



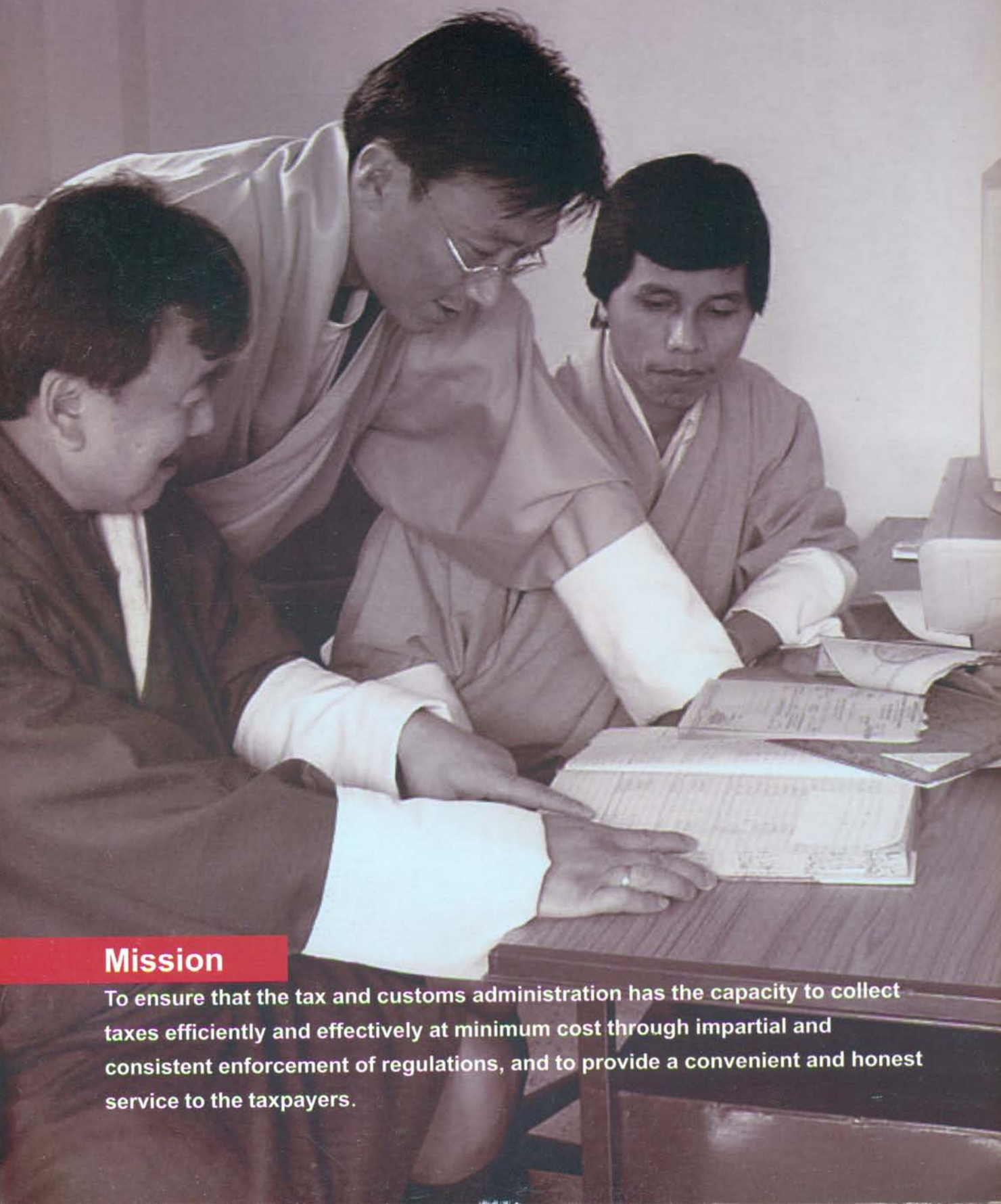
# NATIONAL REVENUE REPORT

2004-2005

Department of Revenue and Customs  
Ministry of Finance

## Vision

Contribute to the nation building process through the development of an effective revenue system



## Mission

To ensure that the tax and customs administration has the capacity to collect taxes efficiently and effectively at minimum cost through impartial and consistent enforcement of regulations, and to provide a convenient and honest service to the taxpayers.

# CONTENTS

## FOREWORD

<b>1 OVERALL REVENUE PERFORMANCE</b>	<b>1</b>
<b>2 SUMMARY OF NATIONAL REVENUE</b>	<b>2</b>
2.1 Tax Revenue	2
2.1.1 Direct Tax	3
Corporate Income Tax (CIT)	3
Business Income Tax (BIT)	3
Personal Income Tax (PIT)	3
Other Direct Tax	4
2.1.2 Indirect Tax	5
Sales Tax	5
Excise Duty	5
Excise Duty on Distillery Products	6
Excise Duty Refund from Gol	6
Export Tax	6
Import Duty	6
Stamp Duty	6
2.2 Non-tax Revenue	7
Revenue from Government Departments	7
Dividend	7
Transfer of Profit	7
Capital Revenue	8
Administration Fees & Charges	8
Other Non-tax Revenue	8
<b>3 SECTORAL REVENUE</b>	<b>9</b>
3.1 Highlights of Revenue by Sector	9
Electricity (Power)	9
Trade	10
Service	10
Primary	10
Manufacturing	10
Finance	10
<b>4 TOP TEN REVENUE AGENCIES</b>	<b>11-12</b>
<b>5 REVENUE PERFORMANCE BY REGION</b>	<b>13</b>
<b>6 DZONGKHAG REVENUE</b>	<b>14</b>
<b>7 PRIVATE SECTOR</b>	<b>15</b>
7.1. Private Sector Revenue	15
Corporate Income Tax	15
Business Income Tax	15
Health Contribution from Private Sector	15
<b>8 TOP TEN PRIVATE COMPANIES</b>	<b>16</b>
<b>9 FUTURE OUTLOOK</b>	<b>17</b>
<b>ANNEXURES</b>	
ANNEXURE I Details of national revenue FY 2004-05	19-20
ANNEXURE II Revenue performance by region FY 2004-05	21-28
ANNEXURE III Details of dzongkhag revenue FY 2004-05	29-30
ANNEXURE IV Sectoral revenue performance FY 2004-05	31
ANNEXURE V Statement of actual collection and revenue target for FY 2004-05	32
<b>PERFORMANCE INDICATORS</b>	<b>34</b>



## **FOREWORD**

It gives me great pleasure to write the foreword to the National Revenue Report for Fiscal Year 2004-2005. We in Department of Revenue and Customs are glad that we have achieved a great deal of our operational targets; achievement of our revenue target being just one of them.

An addition to the revenue report this year is the inclusion of Performance Indicators of the department. The Performance Indicators sets out our achievements of the past years and also looks to the future to build on them. Department of Revenue and Customs is committed to delivering quality services and this is one of the management initiatives undertaken to benchmark our performance in terms of quality, quantity, efficiency and transparency.

The report presents performance of revenue by types of collection and agencies involved in collection both at the national, regional and Dzongkhag level. It also looks at the achievements of major revenue generating agencies in the country and other notable contributions made to the treasury during the year.

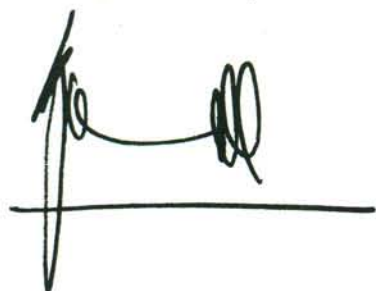
Our efforts during the fiscal year have registered well despite the challenges. Total collection for the year stands at Nu.6,066.101 million registering a substantial increase of Nu.1,010.906 million or 20% over the previous year. The average growth rate of revenue during the last seven years have stood at 10% compared against 20% in the last fiscal year. However, revenue compared against the revised target of Nu.6,640.903 million fell short by (-) Nu.574.802 million or 8.66%. The shortfall came about largely from transfer of reserves from corporations of (-) Nu.427.891 million against target of Nu.767.891 million and short receipt of Excise Duty Refund.

The year has also seen windfall gains from the sale of government property in New York and improved remittances from Royal Monetary Authority. Performance for both Tax and Non-tax revenue has increased significantly during the year with a growth of 25.74% and 13.46% respectively. Compared against target, Non-tax revenue exceeded the target by 11.72%, whereas tax revenue fell short of the target by (-) 2.55% during the year.

I would also like to take this opportunity to express my sincere thanks to all my colleagues in the department, regional offices, revenue agencies and corporations for their unfailing support in our efforts to mobilise adequate internal resources.

While the prospect for growth in the future looks optimistic, I sincerely hope our commitments remain undiminished through the coming year and beyond.

**With best wishes,**

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke at the bottom.

[Sangay Zam]  
Director



#### ABBREVIATIONS

DRC	Department of Revenue and Customs
FY	Fiscal Year
CIT	Corporate Income Tax
BIT	Business Income Tax
PIT	Personal Income Tax
RGOB	Royal Government of Bhutan
RMA	Royal Monetary Authority
BOB	Bank of Bhutan
BNB	Bhutan National Bank
RICB	Royal Insurance Corporation of Bhutan
CHPC	Chukha Hydro Power Corporation Limited
BHPC	Basochu Hydro Power Corporation
THPA	Tala Hydro Power Corporation
AWP	Army Welfare Project
DOT	Department of Tourism
RSTA	Road Safety and Transport Authority
DOFS	Department of Forestry Service
STCB	State Trading Corporation of Bhutan
FCB	Food Corporation of Bhutan
PCAL	Penden Cement Authority Limited
BCCL	Bhutan Carbide and Chemicals Limited
BFAL	Bhutan Ferro Alloys Limited
FDC	Forestry Department Corporation
DOL	Department of Lottery
Nu.	Ngultrum
NY	New York



## Revenue Performance ● ● ● ► PART A

revenue audit and accounts team at head office

T.B. Chhetri joint director  
Phuntsho Tobgay joint director  
Thinley Yangdon senior revenue officer  
Pem Deki senior revenue officer  
Passang Tshering internal auditor  
Tek Bdr. Mongar revenue inspector

# 20% increase in revenue collection

## 1. OVERALL REVENUE PERFORMANCE

The net revenue collection for the fiscal year has reached Nu. 6066.101 million registering a growth of 20% or Nu.1010.906 million over the previous year's collection. During the fiscal year, revenue target was revised a number of times in order to incorporate policy adjustments. The initial target for FY 2004-05 set at Nu. 5801.690 million was revised to Nu. 5747.889 million following the National Assembly's decision to reduce the Personal Income Tax rates by 40%. The target was further revised upward to Nu. 6640.903 million to take into account: the tariff revision for Chhukha Hydro Power Corporation (CHPC), enhanced interest receipts from corporations and transfer of reserves from state owned corporations.

The actual collection for the fiscal year fell short of the target (Nu. 6640.903 million) by Nu. (-) 574.802 million or (-) 8.66%. The shortfall is on account of partial receipt of; transfer of reserves, excise duty refund from Government of India(GOI), and non receipt of incremental revenue from CHPC tariff revision.

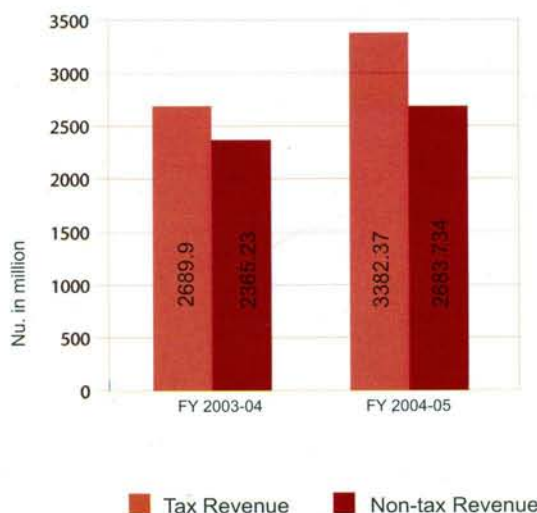
Tax revenue for the fiscal year is Nu. 3382.367 million, which is 55.76% of the total national revenue while Non-tax revenue is Nu. 2683.734 million, which is 44.24% of the total national revenue.

Tax Revenue  
56%  
(Direct Tax 33%  
Indirect Tax 23%)



Non-tax Revenue  
44%

Domestic Revenue by Year



## 2. SUMMARY OF NATIONAL REVENUE: FY 2004-2005

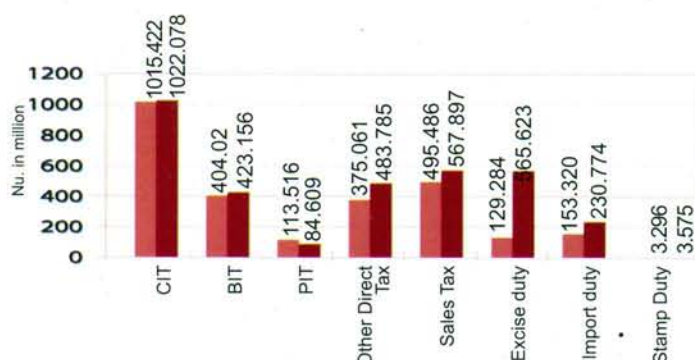
NU: in million

Source of Revenue	2003-2004 (Net Revenue)	2004-2005 (Net Revenue)	(+) or (-) (Nu)	(+) or (-) (%)	%over Total revenue
<b>A Tax Revenue (I+II)</b>	<b>2689.896</b>	<b>3382.367</b>	<b>692.471</b>	<b>25.74</b>	<b>55.76</b>
<b>I Direct Tax</b>	<b>1908.019</b>	<b>2013.628</b>	<b>105.609</b>	<b>5.54</b>	<b>33.19</b>
1 Corporate Income Tax	1015.422	1022.078	6.656	0.66	16.85
2 Business Income Tax	404.020	423.156	19.136	4.74	6.98
3 Personal Income Tax	113.516	84.609	(28.907)	(25.47)	1.39
4 Other Tax revenue	375.061	483.785	108.724	28.99	7.98
4.1 Motor Vehicle Tax	65.702	72.544	6.842	10.41	1.20
4.2 Business & Prof.Licences	22.433	24.195	1.762	7.85	0.40
4.3 ForeignTravel Tax(Airport)	6.679	9.606	2.927	43.82	0.16
4.4 Municipal Tax	4.823	9.200	4.377	90.75	0.15
4.5 Health Contribution	30.713	36.001	5.288	17.22	0.59
4.6 Royalties	243.341	332.239	88.898	36.53	5.48
4.7 Rural Tax	1.370	0.000	(1.370)	(100.00)	-
<b>II Indirect Tax</b>	<b>781.877</b>	<b>1368.739</b>	<b>586.862</b>	<b>75.06</b>	<b>22.56</b>
5 Sales Tax	495.486	567.897	72.411	14.61	9.36
6 Export Tax	0.491	0.87	0.379	77.19	0.01
7 Excise Duty	129.284	565.623	436.339	337.50	9.32
8 Import Duty	153.320	230.774	77.454	50.52	3.80
9 Other Tax Revenue	3.296	3.575	0.279	8.46	0.06
<b>B Non -Tax Revenue</b>	<b>2365.299</b>	<b>2683.734</b>	<b>318.435</b>	<b>13.46</b>	<b>44.24</b>
10 Administration Fees & Charges	149.059	187.572	38.513	25.84	3.09
11 Capital Revenue	73.539	232.613	159.074	216.31	3.83
12 Revenue from Government Departments	40.629	78.688	38.059	93.67	1.30
13 Dividends	1753.088	1550.524	(202.564)	(11.55)	25.56
14 Transfer of Profits	198.407	384.475	186.068	93.78	6.34
15 Other Non-Tax Revenue	150.577	249.862	99.285	65.94	4.12
<b>Total Tax &amp; Non-Tax Revenue (A+B)</b>	<b>5055.195</b>	<b>6066.101</b>	<b>1010.906</b>	<b>20.00</b>	<b>100.00</b>

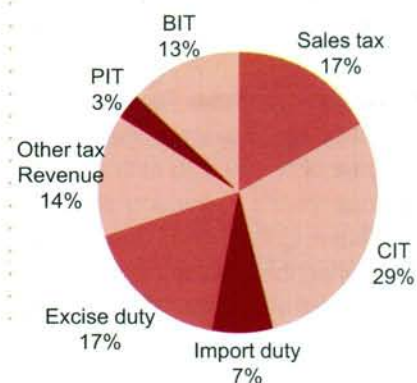
### 2.1 Tax Revenue

Overall Tax Revenue during the year recorded a growth of Nu. 692.471 million or 25.74% from the previous year's collection of Nu. 2689.896 million. The increase is from both direct and indirect taxes. The collection from direct and indirect taxes was Nu. 2013.628 million and Nu. 1368.739 million, representing 33.19% and 22.56% of the total national revenue respectively. Tax Revenue, however, when compared to the revised target has fallen short by (-) Nu. 88.538 million or (-) 2.55%. The details of collection by tax type are given below:

**Tax Revenue compared for Two Fiscal Years**



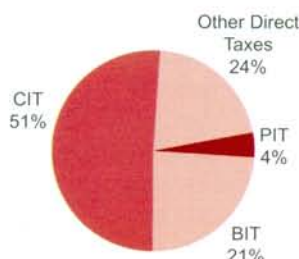
**Composition of Tax Revenue**



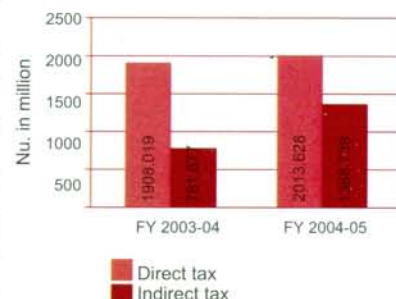
## 2.1.1 Direct Taxes

The collection from Direct Taxes stands at Nu. 2013.628 million, which is a net increase of Nu. 105.609 million from the previous year's collection or an increase of 5.54%. Direct Tax collection has exceeded the target by Nu. 63.314 million or 3.25%. Direct Tax constitutes 59.53% of the total tax revenue and 33.19% of the total national revenue.

