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Newsflash:
Key Highlights of Rajasthan State Budget 2021-22

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1.0 Background:

The Rajasthan State Budget for financial year (FY) 2021-22 was presented by the State Chief Minister, Shri. Ashok Gehlot on 24 February 2021. 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

Sr. No.	Head of Development/Sectors	Proposed Outlay	As a % to Total
1.	Agriculture & Allied Services	9,818.74	7.42
2.	Rural Development	15,935.19	12.05
3.	Special Area Programme	65.42	0.05
4.	Irrigation & Flood Control	4,002.65	3.03
5.	Power	18,943.23	14.32
6.	Industry & Minerals	1,196.15	0.91
7.	Transport	7,941.39	6.01
8.	Scientific Services	17.59	0.01
9.	Social & Community Services	69,026.26	52.19
10.	Economic Services	1,869.71	1.41
11.	General Services	3,435.02	2.60
Total		1,32,251.35	100.00

3.0 Sector-wise Highlights

3.1 Energy:

- Provision of Rs. 16,236.75 crore for Power Tariff Subsidy
- Provision of Rs. 1,565.69 crore as subsidy for Electricity Duty
- Provision of Rs. 58.00 crore for DBT to Agriculture Consumers for Relief in Power Tariff

3.2 Industries:

- Provision of Rs. 500.42 crore for HPCL Rajasthan Refinery Ltd.
- Provision of Rs. 315.26 crore for Industries Department
- Provision of Rs. 40.00 crore for Rajasthan State Industrial Development and Investment Corporation (RIICO)
- Provision of Rs. 259.00 crore for Rajasthan Financial Corporation (RFC)
- Provision of Rs. 28.70 crore for Mines & Geology Department
- **Important physical targets:**
 - Interest Subsidy to 5,000 persons under Mukhyamantri Laghu Udhog Protsahan Yojana
 - Interest Subsidy to 1,080 persons under Pradhanmantri Rojgar Srajan Yojana
 - 35 Udhogic Protsahan Shivar at Zila Level and 248 Shivar at Panchayat Level
- Extension of Rajasthan Investment Promotion Scheme (RIPS)--2014 benefits by 2 more years till 31 March, 2023.
- Amnesty on interest and penalty on pending Land Tax till 30 June, 2021.
- Inclusion of Gems and Jewellery Bourse in Service Sector of Rajasthan Investment Promotion Scheme (RIPS)-2019,
- Inclusion of Healthcare Sector and API in Thrust Sector of Rajasthan Investment Promotion Scheme (RIPS)-2019.
- Enhancement of employment subsidy from 75% to 90% for Solar and Wind Manufacturing Enterprises under Rajasthan Investment Promotion Scheme (RIPS)-2019.
- Lowering of investment limit from Rs. 50 Cr. to Rs. 25 Cr. for e-Vehicle manufacturers for Rajasthan Investment Promotion Scheme (RIPS)-2019 benefits.
- Inclusion of e-Vehicles charging/swapping stations in Service Sector with Thrust Sector benefits in Rajasthan Investment Promotion Scheme (RIPS)-2019,

3.3 Scientific Services

- Provision of Rs. 10.40 crore for Science & Technology
- Provision of Rs. 7.19 crore for Environment Department

3.4 Economics Services:

- Provision of Rs. 714.57 crore for Information Technology & Communication
- Provision of Rs. 641.04 crore for Food & Civil Supply Department which includes funds of Rs. 634.22 crore for National Food Security Scheme
- Provision of Rs. 133.56 crore for Economic & Statistics Department which includes Rs. 66.28 crore for Rajasthan Jan Aadhar Yojana
- Provision of Rs. 370.73 crore for Tourism Department.

3.5 Real Estate:

- Reduction of District Level Committee (DLC) rates of Commercial and Residential properties by 10%.
- Reduction of Stamp duty from 6% to 4% on flats in multi-storied buildings of value up to Rs. 50 lakh if conveyance deed is executed and presented for registration up to 30-Jun-2021.
- Reduction of Stamp duty on Weaker Section (EWS) and Lower Income Group (LIG) under Chief Minister (CM) Jan Awas Yojna from 1% and 2% to 0.50% and 1 respectively.
- Anywhere online registration, fixing of District Level Committee (DLC) rates by technology. GIS based Urban Development Tax (UD Tax) system.

3.6 Stamp & Registration Department:

- Stamp duty on the basis of allotment value instead of District Level Committee (DLC) rate in respect of Pattas given by Local Bodies.
- Stamp Duty on intermediate documents executed after 14 July, 2014 will be charged @ 40% of District Level Committee (DLC).
- Stamp duty on gift deed in favour of daughters-in-law will be reduced from 2.5% to 1% in the same lines as daughters.
- The Stamp duty rebate on release deed is extended to more relatives.
- No Stamp Duty on Gift deed in favour of grandsons and granddaughters by their grandparents. .

- Unit of maximum stamp duty will be Rs. 25 Lakhs in case of Security Bond. Amnesty Scheme from 1 April, 2021 for pending Stamp Duty cases related to bank loans

3.7 Commercial Taxes Department:

- 50% rebate on additional One Time Tax on used 2-wheelers and cars.
- SGST reimbursement to purchasers of e-Vehicles and up-front purchase assistance to buyers of 2-wheeler and 3-wheeler e-Vehicles.
- A Comprehensive, online and faceless Amnesty Scheme-2021 with exemptions of tax, interest and penalty on various pending disputes related to various repealed Acts such as Sales Tax, VAT, Entry Tax, Entertainment Tax and Luxury Tax. Partial relief in tax for the first time in the State. No monetary ceiling. Valid up to 30 September, 2021. This will be in three phases, early applicants will get more relief.
- Enhancement of limit of e-way bill from Rs. 50,000 to Rs. 1 lakh.
- Extension of time limit for rectification of faulty declaration form/submission of declaration forms.

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This newsflash summarizes the key tax and other significant proposals of the Rajasthan State Budget 2021-22. The Budget proposals cover various aspects of the economy, viz. Tax proposals, Infrastructure Development, Investment & Economic Growth and Human Resources & Social Development. This newsflash covers the sector-wise highlights of the proposals. It may be noted that nothing contained in this newsflash should be regarded as our opinion and facts of each case will need to be analyzed to ascertain applicability or otherwise of the said notification and appropriate professional advice should be sought for applicability of legal provisions based on specific facts. We are not responsible for any liability arising from any statements or errors contained in this newsflash.

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