



**THE LAW OF THE REPUBLIC
OF AZERBAIJAN**

on the state budget of the Republic of Azerbaijan for 2012

The Milli Mejlis of Azerbaijan Republic is **making a following decision** taking into account 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 shall be approved in amount of 16 438 000,0 thousand AZN, the expenditures shall be approved in amount of 17 072 000,0 thousand AZN (including the centralized incomes in amount of 15 938 610,5 thousand AZN, local incomes in amount of 499 389,5 thousand AZN and centralized expenditures in amount of 15 779 160,0 thousand AZN, local expenditures in amount of 1 292 840,0 thousand AZN).

The Article 2. The incomes of the state budget of Azerbaijan Republic for 2012 shall be considered in following amounts on the income sources:

(thousand AZN)

Sources of incomes	Incomes of the state budget
2.1. Income tax of physical entities	722 000,0
2.2. Profit (income) tax of legal entities	1 780 000,0
2.3. Land tax of legal entities	28 000,0
2.4. Property tax of legal entities	102 000,0
2.5. Value Added Tax	2 302 800,0
2.5.1. Value Added Tax for import of goods into Azerbaijan Republic	878 000,0
2.6. Simplified tax	96 000,0
2.7. Excise	533 600,0
2.7.1. Excise for import of goods into Azerbaijan Republic	79 000,0
2.8. Road tax	39 000,0

2.8.1.	Road tax paid by the owners of vehicles of foreign countries	11 000,0
2.9.	Extraction tax	125 200,0
2.10.	Custom fees	232 000,0
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	320 500,0
2.12.	Incomes received from the credits provided from the Budget	3 415,0
2.13.	Incomes on the loans received from the credit institutions with the state guarantee of Azerbaijan Republic	2 894,0
2.14.	Incomes on the loans provided to the governments of foreign countries	833,0
2.15.	Dividends received from the entities with state shares on their stock	1 660,0
2.16.	Incomes from the State Oil Fund	9 905 000,0
2.17.	Incomes from the rent of lands under the state property, privatized entities and facilities	5 000,0
2.18.	Incomes from the rent of lands under the state property	5 500,0
2.19.	Incomes from the sale of excise labels	3 000,0
2.20.	State fees	105 000,0
2.21.	Incomes on restoration of “Guarantee Fund for the loans received with state guarantee”	4 598,0
2.22.	Other incomes accumulated through tax bodies	120 000,0

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	180 000,0
3.1.1.	Road tax	39 000,0
3.1.2.	Simplified tax paid by the persons conducting transportation of passengers and goods with the vehicles under their property or exploitation	12 000,0

3.1.3.	Excise applied to the imported cars	53 070,0
3.1.4.	Custom fee applied to the imported cars	51 500,0
3.1.5.	State fee charged for permissions regulating international vehicle transportations within the Azerbaijan Republic	12 430,0
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”	100 000,0
3.2.1.	Incomes on the loans received from the credit institutions with the state guarantee of Azerbaijan Republic	2 894,0
3.2.2.	Incomes on restoration of “Loans received with state guarantee to the Guarantee Fund”	4 598,0
3.2.3.	The funding allocated from the centralized incomes of the state budget excluding the incomes considered on the articles 2.13, 2.21 and 3.1.1. – 3.1.6. of the Law of Azerbaijan Republic on “the State Budget of the Republic of Azerbaijan for 2012”.	92 508,0

Article 4. The tax incomes to the state budget of Azerbaijan Republic for 2012 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. The calendar month is considered as a reporting period for the collection. 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 2012 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)	97,49 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 from the State Oil Fund, incomes from the sale of excise labels, incomes received from the credits provided from 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) – 2.51 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 income tax of physical entities calculated from the tax payers conducting activity 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 2012 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	1.202.486.834,0
8.1.1.	Legislation and executive power bodies, maintenance costs for local municipality authorities	341.418.084,0
8.1.2.	International activities and costs for membership fees to international organizations	100.578.169,0
8.1.3.	Science expenditures	123.367.974,0
8.1.4.	General state services costs not related to other categories	11.581.294,0
8.1.5.	Expenditures related to maintenance of government liabilities and commitments	362.411.313,0
8.1.6.	Subsidiaries allocated for local budgets (municipalities)	5.000.000,0
8.1.7.	Subsidiaries allocated to the budget of Nakhchivan Autonomous Republic	258.130.000,0
8.2.	Defense	1.381.425.503,0
8.2.1.	Security forces	1.284.647.004,0
8.2.2.	national security	91.415.111,0
8.2.3.	Applied research in the field of defense and security	2.397.147,0
8.2.4.	Expenditures not related to other categories	2.966.241,0
8.3.	Judicial authority, law – enforcement and prosecution bodies	945.140.182,0
8.3.1.	Judicial authority	44.411.956,0
8.3.2.	law – enforcement	777.538.218,0
8.3.3.	Prosecution	53.110.986,0
8.3.4.	Expenditures not related to other categories	70.079.022,0