### Composition of Direct Tax



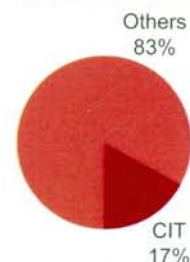
### Direct and Indirect Tax collections compared for Two Fiscal Years



## Corporate Income Tax (CIT)

CIT collection of Nu. 1022.078 million recorded only a slight increase of 0.66% or a net increase of Nu. 6.656 million over the previous year's collection of Nu. 1015.422 million. It is noted that, during the fiscal year, most of the corporate units have not performed as well as in the previous year, thereby, resulting in decreased profits. Although there is only a slight increase in collection from previous year, however, compared to the target it has exceeded by Nu. 33.564 million or 3.40%. Revenue from CIT for the year constitutes 16.85% of total national revenue.

### Revenue from CIT



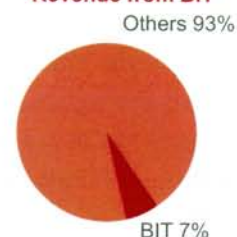
CIT Payers for FY 2004-05		Nu: in million	
Corporate Units	CIT for FY 2004-05	% to Tax Revenue	
1 CHPC	562.136	16.62	
2 PCAL	82.703	2.45	
3 BOB	70.023	2.07	
4 Bhutan Telecom	57.671	1.71	
5 BFAL	38.196	1.13	
6 BCCL	28.725	0.85	
7 BNB	28.125	0.83	
8 RICB	28.113	0.83	
9 Druk Satair Ltd.	14.693	0.43	
10 AWP	14.108	0.42	
11 FDC	12.568	0.37	
12 BHPC	12.052	0.36	
13 BFPL	11.310	0.33	
14 Others	61.655	1.82	
1022.078		30.22	

Note: CIT figures are based on actual receipts during the FY 2004-05 and does not include TDS for companies

## Business Income Tax (BIT)

Collection on account of BIT has reached Nu. 423.156 million, showing a net increase of Nu. 19.136 million during the year or 4.74% increase compared to previous year's collection of Nu. 404.020 million. Substantial portion of the increase in collection is due to improved collection method especially through TDS collection. However, as compared to the target set during the year it has fallen short by (-) Nu. 12.098 million or (-) 2.78%. It comprises 6.98% of the total national revenue.

### Revenue from BIT



## Personal Income Tax (PIT)

The net collection from PIT for the year is Nu. 84.609 million registering a decline of (-) 25.47% or (-) Nu. 28.907 million compared to the previous year's collection of Nu. 113.516 million. Collection on account of PIT has decreased due to reduction in tax rate by 40%. However, as compared to the target of Nu. 80.701 million, collection has exceeded the target by 4.84%. This is mainly due to increase in the base of PIT filers during the year despite reduction in the tax rates.<sup>1</sup> PIT constitutes 1.39% of the total national revenue.

### Revenue from PIT

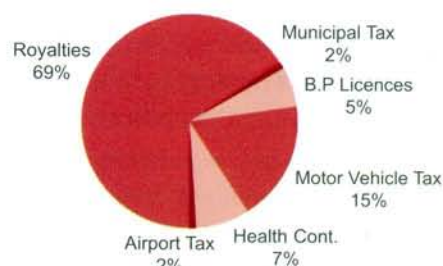


<sup>1</sup> 21% increase in PIT filers from 8548 returns to 10500 returns for the income year 2003 (PI report December 2004)

## Other Direct Taxes(ODT)

Other Direct Taxes include taxes collected but not falling under the three main broad heads of CIT, BIT and PIT. The revenue collected on account of Other Direct Taxes is from Motor Vehicle Tax, Business & Professional Licences, Foreign Travel Tax, Municipal Tax, Health Contribution and Royalties. Total collection from Other Direct Taxes is Nu. 483.785 million registering a growth of 28.99% or a net increase of Nu. 108.724 million compared to the previous year's collection. The increase in collection is mainly from Royalty from Tourism, which has increased from Nu. 152.027 million to Nu. 239.670 million. Revenue from Other Direct Taxes has also exceeded the target by Nu. 37.940 million or 8.51% increase. It constitutes 7.98% of the total national revenue.

Revenue from Other Direct Taxes



Source	Nu. in million
Royalties	332.239
Motor Vehicle Tax	72.544
Business & Prof. Licences	24.195
Foregin Travel Tax ( airport)	9.606
Municipal Tax	9.200
Health Contribution	36.001
<b>Total</b>	<b>483.785</b>

## Royalties

Royalty collection from forestry products, mines and minerals and the Tourism Sector is recorded at Nu. 332.239 million for the fiscal year showing a very significant increase of Nu. 88.898 million or 36.53% increase over the previous year's collection of Nu. 243.341million. The collection represents 5.48% of the total national revenue. The increase in collection under this head is mainly from the tourism sector showing an increase of 57.65% compared to previous fiscal year due to increase in the number of tourists and timely deposit by DOT. Increase from this source is also due to collection from Forestry Products, which has posted an increase of 14.03% over the previous year.

Source	Nu. in million	%
Royalties from tourism	239.670	3.95
Royalties from mines	47.865	0.79
Royalties from forestry	44.704	0.74
<b>Total</b>	<b>332.239</b>	<b>5.48</b>

## Motor Vehicle Tax

Collection from Motor Vehicle Tax on account of annual registration fee of motor vehicles and 5% ownership transfer tax is recorded at Nu.72.544 million. The collection shows a net increase of Nu. 6.842 million or 10.41% over the previous year's collection of Nu. 65.702 million. Increase in collection is due to increase in import of vehicles. Motor Vehicle Tax for the year constitutes 1.20% of the total national revenue.

## Business and Professional Licenses

Collection from Business and Professional Licenses during the year is Nu. 24.195 million, which is a net increase of Nu.1.762 million or 7.85% over the previous year's collection of Nu. 22.433 million. The increased collection from this source is mainly due to liberalization of trade licences. It constitutes 0.40% to the total national revenue.

## Municipal Taxes

Revenue collected from Municipal Tax during the year is Nu. 9.200 million registering an increase of 90.75% from the previous year. This is primarily due to increase in the property registration and the expansion of municipal boundaries. The collection constitutes 0.15% to the total national revenue.

## Health Contribution

Collection from Health Contribution amounted to Nu. 36.001 million showing an increase of 17.22% from the previous year. The increase is mainly due to the 45% pay allowance for the civil service affected from 1<sup>st</sup> January 2005. It constitutes 0.59% to the total national revenue.

75.06% growth in indirect taxes

### 2.1.2 Indirect Taxes

Indirect Taxes comprises of revenue from Sales Tax, Excise Duty (on domestic goods and services and excise refund from Government of India), and Import Duty. The total collection under Indirect Taxes for the year is Nu.1368.739 million against Nu. 781.877 million from the previous year, registering a growth of 75.06%. The increase in collection from Indirect Taxes is mostly due to Excise Duty Refund pertaining to the past fiscal year deposited during the year. It is also noted that collection from Import Duty has contributed towards the increase of Indirect Taxes by Nu. 77.454 million or 50.52% increase over the previous year. However, performance of Indirect Taxes as against the target for the fiscal year is short by (-) 9.99%, the details are further explained under the respective sources. Indirect Taxes for the year constitutes 22.56% of the total revenue as compared to 15.5% in the previous year.

#### Sales Tax

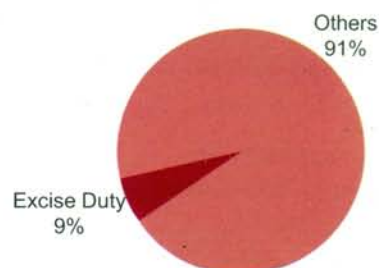
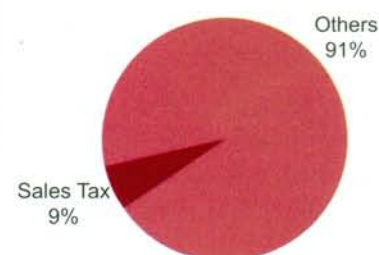
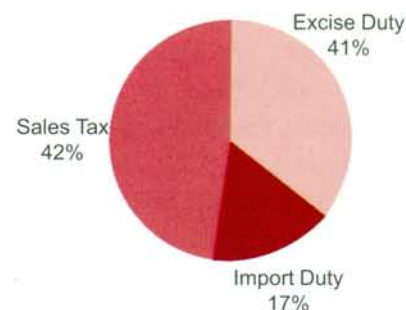
Revenue from Sales Tax increased to Nu. 567.897 million from the previous year's collection of Nu. 495.486 million, which is a net increase of Nu. 72.411 million or 14.61%. We also note that the collection on account of Sales Tax from hotels and restaurants shows an increasing trend partly attributable to the newly established luxury hotels. However, collection on account of Sales Tax falls short of its target by (-) 10.45%. It constitutes 9.36% of the total national revenue.

Source	Nu.In million	% to total revenue
Sales tax on goods	282.565	4.66
Sales tax on petroleum products	41.696	0.69
Sales tax on hotels	28.927	0.48
Sales tax on cable TV/Cinema	10.426	0.17
Revolving fund on sales tax	41.357	0.68
Sales tax on beer, alcoholic drinks, aerated water	162.926	2.69
Total	567.897	9.36

#### Excise Duty

Excise Duty comes from two sources namely excise duty on distillery products manufactured in Bhutan and excise duty refund received from the GOI.

#### Composition of Indirect Tax





### Excise Duty on Distillery Products

Domestic Excise collection for the year stands at Nu. 124.445 million showing an increase of 16.970% as compared to the previous year. The increase is due to increased collections on liquor licence fees and enhanced sales.

### Excise Duty Refund from GoI

The collection on account of Excise Duty Refund from GOI amounted to Nu. 441.178 million, showing an increase of Nu.419.369 million from the previous year. However, as compared to the target it fell short by (-)Nu. 161.462 million or (-)26.79%. The collection from this source is difficult to predict as claims need to be verified by GOI and after verification it takes time for release as approvals have to be obtained.

### Export Tax

The collection from Export Tax for the fiscal year is Nu. 0.870 million registering an increase of 77.19% over the past years collection of Nu.0.491 million. Export Tax constitutes collection on export of forestry products only. Its share to the total national revenue stands at 0.01%.

### Import Duty

The collection from Import Duty amounted to Nu.230.774 million for the fiscal year as against 153.320 million for the previous fiscal year recording an increase in revenue of Nu.77.454 million. The collection under this head has shown an increase of 50.52% over the previous year, which is mainly due to increase in volume of third country Imports, revision of tariff, and better enforcement and compliance. Import Duty collection has also exceeded the target by Nu. 89.600 million or 63.47%. It constitutes about 3.80% of the total national revenue

### Stamp Duty

Stamp Duty which represents sales proceeds from revenue and judicial stamps amounted to Nu.3.575 million as against Nu. 3.296 million, showing an increase of 8.46% from the previous year. It constitutes 0.06% to the total national revenue.

# 13.46% increase in non-tax revenue

## 2.2. Non-Tax Revenue

Revenue from Non-tax Revenue comprises of; Administrative Fees & Charges, Capital Revenue from sale of government properties, Revenue from government departments, Dividend receipts from government investments, Net Transfer of Profits, Interest Receipts from corporations, etc.

Overall revenue from this source amounted to Nu. 2683.734 million registering an increase of Nu. 318.435 million or 13.46% compared to the previous year. The increase in the collection during the year is partly attributed to windfall gains like processing fee for sovereign guarantee of Nu. 10.606 million from BFAL and Nu. 61.36 million on account of sale of Scarsdale house (property owned by RGoB) in New York. Non-tax Revenue as compared to target for the year has exceeded by Nu. 281.627 million or 11.72%. Non-tax Revenue covers 44.24% of the total national revenue.

### Revenue from Government Departments

Revenue from government departments for the year increased to Nu.78.688 million compared to last year's collection of Nu.50.160 million. It shows an increase of Nu.28.528 million or 56.87% over the previous year. The increase is attributable to; collection from Municipal Revenue under Ministry of Works & Housing, collection from Department of Survey under Ministry of Agriculture, and collection from Passport and Visa fees under Ministry of Foreign Affairs. Revenue from this source has also exceeded the target by Nu.36.675 million or 87.29%. It constitutes 1.30% of the total national revenue compared against 0.80% during the previous year.

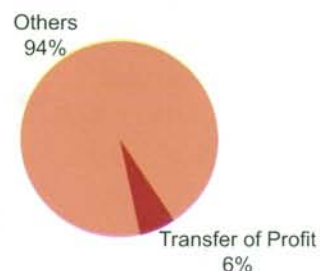
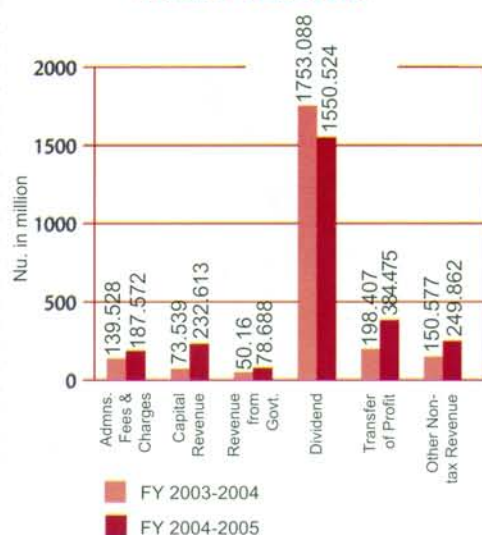
### Dividend

Receipts from Dividends from government share holdings in corporations during the year have decreased to Nu. 1550.524 million from Nu.1753.088 million from the previous year, or (-) 11.55%. This is mainly due to decline in dividend received from major public corporations and prior year's adjustment of advances and excess remittances from CHPC. An amount of Nu.1.745 million was also received as dividend from the Asian Reinsurance Corporation (ASC).

