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Newsflash: Key Highlights of Rajasthan State Budget 2019-20

1.0 Background

The Rajasthan State Budget for financial year (FY) 2019-20 was presented by the State Chief Minister, Shri Ashok Gehlot on 10 July 2019. The Budget proposals cover various aspects of the economy, viz. Tax proposals, Infrastructure Development, Investment & Economic Growth and Human Resources & Social Development. In this newsflash we have discussed the key tax and other significant proposals of the Rajasthan State Government.

2.0 Sector-wise Budget allocation

S. No.	Head of Development/Sectors	Proposed Outlay	% to Total
1	Agriculture & Allied Services	8,057.51	6.90
2	Rural Development	12,873.74	11.03
3	Special Area Programme	149.33	0.13
4	Irrigation & Flood Control	2,939.45	2.52
5	Power	30,144.22	25.82
6	Industry & Minerals	679.08	0.58
7	Transport	5,829.09	4.99
8	Scientific Services	21.98	0.02
9	Social & Community Services	50,779.57	43.50
10	Economic Services	1,512.46	1.30
11	General Services	3,749.53	3.21
	Total	1,16,735.96	100.00

3.0 Sector-wise highlights are as under:

Energy:

- 6000 MW additional power generation by traditional sources in next 7 years
- New solar energy policy and new wind energy policy
- Establishment of 1426 MW wind energy and 4885 solar energy projects in 5 years
- Establishment of 600 MW solar plants on unusable land of farmers
- 765 KV sub-station in Jodhpur and phase wise establishment of three 220 KV, thirteen 132 KV sub-station with expenditure of 2338 crore

Industries:

- New industry area in Jaipur, Jodhpur, Kota, Barmer, Bhilwara, Ajmer, Rajasmand, Sawai Madhopur, Dausa and Sirohi districts
- Establishment of new CETPs and upgradation of existing ones

MSME:

- Interest subvention on loans upto 10 crore in Chief Minister Small Business Promotion Scheme; 50 crore allocated for this year, 250 crore for five years
- Amount of revolving fund to Khadi Institutions increased to 10 crore and tenure to 10 years



Registration & Stamps:

- Stamp duty and registration fees shall be exempted on the registration of residential plot/ flat allotted by State Government or by private person in favour of dependents of the Martyr of the State
- Stamp Duty shall be exempted completely on the instruments of settlement and partition of ancestral property
- Stamp Duty shall be exempted on the loan documents upto Rs. 10 lac for establishment of start-up
- Amnesty Scheme regarding exemption of interest and penalty payable on outstanding Stamp Duty shall be introduced
- Maximum limit of Stamp Duty chargeable on Amalgamation / Demerger shall be removed
- Rate of Stamp Duty shall be increased from 0.15% to 0.25% and maximum limit of Stamp Duty shall be increased from Rs. 5 lac to 25 lac on the loan documents where possession of the property has not been given
- Maximum limit of Stamp Duty payable on works contract shall be removed; currently it is Rs. 15000.

Commercial Taxes Department:

- To give relief to dealers in pending demands, following new provisions are added through amendments in Rajasthan GST Act:
 - Amnesty Scheme will be launched to waive Interest, Penalty and Late fee
 - Provision will be made for issuance of TDS deduction certificate Form VAT-41 by Awarders, so that contractors may avail adjustment of TDS
 - Facility of VAT 69 for opting Lump-sum payment by Builders and Developers will provided
- The process of ITC Match and Mismatch will be simplified and campaign of ITC verification will be launched to reduce demands
- To promote solar energy, exemption in electricity duty will be extended from 01st April, 2018 to 31st March, 2020
- Recommendation will be made to the Union Government to establish benches of GST Appellate Tribunal at Jaipur and Jodhpur
- Electricity duty on Captive Power Plants will be increased to Rs. 1.00
- VAT on Natural Gas will be increased to 10 per cent
- "Vyavahari Aivam Sewa-Pradata Samman Yojana" will be launched to recognize contribution of dealers and service providers

Industry Department:

- To develop Jodhpur-Pali-Marwar Industrial Area as second Node of Delhi Mumbai Industrial Corridor Plan. It will be declared as Special Investment Region and Regional Development Authority will be established
- Rajasthan Investment Promotion Scheme-2019 (RIPS-2019) will be launched. In this scheme, Due and Deposited State GST will be reimbursed upto 100 percent for 7 years for Investment and employment in the State. Also, exemption in Electricity Duty, Stamp Duty, and Mandi fee will be provided

Excise Department:

- To bring families involved in illicit liquor trade in the mainstream and for their development, an additional Rs. 10 crore will be provided for augmenting Navjeevan Yojana
- Mining Department
- An Amnesty Scheme will be introduced to give relief to the lessee for the outstanding dues of Dead Rent, Royalty, Penalty, Royalty collection contracts, illegal mining/ transportation/ storage, Short-term permit and Contractors of Works Department
- Transport Department's software "Vaahan" and Mines and Geology Department's software "e-Ravanna" will be integrated to bring transparency, prevent revenue loss and reduce accidents by preventing overloading of vehicles



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In this newsflash, we have summarized highlights of the state budget presented by Rajasthan government on 10 July 2019

11 July 2019.