external indebtedness, as well as from investment of securities in foreign countries, foreign grants and the rest of the united treasure account of the state budget for January 01, 2014.

Article 16. The amount of the highest level of expenditures of summary budget of Azerbaijan Republic for 2014 shall be approved in amount of 24,443,890.2 thousand manat.

Article 17. The budget deficit of the summary budget of Azerbaijan Republic for 2014 shall be defined in amount of 14,084,994.8 thousand manat without taking into account the incomes (revenues) of the State Oil Fund of Azerbaijan Republic.

Article 18. This Law is coming into force starting from January 1, 2014.

Ilham Aliyev
The President of the Republic of
Azerbaijan

Baku, November 22, 2013
№ 808-IVQ