### Transfer of Profits

Revenue on account of Transfer of Profits from Royal Monetary Authority, Bhutan Lottery and other transfers amounted to Nu.384.475 million, which is an increase of Nu.186.068 million or 93.78% over the previous fiscal year. The collection from this source has also exceeded the target by Nu.165.540 million or 75.61% during the year. This is mainly due to higher remittances

Comparison of Non-Tax Revenue for two Fiscal Years



from RMA on account of net transfer of profit of Nu. 115.405 million and refund of IMF subscription of Nu. 66.398 million. Transfer of Nu. 15 million from the Duty Free Shop and Nu. 37 million from Basacho Hydro Power Corporation was also received during the year. The increased collection is also partly attributed to Transfer of Reserves from corporations of Nu 40 million<sup>2</sup>. It constitutes 6.34% to the total national revenue.

### Capital Revenue

Capital Revenue constitutes revenue from Sale of Government Assets, Proceeds from Agricultural Products, Bid Value from coal, gypsum and other capital revenue. The collection for the year reached Nu. 232.613 million showing an increase of Nu.159.074 million from Nu. 73.539 million in the previous year, registering an increase of 216.31%<sup>3</sup>. The increase in collection from capital revenue is attributable to Sale of Auction Goods and Materials amounting to Nu. 45.18 million, Bid Value collection from coal of Nu. 52.1 million, Sale proceeds from Agricultural Products, Sale of Tender Documents, and Sale of Scarsdale House of Nu. 61.36 million. Capital Revenue covers 3.83 % of the total national revenue.

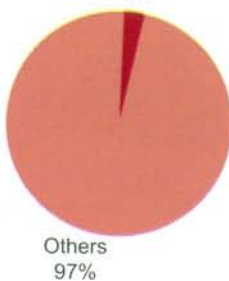
### Administration Fees and Charges

Collection from Administrative Fees and Charges for the year stands at Nu. 187.572 million registering an increase of Nu. 48.044 million or 34.43%. The increase is due to enhanced receipts from Hire Charges, House Rent, Rural Life Insurance, Depot Surcharge on Petroleum Products, and other miscellaneous administrative fees and charges. The collection from this source has also exceeded the target set for the fiscal year by Nu. 24.176 million or 14.80%. It contributes 3.09% of the total national revenue compared against 2.95% in the previous year.

### Other Non-Tax

Other Non-tax Revenue includes revenue from Interest Receipts from corporations, Security Earnest Money, Recovery of Outstanding Dues, and Treaty Payment from GOI. Revenue from this source amounts to Nu. 249.862 million showing an increase of Nu. 99.285 million or 65.94% from the previous year. Although, collection on account of Interest Receipt from corporations has gone up considerably during the year, it fell short of the target by (-) Nu. 38.853 or (-) 13.82% due to double accounting of interest receipt from CHPC(GOI Loan) of Nu. 2.215 million and Other On-lending loans from corporations of Nu. 36.638 million, Revenue from this head contributes 4.12% to the total national revenue.

Administration Fees and Charges  
3%



Other Non-tax Revenue  
4%



<sup>2</sup> In order to reduce the deficit, RGoB mobilised resources from government owned corporations through transfer of reserves of Nu. 767.891 million, out of which only Nu. 340 million was received, thus resulting in short receipt of Nu. 427.891 million.

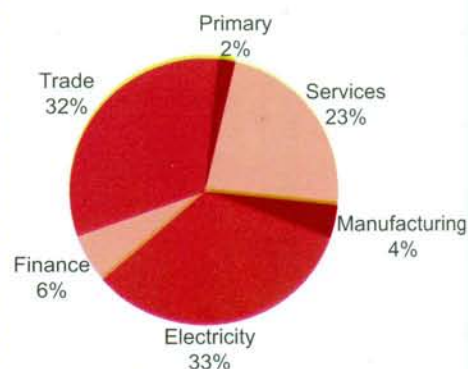
<sup>3</sup> Revenue from this source is difficult to project as this is not recurrent in nature.

**27.73%** increase in sectoral revenue

### 3. SECTORAL REVENUE

This section highlights the revenue performance by sectors comprising of Electricity, Trading, Services, Primary, Manufacturing, and Finance. Revenue from Electricity comprises of 31.90% of the total national revenue closely followed by Trading and Service sector contributing 31.03% and 22.78% respectively. As in prior years the three major sectors have retained their earlier positions. However, we see some marked changes in the composition of revenue in comparison to the previous fiscal year. Revenue from Electricity Sector has increased slightly by Nu. 17.419 million or 0.9% from the previous fiscal year. However, its share to the total national revenue has declined from 37.79% in the previous year to 31.90% in the current year. Actual collection from Trading and Service Sectors has also increased by 53.93% and 56.13% respectively over the previous year. Finance comes fourth followed by Manufacturing and Primary Sectors. Manufacturing Sector has dropped from fourth to fifth position this year.

**Sectoral Revenue Composition in relation to total sectoral revenue of Nu. 6003.838 million.**



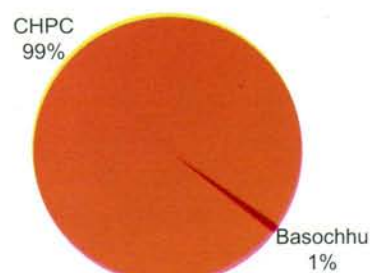
#### 3.1 Highlights of Revenue by Sectors

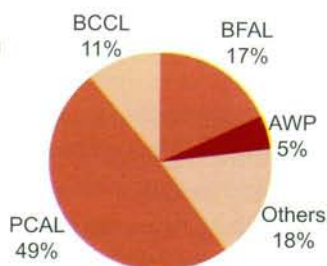
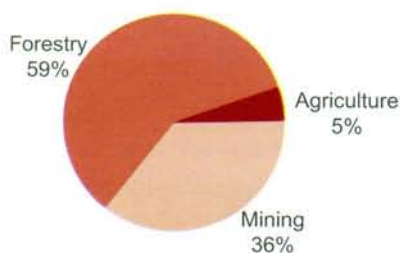
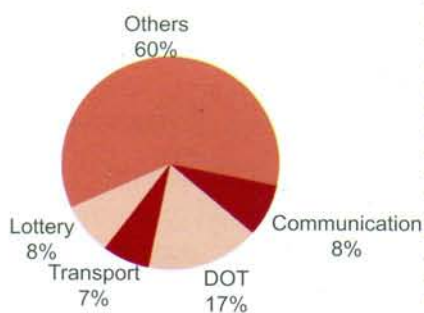
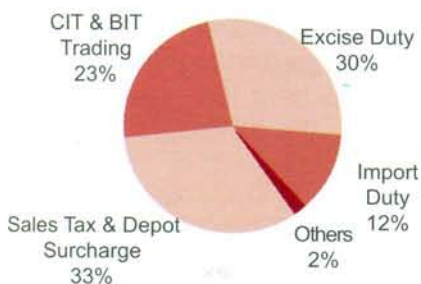
Sector	FY 2003-2004	% of total Revenue	FY 2004-2005	% of total Revenue	(+) or (-) (Nu)	(+) or (-) % growth
Electricity	1935.145	37.8	1952.564	31.9	17.419	0.9
Trade	1233.747	24.1	1899.145	31.0	665.398	53.9
Services	892.921	17.4	1394.087	22.8	501.166	56.1
Primary	152.261	3.0	132.218	2.2	(20.043)	(13.2)
Manufacturing	281.555	5.5	264.380	4.3	(17.175)	(6.1)
Finance	204.686	4.0	361.444	5.9	156.758	76.6
<b>Total Revenue</b>	<b>4700.315</b>	<b>91.8</b>	<b>6003.838</b>	<b>98.1</b>	<b>1303.523</b>	<b>27.73</b>

Figures are based on gross collections.

#### Electricity

The Electricity Sector continues to be the major source of revenue for the RGOB comprising 31.9% of the total national revenue. Total collection for the fiscal year amounts to Nu.1952.564 million compared to 1935.145 million last year, showing a slight increase of Nu. 17.419 million or 0.9%. The share of electricity's contribution to the total national revenue has declined from 37% to 31% in the current fiscal year. We attribute this decline to the adjustment of advance received in the earlier years and non receipt of the incremental revenue on account of tariff revision estimated at Nu. 69 million in the current fiscal year.





## Trade

The Trading Sector still remains the second highest contributor to the national exchequer. It accounts for 31.03% of the total national revenue this year as compared to 24.1% in the previous year. Revenue from this sector has increased by Nu. 665.398 million or 53.93% from the previous year. The increase in collection is partly attributed to receipt of outstanding Excise Duty Refund from GOI, and improved collections from other sources like Sales Tax, Depot Surcharge, Import Duty, Business and Professional Licences and trading units.

## Service

Revenue from Service Sector stands at third position as a source of revenue for the RGOB. It has posted a growth of 56.13% during the fiscal year compared to the previous year. Total collection from this sector is Nu.1394.087million constituting 22.78% of the total national revenue or an increase of Nu.501.166 million over the previous year. The increased collection from Bhutan Telecom, Motor Vehicle Tax, interest on loan, and other sources have accounted for the growth in Service Sector.

## Primary

Primary Sector covers Forestry, Mining and Agricultural activities. During the year revenue contribution from Primary Sector is recorded at Nu. 132.218 million showing a decline of Nu. (-) 20.043 million as compared to last year's collection of Nu. 152.261 million. The decline is mainly due to expiry of lease on Coal mines in the east. Primary sector constitutes 2.16% to the total national revenue.

## Manufacturing

Manufacturing Sector has moved down to fifth position from fourth last year in order of ranking as a revenue source. Collection from this sector decreased by Nu.(-)17.18 million or 6.1% from the previous year's collection. The decrease is due to decline in the profitability of some of the manufacturing companies mainly AWP, PCAL, BCCL, Bhutan Polythene and BFAL. The revenue from this source comprises 4.32% of the total national revenue.

## Finance

The Finance Sector has moved from fifth to fourth position accounting for 5.9% of the total national revenue compared against 4% of the previous year. Collection under this sector has increased to Nu.361.444 million in the current fiscal year from Nu. 204.686 million, registering a net increase of Nu. 156.758 million or 76.6% in comparison to the previous year. The increase in collection is largely from RMA on account of Transfer of Profit and reimbursement of RGoB's subscription from IMF of Nu.66.398 million. The improved performance of BOB and RICB has also contributed to the growth.

48.76% of the total national revenue

#### 4. TOP TEN REVENUE AGENCIES

The Top Ten Revenue Agencies have been identified based on their contribution to the national revenue. The performance of top ten revenue agencies during the FY 2004-05 sees some marked changes in their positions. RMA has jumped to 3<sup>rd</sup> position this year from 9<sup>th</sup> position last year, while BFAL has dropped from 8<sup>th</sup> to 10<sup>th</sup> position during the year. As a source of revenue, the top ten revenue agencies alone contribute 48.76% of the total national revenue.

Nu: in million								
Sl.no	Source of Revenue	FY 2003-2004	Rank	FY 2004-2005	Rank	(+) or (-) (Nu)	(+) or (-) (%)	% of Total National Rev. (2004-2005)
1	CHPC	1,912.886	1	1,924.287	1	11.401	0.60	31.44
2	DOT	152.027	2	239.670	2	87.643	57.65	3.92
3	RMA	53.519	9	181.803	3	128.284	239.70	2.97
4	PCAL	136.008	3	131.074	4	(4.934)	(3.63)	2.14
5	Department of Lottery	124.872	4	110.672	5	(14.200)	(11.37)	1.81
6	BOB	87.972	5	110.023	6	22.051	25.07	1.80
7	Bhutan Telecom	73.794	7	98.575	7	24.781	33.58	1.61
8	RSTA	85.812	6	91.119	8	5.307	6.18	1.49
9	Department of Forestry Services	39.211	10	52.949	9	13.738	35.04	0.87
10	BFAL	56.003	8	43.985	10	(12.018)	(21.46)	0.72
<b>Total</b>		<b>2,722.104</b>		<b>2,984.157</b>		<b>262.053</b>	<b>9.63</b>	<b>48.76</b>
<b>Total National Revenue</b>		<b>5,121.144</b>		<b>6,120.409</b>		<b>999.265</b>	<b>19.51</b>	<b>100.00</b>

\* Figures are based on gross collections



##### 1. Chukha Hydro Power Corporation (CHPC)

CHPC, which is the single highest source of revenue earner for the government has contributed Nu. 1924.287 million or 31.44% of the total national revenue. The receipt during the year shows a slight increase of Nu. 11.401 million or 0.60% from Nu. 1912.886 million in the previous year. This is mainly due to prior adjustments like excess remittances and advances received in fiscal year 2003-04 which had to be adjusted during the current year. However, if adjustments were not required to be made, receipts from CHPC would have shown an increase of Nu 158.331 million or 8.28%.

##### 2. Department of Tourism (DOT)

Department of Tourism has retained its second position from the previous year. Collection on account of Royalty and Withholding Tax for the year stands at Nu. 239.670 million, showing an increase of Nu.87.643 million or 57.65% compared to last year's collection of Nu.152.027 million. The substantial increase in revenue from this head is attributed to increase in number of tourist arrivals and timely deposit of revenue. Revenue from tourism comprises 3.92% of the total national revenue.

##### 3. Royal Monetary Authority (RMA)

RMA has moved from ninth to third position during the fiscal year. Receipt from RMA stands at Nu. 181.803 million or 2.97 % of the total national revenue. It records an increase in revenue by Nu. 128.284 million or 239.7% as compared to the previous year. Collection on account of transfer of profit alone from RMA for

the year stands at Nu. 115.405 million. Enhanced remittance from RMA is also due to reimbursement of RGoB's IMF Subscription of Nu. 66.398 million (one time receipt). The increase may also be attributed to better returns on RMA's investments abroad.

#### **4. Penden Cement Authority Limited (PCAL)**

PCAL has moved from third position in the previous year to fourth in the current year. Contribution from PCAL on account of CIT and Dividend for the year has decreased from Nu. 136.008 million to Nu. 131.074 million registering a decline in revenue of (-)Nu. 4.934 million or (-)3.63% as compared to revenue collected in the previous year. Revenue from PCAL covers 2.14% of the total national revenue.

#### **5. Department of Lottery (DOL)**

Revenue from the Department of Lottery for the year stands at Nu.110.672 million. The collection shows a decline of (-)Nu.14.2 million or (-)11.37% from the previous year's collection of Nu.124.872 million. DOL has moved from fourth position in the previous year to fifth position during the fiscal year. The decline in revenue is mainly due to adjustment of advance (Nu.25 million) received from DOL in the previous year. It constitutes 1.81% of the total national revenue.

#### **6. Bank of Bhutan (BOB)**

Collection on account of CIT and dividend payment from Bank of Bhutan has noted a substantial increase of Nu. 22.051 million or 25.07% during the fiscal year. It has exceeded the target set for both CIT and dividend during the year. Although, total collection for the year stands at Nu.110.023 million as compared to previous year's collection of Nu. 87.972 million, BOB has moved down to sixth position from the fifth position in the previous year. The increase in revenue is attributable to increase in profitability of the bank with prudent fund management and controlled operational expenditure. It constitutes 1.80% of the total national revenue.

#### **7. Bhutan Telecom Corporation (BTC)**

Bhutan Telecom has maintained its seventh position among the top ten agencies. Revenue on account of CIT from Telecom increased by Nu. 11.806 million and dividend by Nu.12.975 million compared to previous year. Total collection for the year stands at Nu. 98.575 million showing an increase of Nu. 24.781 million or 33.58% over the previous year's collection of Nu. 73.794 million. The increase in revenue from this source is credited to increased customer base and improved services. It comprises 1.61% of the total national revenue.