Directions of expenditures		Amount (in AZN)
8.4.	Education	1.582.937.213,0
8.4.1.	Pre – school and primary education	96.408.750,0
8.4.2.	high and college education	740.223.717,0
8.4.3.	boarding and special schools	51.464.065,0
8.4.4.	technical – vocational schools and lyceums	73.533.724,0
8.4.5.	Higher education	116.950.441,0
8.4.6.	Applied research in the field of education	5.180.324,0
8.4.7.	other services in the field of education	499.176.192,0
8.5.	Healthcare	658.709.337,0
8.5.1.	Polyclinics and ambulatory hospitals	87.889.706,0
8.5.2.	Hospitals	275.296.358,0
8.5.3.	Other services in the field of healthcare	5.506.911,0
8.5.4.	Applied research in the field of healthcare	3.745.550,0
8.5.5.	other services in the field of healthcare	286.270.812,0
8.6.	Social protection and social security	1.785.788.168,0
8.6.1.	social protection expenditures	1.765.527.651,0
8.6.1.1.	allocations (transfers) from the state budget to the State Social Protection Fund of Azerbaijan Republic	1.044.300.000,0
8.6.2.	social security costs	20.260.517,0
8.7.	Activities in the field of culture, art, information, sport and fields not related to other categories	254.777.758,0
8.7.1.	activities in the field of culture and art	125.404.861,0
8.7.2.	radio, TV and print media	59.022.998,0
8.7.3.	sport, youth policy and tourism	57.088.373,0
8.7.4.	activities not related to other categories	13.261.526,0
8.8.	Housing and communal services	344.433.872,0
8.8.1.	Housing services	68.577.370,0
8.8.2.	communal services	263.932.072,0
8.8.3.	water economy	11.460.871,0
8.8.4.	other services related to housing and communal services	463.559,0
8.9.	Agriculture, forestry, fishery, hunting and protection of environment	472.735.785,0
8.9.1.	Agriculture	450.457.875,0
8.9.2.	forestry	9.754.270,0
8.9.3.	fishery and hunting	2.086.446,0
8.9.4.	protection of environment	3.620.557,0
8.9.5.	hydrometeorology activities	6.816.637,0
8.10.	Industry, construction and natural fossils	5.794.110.679,0
8.10.1.	construction	5.777.100.000,0
8.10.1.1.	state investment (investment costs)	5.774.100.000,0
8.10.2.	natural fossils	15.010.679,0
8.10.3	geodesy and cartography	2.000.000,0

Directions of expenditures		Amount (in AZN)
8.11.	Transportation and communication	87.910.935,0
8.11.1.	Transportation	70.300.654,0
8.11.2.	Communication	17.610.281,0
8.12.	Economic activity	185.866.150,0
8.12.1.	Economic and commercial activity	35.000.000,0
8.12.2.	other fields of economic activity	20.000.000,0
8.12.3.	multipurpose development projects	129.990.150,0
8.12.4.	practical and applied research on the fields of economic activities	876.000,0
8.13.	Services not related to main sectors	2.375.677.584,0
8.13.1.	on the purpose budget funds	280.000.000,0
8.13.1.1.	The "Roads" on Purpose Budget Fund	180.000.000,0
8.13.1.2.	Guarantee Fund for the loans received with state guarantee	100.000.000,0
8.13.2.	reserve funds	800.000.000,0
8.13.2.1.	The Reserve Fund of the President of Azerbaijan Republic	300.000.000,0
8.13.2.2.	The Reserve Fund of the state budget	500 000 000,0
8.13.3.	other expenditures not related to main sectors	1.295.677.584,0

