

**THE LAW OF THE REPUBLIC OF AZERBAIJAN
on 2007 state budget of the Azerbaijan Republic**

Article 1. Affirm the 2007 state budget incomes of the Azerbaijan Republic in the amount of 5 335 700.0 thousand manats and expenditure in the amount of 5 714 700.0 thousand manats (as well as 5 169 173.9 thousand manats – centralized incomes, 166 526.1 thousand manats - local incomes, 4 986 554.8 thousand manats - centralized expenditure and 728 145.2 thousand manats - local expenditure).

Article 2. Incomes of the state budget of the Azerbaijan Republic for 2007 are considered in the following amounts according to the income source:

(thousand manats)	
Income source	State budget incomes
2.1. Income tax of physical persons	550 000.0
2.2. Profits tax of juridical persons	2 095 000.0
2.3. Value added tax	990 000.0
2.3.1 Value added tax to the goods imported to the territory of the Azerbaijan Republic	410 000.0
2.4. Excises	240 000.0
2.4.1. Excises to the goods imported to the territory of the Azerbaijan Republic	60 000.0
2.5. Property tax of juridical persons	72 000.0
2.6. Land tax of juridical persons	27 000.0
2.7. Road tax	18 200.0
2.7.1. Road tax collected from the owners of transport facilities of foreign countries	1 500.0
2.8. Mine tax	107 300.0
2.9. Simplified tax	45 000.0
2.10. Customs	158 500.0
2.11. State dues	48 000.0
2.12. Rents from the lease of state lands	4 000.0

2.13.	Other non-tax incomes	255 000.0
2.14.	Incomes from the rent of state property and the rent of the lands under the privatized state enterprises and objects	2 800.0
2.15.	Incomes of the granted credits to the governments of foreign countries	416.8
2.16.	Dividends from the banks and other credit organizations having the state share in the stocks	14 700.0
2.17.	Incomes of the credits granted from the credit organizations with the state guarantee of the Azerbaijan Republic	2 015.7
2.18.	Dividends from non-financial state institutions	3 300.0
2.19.	Incomes from the State Oil Fund	585 000.0
2.20.	Incomes of the credits given from the budget	4 925.3
2.21.	Incomes from the reiterated debt agreements	3 092.2
2.22.	Incomes from the sale of documentary stamps	1 900.0
2.23.	Incomes from the sale of stringent accounting forms	150.0
2.24.	Incomes from the paid services of the budgetary financed organizations	107 400.0

Article 3. Determine that the the Purposeful Budget Fund “Motor Roads” is being formed by the following income sources:

3.1.	Road tax	18 200.0
3.2.	The simplified tax paid by the persons performing passenger carrying and freight forwarding with the owned or used transportation facilities	6 300.0
3.3.	The excises implemented to the imported cars	35 000.0
3.4.	The customs due implemented to the imported cars	30 000.0
3.5.	State due permitting the regulation of international motor transportations in the Azerbaijan Republic	3 500.0
3.6.	State due for the annual technical revision of transportation facilities, as well as mototransportation facilities, trailers and semi-trailers	5 000.0

Article 4. Tax incomes to 2007 state budget of the Azerbaijan Republic are evaluated according to the tax categories of the Tax Code of the Azerbaijan Republic.

Article 5. 25% tax collection of the price difference between contract (sale) price (excluding export expenses) and in-country wholesale price is defined for the produced and cost regulated goods in the Azerbaijan Republic during the export.

Article 6. When export price of oil exceeds 40 USD, tax collection is defined as 50% of the difference between 40 USD and 50 USD, and 75% of the amount exceeding 50 USD.

Article 7. Collections defined by the article 5 of this Law are transferred to the state budget and collections defined by the article 6 to the State Oil Fund.