#### **8. Road Safety and Transport Authority (RSTA)**

Receipt from RSTA on account of Motor Vehicle Taxes, Fees and Charges for the year stands at Nu.91.119 million constituting 1.49% of the total national revenue. The collection shows an increase of Nu.5.307 million or 6.18% from the previous year's collection of Nu. 85.812 million. However, RSTA has moved down to the eighth position from sixth position. Growth in revenue from this source is directly linked to increase in registration of vehicles due to increase in the import of vehicles.

#### **9. Department of Forestry Service (DFS)**

DFS has moved from the tenth position in the last fiscal year to ninth in the current year. The collection on account of royalty and other charges from DFS for the year stands at Nu. 52.949 million. The collection from this source has recorded a substantial increase of Nu.13.738 million or 35.04% from the previous year's collection of Nu.39.211 million. It constitutes 0.87% of the total national revenue.

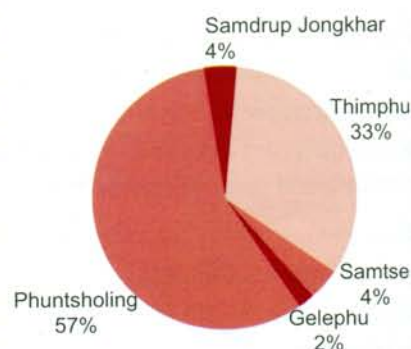
#### **10. Bhutan Ferro Alloys Limited (BFAL)**

Revenue from BFAL consisting of CIT and dividend has registered a decline of Nu. (-)12.018 million or (-)21.46%. The decline in revenue is due to less dividends received and declining profit. Total collection from BFAL for the year stands at Nu. 43.985 million as compared to the last year's collection of Nu. 56.003 million. It has moved down from eighth position in the last year to tenth position in the current fiscal year. It constitutes 0.72% to the total national revenue.

# 26.8% increase in region wise performance

## 5. REVENUE PERFORMANCE BY REGION

This section covers revenue performances by the five Regional Revenue and Customs Offices (RRCO) located at Phuentsholing, Thimphu, Samtse, Samdrupjongkha and Gelephu. Performance of revenue by region for the FY 2004-2005 records no change. There are however marked differences in the composition of growth and decline of revenue by different sources. Phuentsholing region still retains its position as the number one revenue-generating region in the country because it is on of the gateways of Bhutan where not only majority of trade takes place but also one of the biggest hydro powers is located in this region. It contributes Nu. 3514.191 million or 57.4% to the total national revenue followed by Thimphu region, where majority of business units are located, contributing Nu. 2026.096 million or 33.1 % to the total national revenue. Next is Samtse region contributing Nu. 252.011 million or 4.1% to the total national revenue, Samdrup Jongkhar Nu. 216.075 million or 3.5% and Gelephu Nu. 112.036 million or 1.8% to the total national revenue. Refer map with regional jurisdiction on page 35.



Nu:in million

Particulars	Phuentsholing	Thimphu	Samtse	S'Jongkhar	Gelephu	Total
No. of Dzongkhag(s)	1	6	1	6	6	20
Tax Revenue	1886.985	1145.731	190.373	137.714	73.572	3434.375
% of total Regional Revenue	53.7	56.5	75.5	63.7	65.7	56.1
Non Tax Revenue	1627.206	880.365	61.638	78.361	38.464	2686.034
% of Total Regional Revenue	46.3	43.5	24.5	36.3	34.3	43.9
Total Tax & Non-Tax Revenue	3514.191	2026.096	252.011	216.075	112.036	6120.409
% of Total National Revenue*	57.4	33.1	4.1	3.5	1.8	100.0

\*Figures are based on collections made by regional offices

Nu:in million

Region	Source of Revenue	FY 2004-2005		FY 2003-2004	Achievement to tgt(+/-)		Collection compared to FY 2003-2004(+/-)	
		Collection	Target		Nu	%	Nu	%
1	2	3	4	5	6	7	8	9
					(3-4)	(6 of 4)	(3-5)	(8 of 5)
P'ling	Tax Revenue	1886.985	1834.830	1749.791	52.16	2.8	137.194	7.8
	Non-tax Rev	1627.206	2239.590	1541.741	(612.38)	(27.3)	85.465	5.5
	Total Revenue	3514.191	4074.420	3291.532	(560.23)	(13.7)	222.659	6.8
Thimphu	Tax Revenue	1145.731	1220.305	595.933	(74.57)	(6.1)	549.80	92.3
	Non-tax Rev	880.365	784.747	430.752	95.62	12.2	449.61	104.4
	Total Revenue	2026.096	2005.052	1026.685	21.04	1.0	999.41	97.3
Samtse	Tax Revenue	190.373	230.548	183.997	(40.18)	(17.4)	6.38	3.5
	Non-tax Rev	61.638	61.164	60.037	0.47	0.8	1.60	2.7
	Total Revenue	252.011	291.712	244.034	(39.70)	(13.6)	7.98	3.3
S/J	Tax Revenue	137.714	125.392	127.986	12.32	9.8	9.73	7.6
	Non-tax Rev	78.361	45.612	39.359	32.75	71.8	39.00	99.1
	Total Revenue	216.075	171.004	167.345	45.07	26.4	48.73	29.1
Gelephu	Tax Revenue	73.572	59.83	64.227	13.74	23.0	9.35	14.5
	Non-tax Rev	38.464	38.885	34.391	(0.42)	(1.1)	4.07	11.8
	Total Revenue	112.036	98.715	98.618	13.32	13.5	13.42	13.6
Overall	Tax Revenue	3434.375	3470.905	2721.934	(36.53)	(1.1)	712.44	26.2
	Non-tax Rev	2686.034	3169.998	2106.280	(483.96)	(15.3)	579.75	27.5
	Total Revenue	6120.409	6640.903	4828.214	(520.49)	(7.8)	1292.20	26.8

Figures are based on Gross Collection.

# 26.76% increase in dzongkhag wise performance

## 6. DZONGKHAG REVENUE

The Dzongkhag wise revenue performance for the fiscal year is highlighted in sequence as per their performance. Chhukha Dzongkhag, as in the past year is the major contributor generating 57.4% of the total national revenue, followed by Thimphu Dzongkhag at second position with 31.8% and Samtse Dzongkhag at 4.1%. The top three Dzongkhags alone accounts for 93.32% of the total national revenue.



Nu:in million							
Rank (2003-2004)	FY (2003-2004)	Dzongkhag	Rank (2004-2005)	FY (2004-2005)	(+)or(-) Nu.	(+) or (-) %	N/Revenue %
1	3291.532	Chukha	1	3514.191	222.659	6.76	57.4
2	974.330	Thimphu	2	1945.640	971.31	99.69	31.8
3	244.034	Samtse	3	252.011	7.977	3.27	4.1
4	125.568	S/Jongkhar	4	165.646	40.078	31.92	2.7
5	61.899	Sarpang	5	69.984	8.085	13.06	1.1
6	35.176	Paro	6	56.853	21.677	61.62	0.9
7	22.692	Bumthang	8	18.246	(4.45)	(19.59)	0.3
8	19.287	Trashigang	7	23.183	3.896	20.20	0.4
9	12.072	Mongar	9	13.713	1.641	13.59	0.2
10	10.448	W/Phodrang	10	11.457	1.009	9.66	0.2
11	4.480	Trongsa	13	6.304	1.824	40.71	0.1
12	4.404	Zhemgang	14	5.771	1.367	31.04	0.1
13	4.106	Trashi Yangtse	15	5.452	1.346	32.78	0.1
14	3.934	Punakha	17	4.314	0.38	9.66	0.1
15	3.229	Pema Gatshel	16	4.496	1.267	39.24	0.1
16	3.083	Lhuentse	18	3.585	0.502	16.28	0.1
17	2.983	Tsirang	11	8.644	5.661	189.78	0.1
18	2.324	Haa	12	7.086	4.762	204.91	0.1
19	2.160	Dagana	19	3.087	0.927	42.92	0.1
20	0.473	Gasa	20	0.746	0.273	57.72	0.0
4828.214				6120.409	1292.195	26.76	100.0

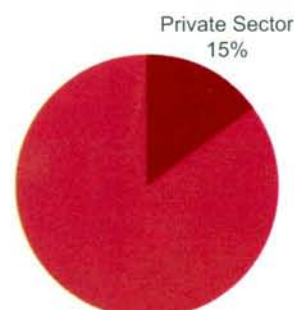
## 2.10% nominal increase in revenue

### 7. PRIVATE SECTOR

Revenue from Private Sector excluding the Joint Public Sector Corporations increased by Nu.10.36 million or 2.10% during the year. Collection for the fiscal year is recorded at Nu. 502.949 million compared to Nu. 492.589 million during the last fiscal year. The increase in revenue from this sector is nominal due to number of manufacturing and service industries enjoying tax holidays and incentives.

The revenue from BIT and Health Contribution are fairly good, showing 4.64% and 9.97% growth respectively, however, the revenue from CIT has registered a decline of (-)13.55%. The decline has come from BCCL, Eastern Bhutan Coal Company, Bhutan polythene Company, and Bhutan Polymer Company Ltd. This also includes a small collection on account of Export Tax. Private Sector revenue accounts for 14.70% of tax revenue and 8.29% of the total national revenue.

#### Private Sector and Tax Revenue

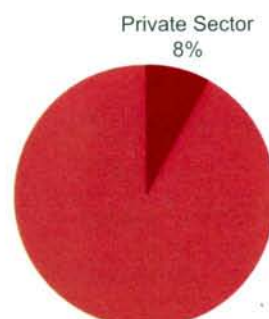


#### 7.1 Private Sector Revenue

Nu. in million

Source of Revenue	FY 2003-2004	FY 2004-2005	% growth (+) or (-)
1 Corporate Income Tax	74.606	64.498	(13.55)
2 Business Income Tax	404.375	423.156	4.64
3 Health Contribution	13.117	14.425	9.97
4 Export Tax	0.491	0.870	77.19
<b>Total Private Sector Revenue</b>	<b>492.589</b>	<b>502.949</b>	<b>2.10</b>
<b>% of Total Tax Revenue</b>	<b>18.31</b>	<b>14.70</b>	
<b>% of Total National Revenue</b>	<b>9.75</b>	<b>8.29</b>	

#### Private Sector and Total Revenue



#### Corporate Income Tax

CIT revenue from private sector amounted to Nu. 64.498 million for the fiscal year compared to Nu.74.606 million in the previous year. The collection shows a net decline of Nu. (-)10.108 million or (-)13.55% from the previous year. The decline is due to the closure of the coal mine on expiry of lease term and also given the fact that the corporate sector in general has not performed well as expected.

#### Business Income Tax

The collection from BIT has increased from Nu.404.375 million to Nu. 423.156 million registering a growth of 4.64%. There is modest improvement in the collection of BIT during the year as compared to the previous year. Increase in revenue is attributed to better collection effort made by RRCOs. However, as against the target it fell short by (-) 2.78% or Nu. 12.098 million.

#### Health Contribution from Private Sector

Health contribution has increased from Nu.13.117 million to Nu. 14.425 million during the fiscal year, registering an increase of Nu.1.308 million or 9.97%. The increase can be directly attributed to the increase in the number of private sector employees and enhancement of salary levels.

1.3% of national revenue comes from the top ten companies

## 8. TOP TEN PRIVATE COMPANIES/BUSINESS

The top ten private companies for the year observe some marked changes in their performance. There is also a new entrant, Yuendrung Construction in the top ten private companies. The top ten private companies during the year have contributed Nu. 78.380 million to the national revenue showing a decline of Nu. 10.411 million from the previous year's collection of Nu. 88.791million. Revenue from the top ten companies constitutes 1.3% of the total national revenue. The contributions for the year as per their performances are appended below:

		Nu:in million
TOP TEN PRIVATE COMPANIES		
Rank	Private Sector/Company	FY 2004-05
1	BCCL	28.725
2	Druk Satair Ltd.	14.693
3	TCC	11.566
4	Lhaki Cement	7.087
5	Yuendrung Construction	3.840
6	BFPL	3.093
7	Eastern Bhutan Coal Company	2.898
8	Bhutan Polymers	2.569
9	Gaseb Construction	2.473
10	Peljorkhang Private Ltd.	1.436
Total		78.380

## 9. FUTURE OUTLOOK

Notable changes in the near future are expected on the National Revenue front with the commissioning of THPA and as a consequence of recent revision in rates for Stamp Duty, Annual Registration Fees for Motor Vehicle, Passengers Service Charges (airport tax), and expansion of Sale Tax on Cement. Bhutan's membership to Regional Free Trade Arrangements such as BIMSTEC and SAFTA may also have an impact on the national revenue. The factors that are likely to impact on revenue are highlighted below:

### 9.1 THPA

Commissioning of THPA in FY 2005-06 is expected to enhance domestic revenue considerably. The preliminary forecasts made by the Department of Energy estimates revenue amounting to Nu. 2587.587 million in the fiscal year 2006-07.

### 9.2 Personal Income Tax

Salary revision, growth in the housing sector and increasing investments in shares are likely to broaden the tax base thereby having a positive impact on revenue from this source.

### 9.3 Corporate Income Tax

Investments in the Manufacturing and Service Sector are expected to increase with the Foreign Direct Investment policy in place, thereby, broadening the CIT base. Expiry of tax holidays currently being enjoyed by existing manufacturing and service industries is also expected to enhance revenue from this source.

### 9.4 Motor Vehicle Tax and Passenger Service Charge

Revenue collection from this source is expected to increase in the coming years with the revision of Annual Registration Fees and Passengers Service Charges, increase in the number of vehicles and air travellers.

### 9.5 Audit Recoveries Account (ARA)

Audit recoveries made by the Royal Audit Authority of Bhutan classified as revenue will henceforth be deposited with the Royal Government Revenue Account starting fiscal year 2005-2006.