Article 9. The expenditures of the state budget of Azerbaijan Republic for 2012 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 5.311.600.000,0, AZN including the amount related to local incomes of cities and districts in amount of 499.389.452,0 AZN, the amount related to the "Roads" on Purpose Budget Fund in amount of 64.430.000,0 AZN, e.g. having local expenditures in amount of 1.290.840,0 AZN, the amount extracted from the centralized expenditures for regulation of local incomes and expenditures in amount of 791.450.548,0 AZN.

The out of budget expenditures of the organizations financed from the local expenditures of those cities and districts shall be approved in amount of 2.000.000,0 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		
1	Baku	4 897 227 000	122 237 452	27 209 000	122 237 452	
2	Gandja	24 609 000	23 688 000	921 000	53 835 405	30 147 405
3	Sumgayit	62 496 000	60 743 000	1 753 000	60 743 000	
4	Lankaran	13 048 000	12 516 000	532 000	29 827 564	17 311 564

Cities:

1	Baku	4 897 227 000	122 237 452	27 209 000	122 237 452	
2	Gandja	24 609 000	23 688 000	921 000	53 835 405	30 147 405
3	Sumgayit	62 496 000	60 743 000	1 753 000	60 743 000	
4	Lankaran	13 048 000	12 516 000	532 000	29 827 564	17 311 564

№	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		
5	Shaki	11 986 000	11 162 000	824 000	31 365 997	20 203 997
6	Yevlakh	8 366 000	7 524 000	842 000	20 322 733	12 798 733
7	Mingachevir	9 202 000	8 900 000	302 000	26 910 519	18 010 519
8	Shirvan	10 722 000	10 238 000	484 000	14 887 622	4 649 622
9	Naftalan	996 000	956 000	40 000	3 012 994	2 056 994
10	Khankandi					
	Rayonlar:					
11	Absheron	34 148 000	23 794 000	10 354 000	23 794 000	
12	Ashjabedi	5 072 000	4 840 000	232 000	21 089 603	16 249 603
13	Aghdam	4 656 000	4 462 000	194 000	32 386 608	27 924 608
14	Aghdash	3 868 000	3 708 000	160 000	17 569 083	13 861 083
15	Aghstafa	3 550 000	3 364 000	186 000	14 816 051	11 452 051
16	Aghsu	2 890 000	2 734 000	156 000	11 911 454	9 177 454
17	Astara	7 728 000	2 296 000	5 432 000	16 352 561	14 056 561
18	Balakan	3 932 000	3 050 000	882 000	13 904 431	10 854 431
19	Beylagan	3 542 000	3 400 000	142 000	14 174 206	10 774 206
20	Barda	8 290 000	7 996 000	294 000	27 258 382	19 262 382
21	Bilasuvar	4 130 000	3 174 000	956 000	14 032 677	10 858 677
22	Jabrayil	1 016 000	902 000	114 000	11 461 473	10 559 473
23	Jalilabad	6 442 000	6 088 000	354 000	29 145 169	23 057 169
24	Dashkesen	1 900 000	1 848 000	52 000	10 595 445	8 747 445
25	Fuzuli	4 644 000	4 544 000	100 000	26 706 931	22 162 931
26	Gadabay	3 000 000	2 856 000	144 000	22 782 923	19 926 923
27	Goranboy	3 850 000	3 632 000	218 000	21 825 767	18 193 767
28	Goychay	6 218 000	6 020 000	198 000	19 064 189	13 044 189
29	Goygol	3 752 000	3 560 000	192 000	12 917 393	9 357 393
30	Hajigabul	3 518 000	3 340 000	178 000	9 726 056	6 386 056
31	Khachmas	13 784 000	12 266 000	1 518 000	26 205 268	13 939 268
32	Khizi	1 468 000	1 448 000	20 000	4 946 384	3 498 384
33	Khojali	300 000	280 000	20 000	3 267 115	2 987 115
34	Khojavand	564 000	534 000	30 000	4 690 469	4 156 469
35	Imishly	6 514 000	6 272 000	242 000	17 588 098	11 316 098
36	Ismayilly	3 830 000	3 632 000	198 000	18 218 121	14 586 121
37	Kalbajar	1 098 000	1 068 000	30 000	17 910 428	16 842 428
38	Kurdamir	4 472 000	4 294 000	178 000	16 143 602	11 849 602
39	Gakh	2 980 000	2 850 000	130 000	14 912 108	12 062 108
40	Gazakh	4 382 000	4 088 000	294 000	17 537 630	13 449 630
41	Gabala	8 144 000	7 896 000	248 000	17 276 825	9 380 825
42	Gobustan	2 310 000	2 218 000	92 000	7 324 422	5 106 422
43	Guba	12 400 000	12 052 000	348 000	25 560 252	13 508 252
44	Gubadly	3 100 000	2 983 000	117 000	9 340 108	6 357 108
45	Gusar	5 172 000	4 982 000	190 000	16 871 623	11 889 623