Article 8. The centralized incomes of 2007 state budget of the Azerbaijan Republic are formed at the expense of subsidies on the normatives from the following sources:

8.1.	Incomes on Baku town (excluding those concerning the Purposeful Budget Fund “Motor Roads”)	98,29 %
8.2.	Incomes from the following sources:	100,0 %
	Customs, value added tax and excise for the import of goods to the territory of the Azerbaijan Republic (excluding collections by the custom organizations of the Azerbaijan Republic), incomes from the leasing of the state property and lands of the privatized state institution and entities, incomes on the granted credits to the governments of foreign countries, dividends from the banks and other credit organizations possessing the state share in the stocks, incomes of the credits granted from the credit organizations with the state guarantee of the Azerbaijan Republic, incomes from the non-financial state institutions, incomes from the State Oil Fund, incomes from the sale of documentary stamps, incomes from the sale of stringent accounting forms, incomes of the credits given from the budget, incomes from the reiterated debt agreements, incomes from the paid services of the organizations financed from the centralized expenditure of the budget, incomes of the Purposeful Budget Fund “Motor Roads”	

Article 9. The following are included to the local incomes of the cities and regions:

9.1. 1.71% of all incomes excluding the relevant incomes of the Purposeful Budget Fund “Motor Roads” and non-budget incomes of the organizations financed from the local expenditure;

9.2. 100% of incomes on other cities and regions (excluding those of the Purposeful Budget Fund “Motor Roads”)

Article 10. Expenditure of 2007 state budget of the Azerbaijan Republic is directed to the following aims at the sectional and sub-sectional levels of the functional classification:

Indicators		Amount (manats)
10.1.	Common state services	503.589.727,0
10.1.1.	Maintenance expenditure for legislative and executive powers, local self-management organizations	211.406.727,0
10.1.2.	Membership dues of international organizations	9.452.861,0
10.1.3.	Expenditure for science	42.556.796,0

Indicators		Amount (manats)
10.1.4.	Common state service expenditure irrelevant to other categories	2.213.211,0
10.1.5.	Service expenditure for state debts and liabilities	89.791.680,0
10.1.6.	Subsidy to local (municipal) budgets	3.500.000,0
10.1.7.	Subsidy to the budget of the Nakhchivan Autonomous Republic	144.668.452,0
10.2.	Defense	796.841.138,0
10.2.1.	Defense power	734.839.583,0
10.2.2.	National security	58.113.555,0
10.2.3.	Practical researches in the defense and security sphere	2.300.000,0
10.2.4.	Expenditure irrelevant to other categories	1.588.000,0
10.3.	Legal authority, law machinery and prosecutive jurisdiction	444.377.489,0
10.3.1.	Legal authority	26.457.773,0
10.3.2.	Law machinery	368.502.527,0
10.3.3.	Prosecutive jurisdiction	49.002.405,0
10.3.4.	Expenditure irrelevant to other categories	414.784,0
10.4.	Education	733.190.435,0
10.4.1.	Expenditure for pre-school and primary education	53.003.310,0
10.4.2.	Incomplete and secondary school	438.236.022,0
10.4.3.	Boarding-school and special school	28.726.591,0
10.4.4.	Technical-trade schools and lyceums	34.631.598,0
10.4.5.	Higher education	57.953.599,0
10.4.6.	Practical researches in the educational sphere	3.141.617,0
10.4.7.	Other services in the educational sphere	117.497.698,0
10.5.	Public health	269.546.246,0
10.5.1.	Polyclinics and ambulance stations	44.930.654,0
10.5.2.	Hospitals	149.011.500,0
10.5.3.	Other services in public health sphere	5.219.683,0
10.5.4.	Practical researches in public health	2.323.224,0
10.5.5.	Other services relevant to the public health	68.061.185,0
10.6.	Social protection and social maintenance	528.446.031,0
10.6.1.	Expenditure for social protection	510.096.225,0
10.6.1.1.	Transfers from the state budget to the State Fund of Social Protection of the Azerbaijan Republic	248.240.000,0
10.6.2.	Expenditure for social maintenance	18.349.806,0
10.7.	Culture, art, information, physical training and activities in the spheres irrelevant to other categories	90.365.700,0