ལོ་བསྟར་ཡོངས་ཁྱབ་ནལ་འཛུལ་ཐངས་བརྒྱ་གཉིས་པ།  
 ང་ཅ་དམ་ལས་ཁུངས་ དེའི་ལོ་ 2004 ཟླ་ཚེས་ 21-24-04 ལས་ 20-11-04 ཟུང་།

# 12<sup>th</sup> ANNUAL GENERAL MEETING DEPARTMENT OF REVENUE & CUSTOMS NOVEMBER 21-24, 2005



## regional directors

Jamtsho Tshering RRCO PARO

Jambay Dorji RRCO SAMDRUP JONGKHAR

Chozang Tashi RRCO PHUENTSHOLING

Tenzing Norbu RRCO SAMTSE

Tshewang Tashi RRCOGELEPHU

Ugyen Namgyal RRCO THIMPHU

## royal bhutan customs, liasion and transit office, kolkata

Kesang Dorji

# ANNEXURE- I DETAILS OF NATIONAL REVENUE : FY 2004-2005

Nu: in million

Sl. No	Source of Revenue	2003-2004 (Actual Gross)	Refund (2003- 2004)	2003-2004 (Net Revenue)	2004-2005 (Actual Gross)	Refund (2004- 2005)	2004-2005 (Net Revenue)	Net (+) or (-) Nu.	Net (+) or (-) %	% over Total Revenue
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
				[3-4]			[6-7]	[8-5]	[9 of 5]	
<b>A</b>	<b>Tax Revenue</b>	<b>2725.639</b>	<b>35.743</b>	<b>2689.896</b>	<b>3434.375</b>	<b>52.008</b>	<b>3382.367</b>	<b>692.471</b>	<b>25.74</b>	<b>55.76</b>
<b>I</b>	<b>Direct Tax</b>	<b>1924.654</b>	<b>16.635</b>	<b>1908.019</b>	<b>2047.657</b>	<b>34.029</b>	<b>2013.628</b>	<b>105.609</b>	<b>5.54</b>	<b>33.19</b>
<b>1</b>	<b>Corporate Income Tax</b>	<b>1015.422</b>	<b>0.000</b>	<b>1015.422</b>	<b>1022.078</b>	<b>0.000</b>	<b>1022.078</b>	<b>6.656</b>	<b>0.66</b>	<b>16.85</b>
1.1	Bhutan Polythene Company	0.317		0.317	0.000		0.000	(0.317)	(100.00)	0.00
1.2	BFAL	40.152		40.152	38.196		38.196	(1.956)	(4.87)	0.63
1.3	PCAL	87.637		87.637	82.703		82.703	(4.934)	(5.63)	1.36
1.4	BOB	67.792		67.792	70.023		70.023	2.231	3.29	1.15
1.5	RICB	25.490		25.490	28.113		28.113	2.623	10.29	0.46
1.6	BNB	32.707		32.707	28.125		28.125	(4.582)	(14.01)	0.46
1.7	FDC	11.125		11.125	12.568		12.568	1.443	12.97	0.21
1.8	BBPL			0.000	11.310		11.310	11.310		0.19
1.9	BFPL	3.069		3.069	3.093		3.093	0.024	0.78	0.05
1.10	CHPC	585.076		585.076	562.136		562.136	(22.940)	(3.92)	9.27
1.11	FCB	1.15		1.150	2.636		2.636	1.486	129.22	0.04
1.12	AWP	18.054		18.054	14.108		14.108	(3.946)	(21.86)	0.23
1.13	STCB	6.158		6.158	4.754		4.754	(1.404)	(22.80)	0.08
1.14	Bhutan Telecom	45.865		45.865	57.671		57.671	11.806	25.74	0.95
1.15	BCCL	34.934		34.934	28.725		28.725	(6.209)	(17.77)	0.47
1.16	BTCL	1.705		1.705	3.176		3.176	1.471	86.28	0.05
1.17	Yangzom Cement	0.093		0.093	0.289		0.289	0.196	210.75	0.01
1.18	Eastern Bhutan Coal Co.	9.078		9.078	2.898		2.898	(6.180)	(68.08)	0.05
1.19	Lhaki Cement	6.073		6.073	7.087		7.087	1.014	16.70	0.12
1.20	Druk Satair Ltd.	13.964		13.964	14.693		14.693	0.729	5.22	0.24
1.21	KHPC			0.000	0.000		0.000	0.000		0.00
1.22	Bhutan Polymer Co. Ltd.	3.762		3.762	2.569		2.569	(1.193)	(31.71)	0.04
1.23	Basochu Hydro Power Corporation	11.259		11.259	12.052		12.052	0.793	7.04	0.20
1.24	2% Contractor Tax			0.000	10.491		10.491	10.491		0.17
1.25	3% Contractor Tax			0.000	16.249		16.249	16.249		0.27
1.26	TDS on Suppliers			0.000	0.739		0.739	0.739		0.01
1.27	Other Corporations	9.962		9.962	7.674		7.674	(2.288)	(22.97)	0.13
<b>2</b>	<b>Business Income Tax</b>	<b>404.375</b>	<b>0.355</b>	<b>404.020</b>	<b>424.992</b>	<b>1.836</b>	<b>423.156</b>	<b>19.136</b>	<b>4.74</b>	<b>6.98</b>
2.1	BIT	103.364	0.352	103.012	93.873	0.400	93.473	(9.539)	(9.26)	1.54
2.2	Contractor Tax	296.107	0.003	296.104	323.232	1.436	321.796	25.692	8.68	5.30
2.3	Tourism (Withholding Tax)	4.904		4.904	7.887		7.887	2.983	60.83	0.13
<b>3</b>	<b>Personal Income Tax</b>	<b>127.899</b>	<b>14.383</b>	<b>113.516</b>	<b>116.571</b>	<b>31.962</b>	<b>84.609</b>	<b>(28.907)</b>	<b>(25.47)</b>	<b>1.39</b>
3.1	Salary Tax	0.089		0.089	0.000		0.000	(0.089)	(100.00)	0.00
3.2	PIT	127.81	14.383	113.427	116.571	31.962	84.609	(28.818)	(25.41)	1.39
<b>4</b>	<b>Other Tax Revenue</b>	<b>376.958</b>	<b>1.897</b>	<b>375.061</b>	<b>484.016</b>	<b>0.231</b>	<b>483.785</b>	<b>108.724</b>	<b>28.99</b>	<b>7.98</b>
4.1	Motor Vehicle Tax	65.702		65.702	72.544		72.544	6.842	10.41	1.20
4.2	Business & Prof. Licences	22.433		22.433	24.195		24.195	1.762	7.85	0.40
4.3	Foreign Travel Tax (Airport)	6.679		6.679	9.606		9.606	2.927	43.82	0.16
4.4	Municipal Tax	4.997	0.174	4.823	9.200		9.200	4.377	90.75	0.15
4.5	Health Contribution	30.713		30.713	36.001		36.001	5.288	17.22	0.59
4.6	Royalties	243.341		243.341	332.470	0.231	332.239	88.898	36.53	5.48
4.6.1	Forestry Products	39.205		39.205	44.935	0.231	44.704	5.499	14.03	0.74
4.6.2	Mines & Minerals	52.109		52.109	47.865		47.865	(4.244)	(8.14)	0.79
4.6.3	Tourism	152.027		152.027	239.670		239.670	87.643	57.65	3.95
4.7	Rural Tax	3.093	1.723	1.370	0.000		0.000	(1.370)	(100.00)	0.00
<b>II</b>	<b>Indirect Tax</b>	<b>800.985</b>	<b>19.108</b>	<b>781.877</b>	<b>1386.718</b>	<b>17.979</b>	<b>1368.739</b>	<b>586.862</b>	<b>75.06</b>	<b>22.56</b>
<b>5</b>	<b>Sales Tax</b>	<b>512.907</b>	<b>17.421</b>	<b>495.486</b>	<b>585.419</b>	<b>17.522</b>	<b>567.897</b>	<b>72.411</b>	<b>14.61</b>	<b>9.36</b>
5.1	Sales Tax on Goods & Commodities	419.711	12.868	406.843	297.229	14.664	282.565	(124.278)	(30.55)	4.66
5.2	Sales Tax on Petroleum Ptds.	65.111	4.553	60.558	44.554	2.858	41.696	(18.862)	(31.15)	0.69
5.3	Sales Tax on Hotels	19.077		19.077	28.927		28.927	9.850	51.63	0.48
5.4	Sales Tax on Cable TV & Cinema	9.008		9.008	10.426		10.426	1.418	15.74	0.17
5.5	Sales Tax on Beer, Alcoholic drink, Aerated water			0.000	162.926		162.926	162.926		2.69
5.6	Advance Sales Tax (revolving fund)			0.000	41.357		41.357	41.357		0.68
<b>6</b>	<b>Export Tax</b>	<b>0.491</b>	<b>0.000</b>	<b>0.491</b>	<b>0.870</b>	<b>0.000</b>	<b>0.870</b>	<b>0.379</b>	<b>77.19</b>	<b>0.01</b>
6.1	Stone & Boulder Sale Proceeds			0.000	0.056		0.056	0.056		0.00
6.2	Timbers	0.491		0.491	0.814		0.814	0.323	65.78	0.01
<b>7</b>	<b>Excise Duty</b>	<b>130.313</b>	<b>1.029</b>	<b>129.284</b>	<b>565.628</b>	<b>0.005</b>	<b>565.623</b>	<b>436.339</b>	<b>337.50</b>	<b>9.32</b>
7.1	Distillery Products	108.504	1.029	107.475	124.450	0.005	124.445	16.970	15.79	2.05
7.2	Excise Duty Refund from GOI	21.809		21.809	441.178		441.178	419.369	1922.92	7.27
<b>8</b>	<b>Import Duty</b>	<b>153.978</b>	<b>0.658</b>	<b>153.320</b>	<b>231.226</b>	<b>0.452</b>	<b>230.774</b>	<b>77.454</b>	<b>50.52</b>	<b>3.80</b>
8.1	Drinks & Food Stuffs	0.669		0.669	0.254		0.254	(0.415)	(62.03)	0.00
8.2	Vehicles			0.000	0.073		0.073	0.073		0.00
8.3	Customs Service Charges/Others				7.925		7.925	7.925		0.13
8.4	Goods & Commodities	153.309	0.658	152.651	222.974	0.452	222.522	69.871	45.77	3.67
<b>9</b>	<b>Other Tax Revenue</b>	<b>3.296</b>	<b>0.000</b>	<b>3.296</b>	<b>3.575</b>	<b>0.000</b>	<b>3.575</b>	<b>0.279</b>	<b>8.46</b>	<b>0.06</b>
9.1	Stamp Duty	3.296		3.296	3.575		3.575	0.279	8.46	0.06

# ANNEXURE- I DETAILS OF NATIONAL REVENUE : FY 2004-2005

Sl. No	Source of Revenue	2003-2004 (Actual Gross)	Refund (2003- 2004)	2003-2004 (Net Revenue)	2004-2005 (Actual Gross)	Refund (2004- 2005)	2004-2005 (Net Revenue)	Net (+ or (-) Nu.	Net (+ or (-) % Revenue	% over Total Revenue
<b>B</b>	<b>Non -Tax Revenue</b>	<b>2396.012</b>	<b>30.713</b>	<b>2365.299</b>	<b>2686.034</b>	<b>2.300</b>	<b>2683.734</b>	<b>318.435</b>	<b>13.46</b>	<b>44.24</b>
<b>10</b>	<b>Admns. Fees &amp; charges</b>	<b>139.633</b>	<b>0.105</b>	<b>139.528</b>	<b>187.670</b>	<b>0.098</b>	<b>187.572</b>	<b>48.044</b>	<b>34.43</b>	<b>3.09</b>
10.1	Judiciary Fees & Charges	8.200		8.200	12.078		12.078	3.878	47.29	0.20
10.2	House Rent	53.957	0.009	53.948	62.483		62.483	8.535	15.82	1.03
10.3	Hire Charges	9.433	0.096	9.337	19.267	0.098	19.169	9.832	105.30	0.32
10.4	Rural Life Insurance	11.702		11.702	14.171		14.171	2.469	21.01	0.23
10.5	Motor Vehicle Fees & Charges	20.11		20.110	18.575		18.575	(1.535)	(7.63)	0.31
10.6	Depot Surcharge on Petroleum pdts.	26.691		26.691	36.813		36.813	10.122	37.92	0.61
10.7	Other Administration Fees & Charges	9.540		9.540	24.283		24.283	14.743	154.54	0.40
<b>11</b>	<b>Capital Revenue</b>	<b>73.732</b>	<b>0.193</b>	<b>73.539</b>	<b>232.892</b>	<b>0.279</b>	<b>232.613</b>	<b>159.074</b>	<b>216.31</b>	<b>3.83</b>
11.1	Sale of Govt. Properties & Assets	25.652	0.193	25.459	122.584	0.279	122.305	96.846	380.40	2.02
11.2	Sale Proceeds of Agricultural pdts.	1.645		1.645	4.124		4.124	2.479	150.70	0.07
11.3	Coal Mine Bid Value	25.350		25.350	70.335		70.335	44.985	177.46	1.16
11.4	Gypsum Mine Bid Value	21.000		21.000	16.709		16.709	(4.291)	(20.43)	0.28
11.6	Tender Document Sale			0.000	7.165		7.165	7.165		0.12
11.7	Other Capital Revenue	0.085		0.085	11.975		11.975	11.890	13988.24	0.20
<b>12</b>	<b>Revenue from Govt. Depts.</b>	<b>50.960</b>	<b>0.800</b>	<b>50.160</b>	<b>80.084</b>	<b>1.396</b>	<b>78.688</b>	<b>28.528</b>	<b>56.87</b>	<b>1.30</b>
12.1	Div. Of Roads	0.865		0.865	0.019		0.019	(0.846)	(97.80)	0.00
12.2	PWD (Mechanical Cell)	6.905		6.905	0.206		0.206	(6.699)	(97.02)	0.00
12.3	Municipal Revenue(Works & Housing)	5.198	0.730	4.468	11.584		11.584	7.116	159.27	0.19
12.4	Radio Spectrum Management Unit (MOC)	1.184	0.070	1.114	2.451		2.451	1.337	120.02	0.04
12.5	Contractor Development Board			0.000	1.949		1.949	1.949		0.03
12.6	Department of Civil Aviation			0.000	0.434		0.434	0.434		0.01
12.7	Animal Husbandry	7.44		7.440	5.616		5.616	(1.824)	(24.52)	0.09
12.8	Agriculture	1.251		1.251	1.220		1.220	(0.031)	(2.48)	0.02
12.9	Department of Forest			0.000	8.014		8.014	8.014		0.13
12.10	Division of Survey (Trade & Industry)	2.130		2.130	14.552	1.396	13.156	11.026	517.65	0.22
12.11	Industrial Plot/Shed Rental	4.985		4.985	4.539		4.539	(0.446)	(8.95)	0.07
12.12	Other Division of Trade & Industry			0.000	1.961		1.961	1.961		0.03
12.13	MoFA(passport & visa fees)	9.531		9.531	15.275		15.275	5.744	60.27	0.25
12.14	Education	2.334		2.334	1.807		1.807	(0.527)	(22.58)	0.03
12.15	Health	4.366		4.366	4.259		4.259	(0.107)	(2.45)	0.07
12.16	Registration	4.771		4.771	5.498		5.498	0.727	15.24	0.09
12.17	NEC (fines on violation of EAA)			0.000	0.700		0.700	0.700		0.01
<b>13</b>	<b>Dividend</b>	<b>1782.581</b>	<b>29.493</b>	<b>1753.088</b>	<b>1550.524</b>	<b>0.000</b>	<b>1550.524</b>	<b>(202.564)</b>	<b>(11.55)</b>	<b>25.56</b>
13.1	BOB	20.000		20.000	40.000		40.000	20.000	100.00	0.66
13.2	PCAL	48.371		48.371	48.371		48.371	0.000	0.00	0.80
13.3	FCB			0.000	1.500		1.500	1.500		0.02
13.4	RICB			0.000	3.536		3.536	3.536		0.06
13.5	FDC	27.000		27.000	12.000		12.000	(15.000)	(55.56)	0.20
13.6	CHPC	1620.740		1620.740	1362.151		1362.151	(258.589)	(15.95)	22.46
13.7	BNB	4.860		4.860	8.099		8.099	3.239	66.65	0.13
13.8	BFAL	15.851		15.851	5.789		5.789	(10.062)	(63.48)	0.01
13.9	STCB	3.060		3.060	2.730		2.730	(0.330)	(10.78)	0.05
13.10	BTCL			0.000	0.597		0.597	0.597		0.00
13.11	BBPL	3.770		3.770	6.877		6.877	3.107	82.41	0.11
13.12	Bhutan Telecom	27.929		27.929	40.904		40.904	12.975	46.46	0.67
13.13	AWP		29.493	(29.493)			0.000	29.493	(100.00)	0.00
13.14	Asian Reinsurance Corporation				1.745		1.745	1.745		0.03
13.15	Basochu Hydro Power Corporation	11.000		11.000	16.225		16.225	5.225	47.50	0.27
<b>14</b>	<b>Transfer of Profits</b>	<b>198.407</b>	<b>0.000</b>	<b>198.407</b>	<b>384.475</b>	<b>0.000</b>	<b>384.475</b>	<b>186.068</b>	<b>93.78</b>	<b>6.34</b>
14.1	Bhutan Lottery	124.872		124.872	110.672		110.672	(14.200)	(11.37)	1.82
14.2	RMA	52.993		52.993	180.809		180.809	127.816	241.19	2.98
14.3	Transfer of Fund(reserves)	20.000		20.000	40.000		40.000	20.000	100.00	0.66
14.4	Special Drawing Rights	0.542		0.542	0.994		0.994	0.452	83.39	0.02
14.5	Transfers from others			0.000	52.000		52.000	52.000		0.86
<b>15</b>	<b>Other Non-Tax Revenue</b>	<b>150.699</b>	<b>0.122</b>	<b>150.577</b>	<b>250.389</b>	<b>0.527</b>	<b>249.862</b>	<b>99.285</b>	<b>65.94</b>	<b>4.12</b>
15.1	Other Non-Tax Revenue	22.194	0.122	22.072	8.066	0.527	7.539	(14.533)	(65.84)	0.12
15.2	Interest on Loan to Corporations	128.505		128.505	242.323		242.323	113.818	88.57	3.99
<b>Total Revenue (A+B)</b>		<b>5121.651</b>	<b>66.456</b>	<b>5055.195</b>	<b>6120.409</b>	<b>54.308</b>	<b>6066.101</b>	<b>1010.906</b>	<b>20.00</b>	<b>100.00</b>