№	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	1 858 000	1 778 000	80 000	19 283 225	17 505 225
47	Lerik	1 648 000	1 566 000	82 000	15 382 210	13 816 210
48	Masally	7 154 000	6 792 000	362 000	23 277 520	16 485 520
49	Neftchala	4 094 000	3 944 000	150 000	14 162 339	10 218 339
50	Oghuz	2 100 000	1 982 000	118 000	9 721 806	7 739 806
51	Saatly	5 660 000	5 554 000	106 000	16 285 580	10 731 580
52	Sabirabad	6 808 000	6 608 000	200 000	22 914 144	16 306 144
53	Salyan	6 626 000	6 394 000	232 000	21 002 301	14 608 301
54	Samukh	2 360 000	2 252 000	108 000	10 701 248	8 449 248
55	Siyazan	2 948 000	2 888 000	60 000	6 973 061	4 085 061
56	Shabran	3 736 000	3 622 000	114 000	9 950 833	6 328 833
57	Shamakhy	6 316 000	6 074 000	242 000	19 436 541	13 362 541
58	Shamkir	6 776 000	6 258 000	518 000	33 358 571	27 100 571
59	Shusha	1 200 000	960 000	240 000	6 208 663	5 248 663
60	Tartar	3 200 000	3 102 000	98 000	12 809 921	9 707 921
61	Tovuz	9 100 000	5 068 000	4 032 000	29 613 834	24 545 834
62	Ujar	3 100 000	2 980 000	120 000	13 751 988	10 771 988
63	Yardimly	1 548 000	1 474 000	74 000	11 731 353	10 257 353
64	Zagatala	6 528 000	6 234 000	294 000	21 814 929	15 580 929
65	Zangilan	1 082 000	1 054 000	28 000	7 653 456	6 599 456
66	Zardab	2 442 000	2 370 000	72 000	12 356 336	9 986 336
	Total:	5 311 600 000	499 389 452	64 430 000	1 290 840 000	791 450 548

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 government liabilities of Azerbaijan Republic for 2012 shall be approved as following:

	Amount (in AZN)
12.1. Interest rates payments on internal	126.466.004,0
12.1.1. government liabilities	30.289.924,0
12.1.2. Payments on the basic loan	96.176.080,0
Interest rates payments on foreign	
12.2. government liabilities	235.945.309,0
12.2.1. Payments on the basic loan	121.109.537,0
12.2.2.	114.835.772,0

Article 13. The highest verge (limit) of internal government liabilities of Azerbaijan Republic in 2012 is approved in amount of 1.200 000,0 thousand AZN, highest verge (limit) of foreign government liabilities 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 634 000,0 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, from chargeable services of the organizations funded from the state budget, foreign grants and the rest of the united treasure account of the state budget for January 01, 2012.

Article 16. The amount of the highest level of expenditures of summary budget of Azerbaijan Republic for 2012 shall be approved in amount of 20 203 835,2 thousand AZN.

Article 17. The budget deficit of the summary budget of Azerbaijan Republic shall be defined in amount of 12 679 084,0 thousand AZN 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, 2012.

Ilham Aliyev
The President of the Republic of Azerbaijan

Baku, December 6, 2011
№ 257-IVQ