Indicators		Amount (manats)
10.7.1.	Activities in the spheres of art and culture	45.954.373,0
10.7.2.	Radio, television and publication	29.972.021,0
10.7.3.	Physical training, youth policy and tourism	13.311.405,0
10.7.4.	Activities irrelevant to other categories	1.127.901,0
10.8.	Real estate and municipal economy	98.051.237,0
10.8.1.	Real estate economy	9.111.373,0
10.8.2.	Municipal economy	85.834.727,0
10.8.3.	Water economy	2.832.264,0
10.8.4.	Other services relevant to the real estate and municipal economy	272.873,0
10.9.	Agriculture, forestry, fishery, hunting and environment protection	149.965.125,0
10.9.1.	Agriculture	137.483.741,0
10.9.2.	Forestry	6.199.884,0
10.9.3.	Fishery and hunting	1.381.643,0
10.9.4.	Environmental protection	1.427.814,0
10.9.5.	Hydro meteorological measures	3.472.043,0
10.10.	Industry, construction and mineral products	1.569.285.830,0
10.10.1.	Construction	1.565.974.724,0
10.10.1.1.	State capital investment (investment expenditure)	1.546.523.000,0
10.10.2.	Mineral products	3.311.106
10.11.	Transport and communication	46.820.353,0
10.11.1.	Transport	46.703.660,0
10.11.2.	Communication	116.693,0
10.12.	Economic activities	12.879.580,0
10.12.1.	Other spheres of economic activity	89.290,0
10.12.2.	Multisided development projects	12.790.290,0
10.13.	Services irrelevant to the main sections	471.341.109,0
10.13.1.	Purposeful Budget Fund "Motor Roads"	98.000.000,0
10.13.2.	reserve funds	253.356.826,0
10.13.2.1.	Reserve Fund of the President of the Azerbaijan Republic	114.000.000,0

Indicators	Amount (manats)
10.13.2.2. Reserve Fund of the state budget	139.356.826,0
10.13.3. Other expenditure irrelevant to the main sections	119.984.283,0

Article 11. 3 400.3 million manats of the expenditure of 2007 state budget of the Azerbaijan Republic is related to the current expenditure, 2 2740 million manats to the capital investment, 44.0 million manats to the service of credits and interests.

Article 12. Affirm the expenditure of 2007 state budget of the Azerbaijan Republic at the level of the paragraphs of functional and economic classification and at the amounts given in the addition to this Law.

Article 13. Affirm the incomes of the cities and regions of the Azerbaijan Republic as 3.980.000.000,0 manat, as well as 163.354.460 manat as local incomes of cities and regions, 31.500.000,0 manat concerning the Purposeful Budget Fund "Motor Roads", 724.973.579,0 manat as local expenditure and 561.619.119,0 manat as the subsidy from the centralized expenditure for the correlation of local incomes and expenditure

Affirm the off-budget incomes of the organizations financed from the local expenditure of the cities and regions as 3.171.594,0 manat and expenditure as 3.171.594,0 manat.

№	Name of the cities and regions	Incomes			Expenditure	Subsidies from the centralized expenditure for the correlation of local incomes and expenditure
		Total	Including			
			The amount belonging to the local incomes of the cities and regions	The amount belonging to the Purposeful Budget Fund "Motor Roads"		
(manats)						

Cities:

1.	Baku	3.871.508.000	65.852.060	20.510.400	65.852.060	
2.	Ali-Bayramly	2.050.000	1.818.200	231.800	8.720.073	6.901.873
3.	Yevlakh	2.320.000	1.997.600	322.400	12.108.152	10.110.552
4.	Ganja	12.150.000	11.265.600	884.400	33.099.286	21.833.686
5.	Lankaran	4.565.000	4.099.700	465.300	16.999.603	12.899.903
6.	Mingachevir	2.620.000	2.435.600	184.400	14.826.780	12.391.180
7.	Naftalan	220.000	210.300	9.700	1.589.311	1.379.011
8.	Sumgait	10.870.000	10.138.600	731.400	36.414.586	26.275.986
9.	Khankandi					
10.	Shaki	3.015.000	2.728.600	286.400	18.971.849	16.243.249