# ANNEXURE II REVENUE PERFORMANCE BY REGION : FY 2004-2005

## Regional Revenue & Customs Office: Phuentsholing

Nu: in million

SI.No	SOURCE OF REVENUE	FY 2004-2005		FY 2003-04 Actual	Achievement to Target		Collection compared to 2003-2004	
		Collection	Target		Nu	%	Nu.	%
1	2	3	4	5	6(3-4)	7(3 of 4)	8(3-5)	9(3 of 5)
<b>A</b>	<b>TAX REVENUE</b>	<b>1886.985</b>	<b>1834.830</b>	<b>1749.791</b>	<b>52.155</b>	<b>2.84</b>	<b>137.194</b>	<b>7.84</b>
<b>I</b>	<b>Direct Tax</b>	<b>1128.044</b>	<b>1095.743</b>	<b>1128.693</b>	<b>32.301</b>	<b>2.95</b>	<b>(0.649)</b>	<b>(0.06)</b>
1	<b>Corporate Tax</b>	<b>772.688</b>	<b>700.521</b>	<b>770.021</b>	<b>72.167</b>	<b>10.30</b>	<b>2.667</b>	<b>0.35</b>
1.1	Bhutan Board Product Ltd.	11.310	4.000	4.247	7.310	182.75	7.063	166.31
1.2	Bhutan Ferro Alloys Ltd.	38.196	43.861	40.152	(5.665)	(12.92)	(1.956)	(4.87)
1.3	Bank of Bhutan	70.023	68.754	67.792	1.269	1.85	2.231	3.29
1.4	Royal Insurance Corporation of Bhutan	28.113	17.781	25.490	10.332	58.11	2.623	10.29
1.5	Chukha Hydro Power Corporation	562.136	514.220	585.076	47.916	9.32	(22.940)	(3.92)
1.6	Food Corporation of Bhutan	2.636	1.778	1.15	0.858	48.26	1.486	129.22
1.7	Bhutan Carbide & Chemicals Ltd.	28.725	38.319	34.934	(9.594)	(25.04)	(6.209)	(17.77)
1.8	Army Welfare Project	2.660	5.109	4.276	(2.449)	(47.94)	(1.616)	(37.79)
1.9	State Trading Corporation of Bhutan	4.754	4.742	6.158	0.012	0.25	(1.404)	(22.80)
1.10	Bhutan Polythene Co.	0.000	1.503	0.317	(1.503)	(100.00)	(0.317)	(100.00)
1.11	2% Contractor tax	6.861			6.861		6.861	
1.12	3% Contractor tax	15.958			15.958		15.958	
1.13	TDS on Suppliers	0.210			0.210		0.210	
1.14	Other Corporations/Enterprises/Fines	1.106	0.454	0.429	0.652	143.61	0.677	157.81
2	<b>Business Income Tax</b>	<b>236.269</b>	<b>252.058</b>	<b>238.572</b>	<b>(15.789)</b>	<b>(6.26)</b>	<b>(2.303)</b>	<b>(0.97)</b>
2.1	BIT	36.319	55.015	48.637	(18.696)	(33.98)	(12.318)	(25.33)
2.2	Contractor Tax	199.950	197.043	189.935	2.907	1.48	10.015	5.27
3	<b>Personal Income Tax</b>	<b>42.045</b>	<b>31.551</b>	<b>49.190</b>	<b>10.494</b>	<b>33.26</b>	<b>(7.145)</b>	<b>(14.53)</b>
3.1	TDS on PIT	36.611	0.000	36.232	36.611		0.379	1.05
3.1.1	Salary Tax	18.786		17.587	18.786		1.199	6.82
3.1.2	Real Property	2.993		2.736	2.993		0.257	9.39
3.1.3	Interest	5.950		5.222	5.950		0.728	13.94
3.1.4	Dividend	7.669		8.878	7.669		(1.209)	(13.62)
3.1.5	Other sources	1.213		1.809	1.213		(0.596)	(32.95)
3.2	Final PIT	5.237	31.551	12.829	(26.314)	(83.40)	(7.592)	(59.18)
3.3	PIT:Fines & penalties	0.197		0.129	0.197		0.068	52.71
4	<b>Other Direct tax Revenue</b>	<b>77.042</b>	<b>111.613</b>	<b>70.910</b>	<b>(34.571)</b>	<b>(30.97)</b>	<b>6.132</b>	<b>8.65</b>
4.1	Motor Vehicle Tax	24.413	39.907	20.345	(15.494)	(38.83)	4.068	20.00
4.2	Business & Prof. Licences	5.635	8.097	3.869	(2.462)	(30.41)	1.766	45.64
4.3	Municipal Tax	4.182	5.457	1.545	(1.275)	(23.36)	2.637	170.68
4.4	Health Contribution	7.926	10.150	6.809	(2.224)	(21.91)	1.117	16.40
4.5	Royalties	34.886	48.002	38.073	(13.116)	(27.32)	(3.187)	(8.37)
4.5.1	Forestry products	5.725	6.512	4.548	(0.787)	(12.09)	1.177	25.88
4.5.2	Mines & Minerals	29.161	41.490	33.525	(12.329)	(29.72)	(4.364)	(13.02)
4.6	Rural Tax			0.269	0.000		(0.269)	(100.00)
<b>II</b>	<b>Indirect Tax</b>	<b>758.941</b>	<b>739.087</b>	<b>621.098</b>	<b>19.854</b>	<b>2.69</b>	<b>137.843</b>	<b>22.19</b>
5	<b>Sales Tax</b>	<b>483.148</b>	<b>539.842</b>	<b>428.824</b>	<b>(56.694)</b>	<b>(10.50)</b>	<b>54.324</b>	<b>12.67</b>
5.1	Sales Tax on goods & commodities	267.881	474.168	374.349	(206.287)	(43.51)	(106.468)	(28.44)
5.2	Sales Tax on petroleum products	21.450	57.330	47.758	(35.880)	(62.59)	(26.308)	(55.09)
5.3	Sales Tax on Hotel & Restaurants	3.987	4.718	6.717	(0.731)	(15.49)	(2.730)	(40.64)
5.4	Sales Tax on Beer, Aerated water & Alcohol	148.194			148.194		148.194	
5.5	Revolving Fund	38.457			38.457		38.457	
5.6	Sales Tax on Cable TV & Cinema	3.179	3.626		(0.447)	(12.33)	3.179	
6	<b>Export Tax</b>	<b>0.498</b>	<b>0.593</b>	<b>0.400</b>	<b>(0.095)</b>	<b>(16.02)</b>	<b>0.098</b>	<b>24.50</b>
6.1	Timbers	0.498	0.593	0.400	(0.095)	(16.02)	0.098	24.50
7	<b>Excise Duty</b>	<b>50.228</b>	<b>62.329</b>	<b>43.085</b>	<b>(12.101)</b>	<b>(19.41)</b>	<b>7.143</b>	<b>16.58</b>
7.1	Distillery Products	50.228	62.329	43.085	(12.101)	(19.41)	7.143	16.58
8	<b>Import Duty</b>	<b>225.067</b>	<b>136.323</b>	<b>148.789</b>	<b>88.744</b>	<b>65.01</b>	<b>76.278</b>	<b>51.27</b>
8.1	Vehicles				0.000		0.000	
8.2	Fines & Penalties	0.027			0.027		0.027	
8.3	Customs Service Charges	7.898			7.898		7.898	
8.4	Goods & commodities/ food stuff	217.142	136.323	148.789	80.819	59.28	68.353	45.94

# ANNEXURE II REVENUE PERFORMANCE BY REGION : FY 2004-2005

SI.No	SOURCE OF REVENUE	FY 2004-2005		FY 2003-04 Actual	Achievement to Target		Collection compared to 2003-2004	
		Collection	Target		Nu.	%	Nu.	%
<b>B</b>	<b>Non-Tax Revenue</b>	<b>1627.206</b>	<b>2239.590</b>	<b>1824.671</b>	<b>(612.384)</b>	<b>(27.34)</b>	<b>(197.465)</b>	<b>(10.82)</b>
<b>9</b>	<b>Administration Fees &amp; Charges</b>	<b>53.075</b>	<b>41.288</b>	<b>40.930</b>	<b>11.787</b>	<b>28.55</b>	<b>12.145</b>	<b>29.67</b>
9.1	Judiciary Fees & Charges	1.875	1.081	0.146	0.794	73.45	1.729	1184.25
9.2	House Rent	10.371	12.845	9.783	(2.474)	(19.26)	0.588	6.01
9.3	Hire Charges	0.260	0.358	0.034	(0.098)	(27.37)	0.226	664.71
9.4	Motor Vehicle Fees & Charges	7.186		13.227	7.186		(6.041)	(45.67)
9.5	Deport Surcharge on Petroleum Products	21.754	22.528	13.408	(0.774)	(3.44)	8.346	62.25
9.6	Rural Life Insurance	0.626			0.626		0.626	
9.7	Other Administration Fees & Charges	11.003	4.476	4.332	6.527	145.82	6.671	153.99
<b>10</b>	<b>Capital Revenue</b>	<b>11.367</b>	<b>1.616</b>	<b>0.732</b>	<b>9.751</b>	<b>603.40</b>	<b>10.635</b>	<b>1452.87</b>
10.1	Sale of Government Properties & Assets				0.000		0.000	
10.2	Tender Documents	0.621	1.443	0.470	(0.822)	(56.96)	0.151	32.13
10.3	Other Capital Revenue	10.746	0.173	0.262	10.573	6111.56	10.484	4001.53
<b>11</b>	<b>Revenue from Government Departments, Agency</b>	<b>18.935</b>	<b>6.290</b>	<b>4.569</b>	<b>12.645</b>	<b>201.03</b>	<b>14.366</b>	<b>314.42</b>
11.1	Municipal Revenue(Works & Housing)	6.938	1.240	0.457	5.698	459.52	6.481	1418.16
11.2	Animal Husbandry	0.263	0.300	0.162	(0.037)	(12.33)	0.101	62.35
11.3	Department of Forest	3.620			3.620		3.620	
11.4	Division of Survey	1.410			1.410		1.410	
11.5	Industrial Shed Rental (Trade & Industry)	2.234	2.013	1.937	0.221	10.98	0.297	15.33
11.6	Other Divisions of Trade & Industry				0.000		0.000	
11.7	Visa Fees	2.352			2.352		2.352	
11.8	Education	0.197	0.523	0.164	(0.326)	(62.33)	0.033	20.12
11.9	Health	0.620	0.720	0.674	(0.100)	(13.89)	(0.054)	(8.01)
11.10	Registration	1.301	1.494	1.175	(0.193)	(12.92)	0.126	10.72
<b>12</b>	<b>Dividends</b>	<b>1422.583</b>	<b>1369.253</b>	<b>1653.421</b>	<b>53.330</b>	<b>3.89</b>	<b>(230.838)</b>	<b>(13.96)</b>
12.1	Bank of Bhutan	40.000	23.708	20.000	16.292	68.72	20.000	100.00
12.2	Bhutan Board Product Ltd.	6.877		3.770	6.877		3.107	82.41
12.3	Food Corporation of Bhutan	1.500	3.556		(2.056)	(57.82)	1.500	
12.4	Chukha Hydro Power Corporation	1362.151	1320.780	1610.740	41.371	3.13	(248.589)	(15.43)
12.5	Royal Insurance Corporation of Bhutan	3.536			3.536		3.536	
12.6	Bhutan Ferro Alloys Ltd.	5.789	18.790	15.851	(13.001)	(69.19)	(10.062)	(63.48)
12.7	State Trading Corporation of Bhutan	2.730	2.419	3.060	0.311	12.86	(0.330)	(10.78)
<b>13</b>	<b>Transfer of profits</b>	<b>120.672</b>	<b>819.891</b>	<b>124.872</b>	<b>(699.219)</b>	<b>(85.28)</b>	<b>(4.200)</b>	<b>(3.36)</b>
13.1	Royal Bhutan Lottery	110.672	130.000	124.872	(19.328)	(14.87)	(14.200)	(11.37)
13.2	Transfer of Fund (Reserves)	10.000	689.891		(679.891)	(98.55)	10.000	
<b>14</b>	<b>Other Non -Tax Revenue</b>	<b>0.574</b>	<b>1.252</b>	<b>0.147</b>	<b>(0.678)</b>	<b>(54.15)</b>	<b>0.427</b>	<b>290.48</b>
14.1	Other Non -Tax Revenue	0.548	1.237	0.122	(0.689)	(55.70)	0.426	349.18
14.2	Recovery of outstanding, Loans, Vehicle Loans	0.026	0.015	0.025	0.011	73.33	0.001	4.00
<b>Total Tax and Non-Tax Revenue (A+B)</b>		<b>3514.191</b>	<b>4074.420</b>	<b>3574.462</b>	<b>(560.229)</b>	<b>(13.75)</b>	<b>(60.271)</b>	<b>(1.69)</b>

