

**Government of Rajasthan
Finance Department**

PRESS RELEASE

**Modified Budget
2009-10**

Salient features of Modified Budget 2009-10

- ◆ Annual plan of current financial year amounting to Rs.17322 crore, as approved by the Planning Commission, is 23.55% higher than the approved annual plan of Rs.14020 crore for the financial year 2008-09. This has further been increased to Rs.18635 crore in the Modified Budget by the State Government, which ever highest plan size and 33% higher than the approved plan of 2008-09.
- ◆ The size of Modified Budget is Rs.49737 crore which is 14% higher than the revised estimates of last year.
- ◆ Budget surplus of Rs.39 crore is estimated in the Modified Budget.
- ◆ Total revenue receipts of Rs.38268 crore estimated in the Modified Budget are 11.30% higher than the revised estimates of last year.
- ◆ State's own tax revenues of Rs.16742 crore is estimated in the Modified Budget which is 10.62% higher than the revised estimates of Rs.15134 crore in the last year.
- ◆ State's own tax revenue has been estimated to be 7.93% of the GSDP in the Modified Budget.
- ◆ Interest payment has been estimated to be Rs.6754 crore in the Modified Budget, which is 17.65% of the total revenue receipts of the State Government.
- ◆ Revenue deficit and fiscal deficit are estimated to Rs.1409 crore and Rs.8420 crore respectively, which is well with in the limits fixed by the Government of India for availing benefit of debt consolidation and debt waiver scheme. The increase in the deficits is on account of slow down in the economy and additional financial burden on the State due to implementation of the recommendation of 6th Pay Commission.
- ◆ It is important to mention that even after scarcity of financial resources, economic development has been given priority in the Modified Budget which is evident from the increase in capital outlay by 14.67%. Capital outlay was estimated to be Rs.5986 crore in revised estimates 2008-09, which has been increased to Rs.6864 crore in the Modified Budget.

- ◆ Additional provision of Rs.573 crore has been made in the Modified Budget on social services over and above the provision made in the Budget Estimates of 2009-10. Education, Medical and Health, Family Welfare, Urban Development and Water Supply Schemes have been given focused attention.

Salient Features of Budget Announcements

- Allocation increase for Roads, Power, Agriculture and Water resources.
- Medical facilities for BPL families and upgradation of hospitals.
- Recruitments in Health, Education, Police, Rural Development.
- Focus on rural poor and common man.
- Free food grains for tribal areas.
- 3% of plan allocation to be spent on peoples centric IT projects.
- More than 6000 IT enabled service centres in rural areas.
- Secondary education coverage in all Panchayat Head Quarters.
- Increase in mess allowance and scholarships of SC/ST students.
- Separate minorities department and Constitution of Waqf Development Council, Recruitment of Madarsa Teachers, Recognition for Madarsa, Increase in pre-matric scholarship for minorities.
- Veterinary University in Bikaner.
- Engineering College in Banswara.
- Jaipur to be developed as a World Class City.
- 1.25 lac Housing Units to be built in the next five years.
- New Industrial Policy, Forest Policy, Water Policy and Mineral Policy.
- Higher Education Reforms Commission, Council of Vocational Education and Training.
- Tourism Act.
- Emphasis on Drinking Water Schemes, Health Schemes and strengthening of Educational Infrastructure.
- Thrust on Vocational Training and Employment.
- Environment Policy, Massive Plantation Drives.