Regions:

11.	Absheron	7.020.000	3.455.000	3.565.000	9.707.461	6.252.461
12.	Aghdam	710.000	691.100	18.900	19.422.929	18.731.829
13.	Aghdash	1.100.000	1.010.900	89.100	9.112.877	8.101.977

№	Name of the cities and regions	Incomes			Expenditure	Subsidies from the centralized expenditure for the correlation of local incomes and expenditure
		Total	Including			
			The amount belonging to the local incomes of the cities and regions	The amount belonging to the Purposeful Budget Fund "Motor Roads"		
14.	Aghstafa	1.838.000	1.747.200	90.800	8.232.580	6.485.380
15.	Aghsu	830.000	763.500	66.500	6.706.533	5.943.033
16.	Aghjabadi	1.230.000	1.136.200	93.800	12.185.653	11.049.453
17.	Astara	1.310.000	1.226.800	83.200	9.008.526	7.781.726
18.	Balakan	1.070.000	967.000	103.000	7.888.836	6.921.836
19.	Beylagan	1.050.000	994.600	55.400	8.574.354	7.579.754
20.	Barda	2.172.000	1.997.400	174.600	14.512.375	12.514.975
21.	Bilasuvan	1.150.000	1.083.400	66.600	7.861.170	6.777.770
22.	Gazakh	1.310.000	1.198.000	112.000	10.114.439	8.916.439
23.	Gakh	1.000.000	950.000	50.000	7.880.925	6.930.925
24.	Gabala	1.620.000	1.512.600	107.400	9.340.031	7.827.431
25.	Gobustan	600.000	588.000	12.000	4.057.916	3.469.916
26.	Guba	2.970.000	2.694.600	275.400	13.587.702	10.893.102
27.	Gubadly	300.000	268.500	31.500	5.524.551	5.256.051
28.	Gusar	1.460.000	1.374.700	85.300	9.616.591	8.241.891
29.	Dashkasan	775.000	750.500	24.500	6.322.300	5.571.800
30.	Davachi	850.000	813.900	36.100	5.491.026	4.677.126
31.	Zagatala	2.200.000	2.025.500	174.500	11.872.912	9.847.412
32.	Zangilan	150.000	146.800	3.200	4.458.467	4.311.667
33.	Zardab	680.000	648.500	31.500	5.797.215	5.148.715
34.	İmişli	1.300.000	1.230.200	69.800	9.558.625	8.328.425
35.	İsmayilly	1.270.000	1.191.400	78.600	9.142.117	7.950.717
36.	Yardimly	456.000	435.800	20.200	6.719.192	6.283.392
37.	Kalbajar	240.000	233.000	7.000	10.613.242	10.380.242
38.	Kurdamir	1.316.000	1.206.500	109.500	9.366.328	8.159.828
39.	Gadabay	970.000	927.200	42.800	12.401.078	11.473.878
40.	Goranboy	1.310.000	1.232.100	77.900	12.421.380	11.189.280
41.	Goychay	1.610.000	1.486.800	123.200	10.407.099	8.920.299
42.	Lachin	350.000	333.700	16.300	11.968.597	11.634.897
43.	Lerik	562.000	531.200	30.800	8.144.564	7.613.364
44.	Masally	2.420.000	2.253.200	166.800	13.749.821	11.496.621
45.	Neftchala	1.260.000	1.208.000	52.000	7.974.007	6.766.007
46.	Oghuz	624.000	586.500	37.500	6.144.445	5.557.945
47.	Saatly	1.400.000	1.367.900	32.100	8.794.367	7.426.467
48.	Sabirabad	1.900.000	1.846.600	53.400	12.626.041	10.779.441
49.	Salyan	1.950.000	1.849.300	100.700	12.674.018	10.824.718
50.	Samukh	830.000	776.900	53.100	6.178.380	5.401.480
51.	Siyazan	964.000	928.200	35.800	3.907.571	2.979.371
52.	Tartar	785.000	742.700	42.300	7.099.930	6.357.230
53.	Tovuz	2.110.000	1.893.400	216.600	16.847.107	14.953.707
54.	Ujar	862.000	822.200	39.800	8.027.781	7.205.581
55.	Fuzuli	600.000	545.700	54.300	13.955.843	13.410.143
56.	Khanlar	1.210.000	1.106.700	103.300	6.817.867	5.711.167