# ANNEXURE II REVENUE PERFORMANCE BY REGION : FY 2004-2005

## Regional Revenue & Customs Office: Thimphu

Sl.No	SOURCE OF REVENUE	FY 2004-2005		FY 2003-04 Actual	Achievement to Target		Collection to 2003-04 Nu.
		Collection	Target		Nu	%	
1	2	3	4	5	6(3-4)	7(3 of 4)	8(3-5)
<b>A</b>	<b>Tax Revenue</b>	<b>1,145.731</b>	<b>1,220.305</b>	<b>915.831</b>	<b>(74.574)</b>	<b>(6.11)</b>	<b>229.900</b>
<b>I</b>	<b>Direct Tax</b>	<b>638.464</b>	<b>559.059</b>	<b>427.458</b>	<b>79.405</b>	<b>14.20</b>	<b>211.006</b>
1	<b>Corporate Income Tax</b>	<b>123.280</b>	<b>125.076</b>	<b>116.708</b>	<b>(1.796)</b>	<b>(1.44)</b>	<b>6.572</b>
1.1	FDC	12.568	11.517	9.745	1.051	9.13	2.823
1.2	AWP	1.157	2.956	1.157	(1.799)	(60.86)	0.000
1.3	BTCL	3.176	3.844	3.176	(0.668)	(17.38)	0.000
1.4	Bhutan Telecom	57.671	53.680	57.671	3.991	7.43	0.000
1.5	BNB	28.125	35.357	28.125	(7.232)	(20.45)	0.000
1.6	Kuensel Corporation	3.250		0.300	3.250		2.950
1.7	Basochhu HydroPower Corporaton	12.052	8.500	12.052	3.552	41.79	0.000
1.8	2% Contractor Tax	1.531		1.531	1.531		0.000
1.9	3% Contractor Tax	0.066		0.066	0.066		0.000
1.10	TDS on Suppliers	0.468		0.468	0.468		0.000
1.11	Other Corporations	3.216	9.222	2.417	(6.006)	(65.13)	0.799
2	<b>Business Income Tax</b>	<b>122.241</b>	<b>127.628</b>	<b>82.140</b>	<b>(5.387)</b>	<b>(4.22)</b>	<b>40.101</b>
2.1	BIT	35.671	53.356	26.447	(17.685)	(33.15)	9.224
2.2	Withholding Tax(Tourism)	7.887	7.137	3.724	0.750	10.51	4.163
2.3	Contractor Tax	78.683	67.135	51.969	11.548	17.20	26.714
3	<b>Personal Income Tax</b>	<b>55.703</b>	<b>36.684</b>	<b>46.760</b>	<b>19.019</b>	<b>51.85</b>	<b>8.943</b>
3.1	TDS on PIT	49.166	0.000	40.682	49.166		8.484
3.1.1	Salary Tax	38.426		31.233	38.426		7.193
3.1.2	Real Property	5.336		4.617	5.336		0.719
3.1.3	Interest	5.353		4.801	5.353		0.552
3.1.4	Dividend	0.020		0.001	0.020		0.019
3.1.5	Other Sources	0.031		0.030	0.031		0.000
3.2	Final PIT	6.453	36.684	6.017	(30.231)	(82.41)	0.436
3.3	PIT:Fines & Penalties	0.084		0.061	0.084		0.023
4	<b>Other Tax Revenue</b>	<b>337.240</b>	<b>269.671</b>	<b>181.850</b>	<b>67.569</b>	<b>25.06</b>	<b>155.390</b>
4.1	Motor Vehicle Tax	34.815	39.250	30.200	(4.435)	(11.30)	4.615
4.2	Business & Prof. Licences	12.805	13.839	4.841	(1.034)	(7.47)	7.964
4.3	Municipal Tax	1.649	5.350	1.540	(3.701)	(69.18)	0.11
4.4	Health Contribution	17.838	15.084	13.902	2.754	18.26	3.94
4.5	Foreign Travel Tax	9.606	6.777	7.806	2.829	41.74	1.80
4.6	Royalties	260.527	189.371	123.561	71.156	37.57	136.97
4.6.1	Forest Products	20.719	16.671	16.821	4.048	24.28	3.90
4.6.2	Mines & Minerals	0.138		0.138	0.138		0.000
4.6.3	Tourism	239.670	172.700	106.602	66.970	38.78	133.068
<b>II</b>	<b>Indirect Tax</b>	<b>507.267</b>	<b>661.246</b>	<b>488.373</b>	<b>(153.979)</b>	<b>(23.29)</b>	<b>18.894</b>
5	<b>Sales Tax</b>	<b>35.585</b>	<b>28.635</b>	<b>27.708</b>	<b>6.950</b>	<b>24.27</b>	<b>7.877</b>
5.1	Sales Tax on Goods & Commodities	3.222	5.835	2.633	(2.613)	(44.78)	0.589
5.2	Sales Tax on Beer, Aerated water & Alc	4.535		3.752	4.535		0.783
5.3	Hotel & Restaurant	23.774	18.600	17.785	5.174	27.82	5.989
5.4	Sales Tax on Cable TV/Cinema	4.054	4.200	3.538	(0.146)	(3.48)	0.516
6	<b>Export Tax</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>		<b>0.000</b>
6.1	Other Export Tax	0	0	0	0.000		0.000
7	<b>Excise Duty</b>	<b>461.948</b>	<b>622.941</b>	<b>456.647</b>	<b>(160.993)</b>	<b>(25.84)</b>	<b>5.301</b>
7.1	Distillery Products	20.770	20.301	15.469	0.469	2.31	5.301
7.2	Excise Duty Refund (GOI)	441.178	602.640	441.178	(161.462)	(26.79)	0.000
8	<b>Import Duty</b>	<b>6.159</b>	<b>4.851</b>	<b>4.015</b>	<b>1.308</b>	<b>26.96</b>	<b>2.144</b>
8.1	Drinks & Food Stuff	0.254	0.486	0.099	(0.232)	(47.74)	0.155
8.2	Vehicle	0.073		0.058	0.073		0.015
8.3	Goods & Commodities	5.832	4.365	3.858	1.467	33.61	1.974
9	<b>Other Tax Revenue</b>	<b>3.575</b>	<b>4.819</b>	<b>0.003</b>	<b>(1.244)</b>	<b>(25.81)</b>	<b>3.572</b>
9.1	Sale of Revenue Stamps	3.575	4.819	0.003	(1.244)	(25.81)	3.572

# ANNEXURE II REVENUE PERFORMANCE BY REGION : FY 2004-2005

Sl.No	SOURCE OF REVENUE	FY 2004-2005		FY 2003-04 Actual	Achievement to Target		Collection compared to 2003-2004	
		Collection	Target		Nu	%	Nu.	%
<b>B</b>	<b>Non Tax Revenue</b>	<b>880.365</b>	<b>784.747</b>	<b>462.094</b>	<b>95.618</b>	<b>12.18</b>	<b>418.271</b>	<b>90.52</b>
<b>10</b>	<b>Administration Fees &amp; Charges</b>	<b>74.224</b>	<b>61.059</b>	<b>49.462</b>	<b>13.165</b>	<b>21.56</b>	<b>24.762</b>	<b>50.06</b>
10.1	Judiciary Fees & Charges	8.196	3.444	2.451	4.752	137.98	5.745	234.39
10.2	House Rent	36.312	31.564	28.157	4.748	15.04	8.155	28.96
10.3	Hire Charges	10.543	3.305	5.723	7.238	219.00	4.820	84.22
10.4	Motor Vehicle Fees & Charges	8.679		7.400	8.679		1.279	17.28
10.5	Rural Life Insurance	3.044		1.998	3.044		1.046	52.35
10.6	Other Administration Charges & Fees	7.450	22.746	3.733	(15.296)	(67.25)	3.717	99.57
<b>11</b>	<b>Capital Revenue</b>	<b>176.347</b>	<b>39.306</b>	<b>171.893</b>	<b>137.041</b>	<b>348.65</b>	<b>4.454</b>	<b>2.59</b>
11.1	Sale of Government Properties/ Assets	120.478	39.306	169.317	81.172	206.51	(48.839)	(28.84)
11.2	Coal Mine Bid Value	52.100						
11.3	Tender Document Sales	3.769		2.576	3.769		1.193	46.31
<b>12</b>	<b>Revenue From Government Department</b>	<b>41.141</b>	<b>24.154</b>	<b>34.170</b>	<b>16.987</b>	<b>70.33</b>	<b>6.971</b>	<b>20.40</b>
12.1	Div Of Roads	0.019	3.580	0.012	(3.561)	(99.47)	0.007	58.33
12.2	PWD Mechanical cell	0.206		0.206	0.206		0.000	0.00
12.3	Municipal Revenue	0.759	1.130	0.647	(0.371)	(32.83)	0.112	17.31
12.4	Radio Spectrum Management	2.451	2.000	2.200	0.451	22.55	0.251	11.41
12.5	Contractor Development Board	1.949		1.287	1.949		0.662	51.44
12.6	Department of Civil aviation	0.434		0.399	0.434		0.035	8.77
12.7	Animal Husbandry	1.724	3.232	1.279	(1.508)	(46.66)	0.445	34.79
12.8	Agriculture	1.190	2.099	1.166	(0.909)	(43.31)	0.024	2.06
12.9	Department of Forest	1.115		0.634	1.115		0.481	75.87
12.10	Division of Survey	8.358	2.003	7.398	6.355	317.27	0.960	12.98
12.11	Industrial Plot/Shed Rent	1.410	2.518	1.189	(1.108)	(44.00)	0.221	18.59
12.12	Other Division of Trade & Industry	1.872		1.202	1.872		0.670	55.74
12.13	Passport & Visa fees	12.923		11.202	12.923		1.721	15.36
12.14	Education	0.637	1.582	0.404	(0.945)	(59.73)	0.233	57.67
12.15	Health	2.295	2.839	1.861	(0.544)	(19.16)	0.434	23.32
12.16	Registration	3.099	3.171	2.718	(0.072)	(2.27)	0.381	14.02
12.17	NEC	0.700		0.366	0.700		0.334	91.26
<b>13</b>	<b>Dividends</b>	<b>79.570</b>	<b>55.957</b>	<b>26.069</b>	<b>23.613</b>	<b>42.20</b>	<b>53.501</b>	<b>205.23</b>
13.1	BNB	8.099	4.388	8.099	3.711	84.57	0.000	0.00
13.2	Asian Reinsurance Corporation	1.745		1.745	1.745		0.000	0.00
13.3	Bhutan Telecom	40.904	33.209		7.695	23.17	40.904	
13.4	FDC	12.000	6.600		5.400	81.82	12.000	
13.5	BTCL	0.597			0.597		0.597	
13.6	Basu Chu Hydro Power Corporation	16.225	11.760	16.225	4.465	37.97	0.000	0.00
<b>14</b>	<b>Transfer of Profit</b>	<b>263.803</b>	<b>166.935</b>	<b>45.035</b>	<b>96.868</b>	<b>58.03</b>	<b>218.768</b>	<b>485.77</b>
14.1	RMA	180.809	88.935	14.411	91.874	103.30	166.398	1154.66
14.2	Special Drawing Rights	0.994		0.624	0.994		0.370	59.29
14.3	Transfer of Fund (Reserves)	30.000	78.000	30.000	(48.000)	(61.54)	0.000	0.00
14.4	Transfer from Others	52.000			52.000		52.000	
<b>15</b>	<b>Other Non -Tax Revenue</b>	<b>245.280</b>	<b>437.336</b>	<b>135.465</b>	<b>(192.056)</b>	<b>(43.91)</b>	<b>109.815</b>	<b>81.07</b>
15.1	Other Non -Tax Revenue	2.457	155.660	2.446	(153.203)	(98.42)	0.011	0.45
15.2	Treaty Payment 1949.	0.500	0.500	0.500	0.000	0.00	0.000	0.00
15.3	Interest on Loan from Corporations	242.323	281.176	132.519	(38.853)	(13.82)	109.804	82.86
<b>Total Revenue ( A+ B )</b>		<b>2,026.096</b>	<b>2,005.052</b>	<b>1,377.925</b>	<b>21.044</b>	<b>1.05</b>	<b>648.171</b>	<b>47.04</b>

# ANNEXURE II REVENUE PERFORMANCE BY REGION : FY 2004-2005

## Regional Revenue & Customs Office: Samdrup Jongkhar

Nu: in million

Sl. No	Source of Revenue	FY 2004-2005		FY 2003-2004	Acheivement to Target		Collection compared to 2003-2004 (+) or (-)	
		Collection	Target		Nu	%	Nu	%
1	2	3	4	5	6 (4-3)	7 (3of 4)	8(3-5)	9 (4 of 5)
<b>A</b>	<b>TAX REVENUE</b>	<b>137.714</b>	<b>125.392</b>	<b>127.986</b>	<b>12.322</b>	<b>9.83</b>	<b>9.728</b>	<b>7.60</b>
<b>I</b>	<b>Direct Tax</b>	<b>97.378</b>	<b>83.778</b>	<b>92.926</b>	<b>13.600</b>	<b>16.23</b>	<b>4.452</b>	<b>4.79</b>
1	<b>Corporate IncomeTax</b>	<b>19.109</b>	<b>17.180</b>	<b>25.926</b>	<b>1.929</b>	<b>11.23</b>	<b>(6.817)</b>	<b>(26.29)</b>
1.1	AWP	1.286	4.138	2.583	(2.852)	(68.92)	(1.297)	(50.21)
1.2	DSCL	14.693	11.744	13.964	2.949	25.11	0.729	5.22
1.3	EBCCL	2.898		9.078	2.898		(6.180)	(68.08)
1.4	KHPC	0.002	1.298		(1.296)	(99.85)	0.002	
1.5	2% Contractor Tax	0.032			0.032		0.032	
1.6	3% Contractor Tax	0.198			0.198		0.198	
1.7	Other CIT	0.000		0.301	0.000		(0.301)	(100.00)
2	<b>Business IncomeTax</b>	<b>25.930</b>	<b>21.765</b>	<b>19.303</b>	<b>4.165</b>	<b>19.14</b>	<b>6.627</b>	<b>34.33</b>
2.1	BIT	7.315	9.532	7.352	(2.217)	(23.26)	(0.037)	(0.50)
2.2	Contractor Tax	18.615	12.233	11.951	6.382	52.17	6.664	55.76
3	<b>Personal Income Tax</b>	<b>9.397</b>	<b>4.770</b>	<b>8.695</b>	<b>4.627</b>	<b>97.00</b>	<b>0.702</b>	<b>8.07</b>
3.1	Salary Tax	0.000		0.002	0.000		(0.002)	(100.00)
3.2	TDS on PIT	<b>8.390</b>	<b>0.000</b>	<b>6.233</b>	<b>8.390</b>		<b>2.157</b>	<b>34.61</b>
3.2.1	Salary	5.525		3.748	5.525		1.777	47.41
3.2.2	Real Property	0.711		0.804	0.711		(0.093)	(11.57)
3.2.3	Interest	1.811		1.497	1.811		0.314	20.98
3.2.4	Dividend	0.239		0.077	0.239		0.162	210.39
3.2.5	Other sources	0.104		0.107	0.104		(0.003)	(2.80)
3.3	Final PIT	0.728	4.770	2.392	(4.042)	(84.74)	(1.664)	(69.57)
3.4	PIT:Fines & Penalties	0.279		0.068	0.279		0.211	310.29
4	<b>Other Tax Revenue</b>	<b>42.942</b>	<b>40.063</b>	<b>39.002</b>	<b>2.879</b>	<b>7.19</b>	<b>3.940</b>	<b>10.10</b>
4.1	Motor Vehicle Tax	8.02	9.516	6.689	(1.496)	(15.72)	1.331	19.90
4.2	Business & Prof. Licences	2.955	3.023	2.854	(0.068)	(2.25)	0.101	3.54
4.3	Municipal Tax	1.729	1.728	1.239	0.001	0.06	0.490	39.55
4.4	Health Contribution	4.988	4.515	3.966	0.473	10.48	1.022	25.77
4.5	Royalties	25.250	21.281	24.254	3.969	18.65	0.996	4.11
4.5.1	Forest Products	6.762	6.207	5.737	0.555	8.94	1.025	17.87
4.5.2	Mines & Minerals	18.488	15.074	18.517	3.414	22.65	(0.029)	(0.16)
<b>II</b>	<b>Indirect Tax</b>	<b>40.336</b>	<b>41.614</b>	<b>35.060</b>	<b>(1.278)</b>	<b>(3.07)</b>	<b>5.276</b>	<b>15.05</b>
5	<b>Sales Tax</b>	<b>26.827</b>	<b>28.725</b>	<b>21.745</b>	<b>(1.898)</b>	<b>(6.61)</b>	<b>5.082</b>	<b>23.37</b>
5.1	Sales Tax on Goods & Commodities	6.074	7.712	5.892	(1.638)	(21.24)	0.182	3.09
5.2	Sales Tax on Petroleum Products	10.682	13.423	6.832	(2.741)	(20.42)	3.850	56.35
5.3	Sales Tax on Hotels & Restaurants	0.239	0.402	0.325	(0.163)	(40.55)	(0.086)	(26.46)
5.4	Sales Tax on Cable TV & Cinema	1.166	1.003	1.173	0.163	16.25	(0.007)	(0.60)
5.5	Sales Tax on Beer, Aerated water & Al	8.666	6.185	7.523	2.481	40.11	1.143	15.19
6	<b>Export Tax</b>	<b>0.300</b>	<b>0.330</b>	<b>0.042</b>	<b>(0.030)</b>	<b>(9.09)</b>	<b>0.258</b>	<b>614.29</b>
6.1	Timber	0.300	0.330	0.042	(0.030)	(9.09)	0.258	614.29
7	<b>Excise Duty</b>	<b>13.209</b>	<b>12.559</b>	<b>13.273</b>	<b>0.650</b>	<b>5.18</b>	<b>(0.064)</b>	<b>(0.48)</b>
7.1	Distillery products	13.209	12.559	13.273	0.650	5.18	(0.064)	(0.48)
<b>B</b>	<b>NON-TAX REVENUE</b>	<b>78.361</b>	<b>45.612</b>	<b>39.359</b>	<b>32.749</b>	<b>71.80</b>	<b>39.002</b>	<b>99.09</b>
8	<b>Administration Fees &amp; Charges</b>	<b>27.089</b>	<b>18.630</b>	<b>21.984</b>	<b>8.459</b>	<b>45.41</b>	<b>5.105</b>	<b>23.22</b>
8.1	Judiciary Fees & Charges	1.413		1.135	1.413		0.278	24.49
8.2	House Rent	7.973		8.306	7.973		(0.333)	(4.01)
8.3	Hire Charges	0.050		0.036	0.050		0.014	38.89
8.4	Motor Vehicle Fees & Charges	1.257		1.293	1.257		(0.036)	(2.78)
8.5	Depot Surcharge on Petroleum Products	6.117		4.878	6.117		1.239	25.40
8.6	Rural Life Insurance	5.930		5.595	5.930		0.335	5.99
8.7	Other Admnistration Fees & Charges	4.349	18.630	0.741	(14.281)	(76.66)	3.608	486.91