HIGHLIGHTS OF BUDGET 2009-10 (TAX REVENUE)

- Inter-State trade to and from, Rajasthan has been made less cumbersome. Form 47 & 49 are now not required for all taxable goods but only for limited number of notified goods. This is a huge relief for traders of the state.
- To promote an atmosphere of trust and to ensure free flow of trade across the State, Flying Squads of the Commercial Taxes Department have been abolished. Henceforth, the vigilance on trade will be on intelligence collected through systematic process.
- For the system of intelligence to take root, a new Directorate of Revenue Intelligence is being created to keep watch on all major revenue earning departments of the Government.
- With the simplification of process, Govt has decided to deal with the tax evaders with a stern hand and simultaneously, honest tax payers are to be honored, encouraged and supported.
- To ensure transparency in the system and for uniform approach in dealing with matters related to business and trade, a code in shape of a handbook containing procedural details along with illustrations will be issued. This will also be available on the departmental website.
- An officer in the commercial tax department now will not decide a case made out by him.
- In view of discomfort faced by majority of dealers willing to file electronic return, digital signature has been made optional.
- Provisional refund will be available to the dealers filing e-returns and opting for quarterly assessment. 50% refund is to be given within two months of the end of the quarter.
- Interest to be granted by CTD along with the refund orders. Sanction of Finance Department will not be required.
- Facility to dealers for submitting online application for obtaining C-forms will be available. Dealers will not be required to visit the offices of Assessing Authority for obtaining Declaration Forms.
- If stay application is not decided by Dy. Commissioner (Appeals) within one month, it would be deemed to have been accepted.
- All appeals pending for more than a year would be decided by March 31, 2010.
- Queries of the dealers would be responded with authentic orders within thirty days.
- To reduce litigation, Tax Board judgments when accepted, will be applied to all similar cases.
- Dealers having branches at different places in the State have been absolved from filing statement at all the branches.
- A major step has been taken to facilitate easy assistance to commercial tax payers by setting up Tax Facilitation Centers with IT qualified staff at each assessing authority level. 531 IT personnel will be recruited for the digital spine of the department.

- For improved efficiency, CTD is to be strengthened by providing 400 more officers by direct recruitment.
- Date for filing of Declaration Forms related to assessment completed up to March 31, 2009, extended up to March 31, 2010.
- Building stones of all types in Rajasthan will be cheaper now. Tax rate reduced from 12.5% to 4%.
- Equipments and chemicals used in central effluent treatment plants will now be exempted from tax.
- To remove all confusion, Sarees with all kinds of embroidery and decorations will remain outside the tax net. Silk and imported fabrics however will remain taxable.
- De-oiled rice barn used for manufacture of cattle feed will now be exempted from tax.
- Newsprint has been made exempted from tax.
- To encourage herbal cultivation in the State, all kinds of Jari Buti and dried Amla have been made exempted from tax.
- The laboratories in schools will find the equipments cheaper as the tax has been reduced from 12.5% to 4%.
- Electronic weighing machines will be taxed at par with their analog counterparts, i.e. @4%
- Used cars will be taxed @ Rs 2000 for engine capacity upto 1000cc and Rs 5000 for bigger ones.(The tax rate was 4% on sale value earlier.)
- Diamond bits as part of Diamond cutting tools have been made taxable @ 4% instead of 12.5%.
- To provide thrust to the Khadi Gramodhyog sector in the State, tax exemption has been extended to all the manufacturing units registered with KVIC or KVI Board except a few identified goods. .
- As a major relief, stamp duty has been reduced from 8% to 5% . For women the rate will be 4% .
- DLC rates of Jaipur district has been increased by 25%. For rest of the districts the DLC rate has been increased by 10%.
- Registration of EWS and LIG houses/plots will be registered at a nominal stamp duty of Rs 10 and Rs 25 respectively.
- To attract the airline services to Rajasthan, tax rate on ATF has been reduced from 28% to 4%
- Rooms in hotel costing up to Rs 3000 per day now will be free from luxury tax.
- The general VAT rate of 12.5% has been enhanced to 14%
- Tax on tobacco has been increased from 12.5% to 20%.
- Petroleum companies now will pay surface rent on their leases. This will be a new source of revenue for the state.
- A new water conservation cess has been imposed @ 10 paisa per unit of electricity duty. Farmers and domestic consumers are exempted from this levy.