№	Name of the cities and regions	Incomes			Expenditure	Subsidies from the centralized expenditure for the correlation of local incomes and expenditure
		Total	Including			
			The amount belonging to the local incomes of the cities and regions	The amount belonging to the Purposeful Budget Fund "Motor Roads"		
57.	Khachmaz	3.020.000	2.697.600	322.400	14.463.943	11.766.343
58.	Khojavand	110.000	103.200	6.800	2.535.654	2.432.454
59.	Khojaly	36.000	33.900	2.100	1.719.398	1.685.498
60.	Khizi	470.000	461.200	8.800	2.999.918	2.538.718
61.	Hajigabul	1.060.000	993.200	66.800	5.695.407	4.702.207
62.	Jabayil	175.000	142.600	32.400	7.303.450	7.160.850
63.	Jalilabad	2.265.000	2.126.900	138.100	16.798.480	14.671.580
64.	Shamakhy	1.632.000	1.455.600	176.400	10.490.761	9.035.161
65.	Shamkir	1.920.000	1.715.600	204.400	17.768.746	16.053.146
66.	Shusha	300.000	298.500	1.500	3.799.353	3.500.853
Total:		3.980.000.000	163.354.460	31.500.000	724.973.579	561.619.119

Article 14. Affirm the budget loan from the state budget in the amount of 6 000.0 thousand manats.

Article 15. Affirm the repayment amount of the 2007 internally held public debt and foreign debt of the Azerbaijan Republic as follows:

	(manats)
15.1. On the internally held public debt	13.571.510,0
15.1.1. repayment of interest	11.148.089,0
15.1.2. repayment of principal	2.423.421,0
15.2. On foreign debt	76.220.170,0
15.2.1. repayment of interest	34.199.497,0
15.2.2. repayment of principal	42.020.673,0

Article 16. Affirm the 2007 upper limit of the internally held public debt of the Azerbaijan Republic as 300 000.0 thousand manats and upper foreign debt limit as 1 200 000.0 thousand manats.

Article 17. Expenditures relevant to the salary, addition to the salary, pension, other social allowances and payments, service expenditure for the internally held public debt and foreign debt are fixed expenditure items independent of the budget incomes situation.

Article 18. Firstly, expenditures relevant to the salary, addition to the salary, pension, other social allowances and payments, service expenditure for the internally held public debt and foreign debt, expenditure for the purchase of medicaments and

food are financed, other expenditure items are financed thereafter in accordance with the acceptance of receipts and consideration of the defined limit of the budget deficit.

Article 19. Affirm the upper limit of the budget deficit in the amount of 379 000.0 thousand manats and execute its finance at the expense of incomes from privatization, in-country and abroad placement of state loans and other sources.

Article 20. Define the deficit of the consolidated budget of the Azerbaijan Republic for 2007 in the amount of 1 348 681,0 thousand manats, excluding the incomes of the State Oil Fund of the Azerbaijan Republic.

Article 21. Define the upper expenditure limit of the consolidated budget of the Azerbaijan Republic for 2007 in the amount of 7 195 603,0 thousand manats.

Article 22. The limit of the indirect subsidy to be implemented to the energy sector at the expense of the state budget for the unpaid amount of the purchased fuel to this sector is defined as 330 000,0 thousand manats and is included as a separate string to both incomes and expenditure parts of the consolidated budget. Irrespective of the limit of the indirect subsidy to the energy sector at the expense of the state budget, the size of the indirect subsidy to this sector is substituted in the amount of the unpaid part of the evaluated tax debt to the state budget till January 1, 2007.

Article 23. This Law is effective from January 1, 2007.

İlham Aliyev
The President of the Azerbaijan Republic

Baku, « »

2006

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