ANNEXURE II REVENUE PERFORMANCE BY REGION : FY 2004-2005

Sl. No	Source of Revenue	FY 2004-2005		FY 2003-2004	Acheivement to Target		Collection compared to 2003-2004 (+) or (-)	
		Collection	Target		Nu	%	Nu	%
9	Capital Revenue	39.734	15.920	6.137	23.814	149.59	33.597	547.45
9.1	Sale of Government Properties & Assets	2.106	2.920	1.125	(0.814)	(27.88)	0.981	87.20
9.2	Sale Proceeds from Agricultural Products	0.877		0.012	0.877		0.865	7,208.33
9.3	Coal Mine Bid Value	18.235			18.235		18.235	
9.4	Tender Document Sales	1.807			1.807		1.807	
9.5	Gypsum Mine Bid Value	16.709	13.000	5.000	3.709	28.53	11.709	234.18
10	Revenue from Government Departments	7.453	6.347	6.735	1.106	17.43	0.718	10.66
10.1	Municipal Revenue(W&H)	2.619	2.221	2.641	0.398	17.92	(0.022)	(0.83)
10.2	Animal Husbandry	1.105		2.308	1.105		(1.203)	(52.12)
10.3	Agriculture	0.029	2.270	0.041	(2.241)	(98.72)	(0.012)	(29.27)
10.4	Forest	1.710			1.710		1.710	
10.5	Department Survey	0.180	0.143	0.002	0.037	25.87	0.178	8,900.00
10.6	Industrial Shed Rental	0.202	0.280	0.083	(0.078)	(27.86)	0.119	143.37
10.7	Other Division of Trade & Industry	0.000		0.012	0.000		(0.012)	(100.00)
10.8	Education	0.555	0.717	1.061	(0.162)	(22.59)	(0.506)	(47.69)
10.9	Health	0.459	0.412	0.392	0.047	11.41	0.067	17.09
10.10	Registration	0.594	0.304	0.195	0.290	95.39	0.399	204.62
11	Other Non-Tax Revenue	4.085	4.715	4.503	(0.630)	(13.36)	(0.418)	(9.28)
11.1	Security / Earnest Money	0.15	0.202	0.184	(0.052)	(25.74)	(0.034)	(18.48)
11.2	Recovery of Vehicle Instalment	3.931	4.495	2.353	(0.564)	(12.55)	1.578	67.06
11.3	Recovery Against Outstanding Dues	0.004	0.018	1.966	(0.014)	(77.78)	(1.962)	(99.80)
Total (A+B)		216.075	171.004	167.345	45.071	26.36	48.730	29.12

# ANNEXURE II REVENUE PERFORMANCE BY REGION : FY 2004-2005

## Regional Revenue & Customs Office: Gelephu

Nu: in million

Sl. No	Source of Revenue	FY 2004-2005		FY 2003-2004	Acheivement to		Collection compared to	
		Collection	Target		Target		2003-2004 (+) or (-)	
					Nu	%	Nu	%
1	2	3	4	5	6 (4-3)	7 (3of 4)	8(3-5)	9 (4 of 5)
<b>A</b>	<b>TAX REVENUE</b>	<b>73.572</b>	<b>59.830</b>	<b>64.227</b>	<b>13.742</b>	<b>22.97</b>	<b>9.345</b>	<b>14.55</b>
<b>I</b>	<b>DIRECT TAXES</b>	<b>50.579</b>	<b>37.927</b>	<b>42.722</b>	<b>12.652</b>	<b>33.36</b>	<b>7.857</b>	<b>18.39</b>
1	<b>CORPORATE INCOME TAX</b>	<b>5.371</b>	<b>2.266</b>	<b>2.750</b>	<b>3.105</b>	<b>137.03</b>	<b>2.621</b>	<b>95.31</b>
1.1	Army Welfare Project	3.133	2.266	2.750	0.867	38.26	0.383	13.93
1.2	Other CIT from Financial Sector Institutions	0.085			0.085		0.085	
1.3	2% Contractor Tax	2.065			2.065		2.065	
1.4	3% Contractor Tax	0.027			0.027		0.027	
1.5	TDS on Suppliers	0.061			0.061		0.061	
2	<b>BUSINESS INCOME TAX</b>	<b>19.830</b>	<b>14.803</b>	<b>18.277</b>	<b>5.027</b>	<b>33.96</b>	<b>1.553</b>	<b>8.50</b>
2.1	BIT	7.654	8.637	7.878	(0.983)	(11.38)	(0.224)	(2.84)
2.2	Contractor Tax	12.176	6.166	10.399	6.010	97.47	1.777	17.09
3	<b>PERSONAL INCOME TAX</b>	<b>3.740</b>	<b>1.928</b>	<b>3.379</b>	<b>1.812</b>	<b>93.98</b>	<b>0.361</b>	<b>10.68</b>
3.1	TDS on PIT	3.542	0.00	3.114	3.542		0.428	13.74
3.1.1	Salary Tax	3.065		2.630	3.065		0.435	16.54
3.1.2	Real Property	0.316		0.313	0.316		0.003	0.96
3.1.3	Interest	0.123		0.148	0.123		(0.025)	(16.89)
3.1.4	Other Sources	0.038		0.023	0.038		0.015	65.22
3.2	Final PIT	0.177	1.928	0.246	(1.751)	(90.82)	(0.069)	(28.05)
3.3	PIT:Fines & Penalties	0.021		0.019	0.021		0.002	10.53
4	<b>Other Tax Revenue</b>	<b>21.638</b>	<b>18.930</b>	<b>18.316</b>	<b>2.708</b>	<b>14.31</b>	<b>3.322</b>	<b>18.14</b>
4.1	Motor Vehicle Tax	5.296	5.392	3.351	(0.096)	(1.78)	1.945	58.04
4.2	Business & Prof. Licences	2.800	2.500	2.702	0.300	12.00	0.098	3.63
4.3	Municipal Tax	0.424	0.296	0.386	0.128	43.24	0.038	9.84
4.4	Health Contribution	3.361	2.613	2.785	0.748	28.63	0.576	20.68
4.5	Royalties	9.757	8.129	9.083	1.628	20.03	0.674	7.42
4.5.1	Forest Products	9.679	8.104	9.016	1.575	19.43	0.663	7.35
4.5.2	Mines & Minerals	0.078	0.025	0.067	0.053	212.00	0.011	16.42
4.6	Rural Tax			0.009	0.000		(0.009)	(100.00)
<b>II</b>	<b>INDIRECT TAXES</b>	<b>22.993</b>	<b>21.903</b>	<b>21.505</b>	<b>1.090</b>	<b>4.98</b>	<b>1.488</b>	<b>6.92</b>
5	<b>SALES TAX</b>	<b>12.773</b>	<b>12.003</b>	<b>11.373</b>	<b>0.770</b>	<b>6.42</b>	<b>1.400</b>	<b>12.31</b>
5.1	Sales Tax on Goods and Commodities	3.471	4.910	3.964	(1.439)	(29.31)	(0.493)	(12.44)
5.2	Sales Tax on Petroleum Products	7.057	5.254	5.718	1.803	34.32	1.339	23.42
5.3	Sales Tax on Hotels	0.921		0.522	0.921		0.399	76.44
5.4	Sales Tax on Cable TV & Cinema	1.324	1.839	1.169	(0.515)	(28.00)	0.155	13.26
6	<b>EXPORT TAX</b>	-	-	-	0.000		0.000	
6.1	Export Tax on Timbers				0.000		0.000	
7	<b>EXCISE DUTY</b>	<b>10.220</b>	<b>9.900</b>	<b>10.132</b>	<b>0.320</b>	<b>3.23</b>	<b>0.088</b>	<b>0.87</b>
7.1	Distillery Products	10.220	9.900	10.132	0.320	3.23	0.088	0.87
<b>B</b>	<b>NON-TAX REVENUE</b>	<b>38.464</b>	<b>38.885</b>	<b>34.391</b>	<b>(0.421)</b>	<b>(1.08)</b>	<b>4.073</b>	<b>11.84</b>
8	<b>ADMINISTRATIVE FEES AND CHARGES</b>	<b>23.462</b>	<b>33.568</b>	<b>22.442</b>	<b>(10.106)</b>	<b>(30.11)</b>	<b>1.020</b>	<b>4.55</b>
8.1	Judiciary Fees & Charges	0.458	0.715	0.308	(0.257)	(35.94)	0.150	48.70
8.2	House Rent	5.150	4.293	4.934	0.857	19.96	0.216	4.38
8.3	Hire Charges	8.414	20.871	6.767	(12.457)	(59.69)	1.647	24.34
8.4	Rural Life Insurance	3.308	3.517	2.543	(0.209)	(5.94)	0.765	30.08
8.5	Motor Vehicle Fees & Charges	1.453		1.374	1.453		0.079	5.75
8.6	Deport Surcharge on Petroleum Products	4.100	4.172	4.113	(0.072)	(1.73)	(0.013)	(0.32)
8.7	Other Administration Fees & Charges	0.579		2.403	0.579		(1.824)	(75.91)
9	<b>CAPITAL REVENUE</b>	<b>4.972</b>	<b>2.015</b>	<b>1.846</b>	<b>2.957</b>	<b>146.75</b>	<b>3.126</b>	<b>169.34</b>
9.1	Sale of seized Cash Crops/ other Auctioned goods	3.247	1.430	1.094	1.817	127.06	2.153	196.80
9.2	Sale of Tender Documents	0.871	0.500	0.691	0.371	74.20	0.180	26.05
9.3	Other Capital Revenue	0.854	0.085	0.061	0.769	904.71	0.793	1300.00
10	<b>REVENUE FROM GOVT./DEPTT./AGENCI</b>	<b>9.712</b>	<b>3.206</b>	<b>10.019</b>	<b>6.506</b>	<b>202.93</b>	<b>(0.307)</b>	<b>(3.06)</b>
10.1	Municipal Revenue(W&H)	1.044	1.556	1.313	(0.512)	(32.90)	(0.269)	(20.49)
10.2	PWD (Mechanical Cell)			6.800	0.000		(6.800)	(100.00)
10.3	Radio Spectrum Management Unit ( MOC)		0.010		(0.010)	(100.00)	0.000	
10.4	Department of Animal Husbandry	0.913		0.670	0.913		0.243	36.27
10.5	Department of Agriculture	0.001	0.510	0.002	(0.509)	(99.80)	(0.001)	(50.00)
10.6	Department of Forest	0.675			0.675		0.675	
10.7	Department of Survey	4.604			4.604		4.604	
10.8	Industrial Plot/Shed rent	0.693			0.693		0.693	
10.9	Department of Trade & Industry	0.084			0.084		0.084	
10.10	Department of Education	0.354	0.330	0.242	0.024	7.27	0.112	46.28
10.11	Department of Health	0.855	0.500	0.550	0.355	71.00	0.305	55.45
10.12	Department of Registration	0.489	0.300	0.442	0.189	63.00	0.047	10.63
11	<b>OTHER NON TAX REVENUE</b>	<b>0.318</b>	<b>0.096</b>	<b>0.084</b>	<b>0.222</b>	<b>231.25</b>	<b>0.234</b>	<b>278.57</b>
11.1	Vehicle Instalment Loan Recovery	0.078	0.096	0.077	(0.018)	(18.75)	0.001	1.30
11.2	Other Outstanding/Dues Recovery	0.240		0.007	0.240		0.233	3328.57
<b>TOTAL (A+B)</b>		<b>112.036</b>	<b>98.715</b>	<b>98.618</b>	<b>13.321</b>	<b>13.49</b>	<b>13.418</b>	<b>13.61</b>

# ANNEXURE II REVENUE PERFORMANCE BY REGION : FY 2004-2005

## Regional Revenue & Customs Office: Samtse

Nu: in million

Sl. No	Source of Revenue	FY 2004-2005		FY 2003-2004	Acheivement to Target		Collection compared to 2003-2004 (+) or (-)	
		Collection	Target		Nu	%	Nu	%
1	2	3	4	5	6 (4-3)	7 (3of 4)	8(3-5)	9 (4 of 5)
<b>A</b>	<b>TAX REVENUE</b>	<b>190.373</b>	<b>230.548</b>	<b>183.997</b>	<b>(40.175)</b>	<b>(17.43)</b>	<b>6.376</b>	<b>3.47</b>
<b>I</b>	<b>Direct Tax</b>	<b>133.192</b>	<b>173.807</b>	<b>133.878</b>	<b>(40.615)</b>	<b>(23.37)</b>	<b>(0.686)</b>	<b>(0.51)</b>
1	<b>Corporate IncomeTax</b>	<b>101.630</b>	<b>143.471</b>	<b>106.907</b>	<b>(41.841)</b>	<b>(29.16)</b>	<b>(5.277)</b>	<b>(4.94)</b>
1.1	PCAL	82.703	115.000	87.637	(32.297)	(28.08)	(4.934)	(5.63)
1.2	BFPL	3.093	5.000	3.069	(1.907)	(38.14)	0.024	0.78
1.3	AWP	5.872	13.272	6.033	(7.400)	(55.76)	(0.161)	(2.67)
1.4	Yangzom Cement	0.289	0.634	0.093	(0.345)	(54.42)	0.196	210.75
1.5	Lhaki Cement	7.087	5.000	6.073	2.087	41.74	1.014	16.70
1.6	Bhutan Polymer	2.569	4.565	3.762	(1.996)	(43.72)	(1.193)	(31.71)
1.7	Fines on CIT & Others	0.017		0.240	0.017		(0.223)	(92.92)
2	<b>Business IncomeTax</b>	<b>20.722</b>	<b>19.000</b>	<b>13.454</b>	<b>1.722</b>	<b>9.06</b>	<b>7.268</b>	<b>54.02</b>
2.1	BIT	6.914	7.000	4.365	(0.086)	(1.23)	2.549	58.40
2.2	Contractor Tax	13.808	12.000	9.089	1.808	15.07	4.719	51.92
3	<b>Personal Income Tax</b>	<b>5.686</b>	<b>5.768</b>	<b>7.662</b>	<b>(0.082)</b>	<b>(1.42)</b>	<b>(1.976)</b>	<b>(25.79)</b>
3.1	TDS on PIT	5.618	0.000	6.597	5.618		(0.979)	(14.84)
3.1.1	Salary	2.367		2.378	2.367		(0.011)	(0.46)
3.1.2	Real Property	0.181		0.172	0.181		0.009	5.23
3.1.3	Interest	0.394		0.586	0.394		(0.192)	(32.76)
3.1.4	Dividend	2.676		3.458	2.676		(0.782)	(22.61)
3.1.5	Other Sources			0.003	0.000		(0.003)	(100.00)
3.2	Final PIT	0.059	5.768	1.040	(5.709)	(98.98)	(0.981)	(94.33)
3.3	PIT:Fines & Penalties	0.009		0.025	0.009		(0.016)	(64.00)
4	<b>Other Tax Revenue</b>	<b>5.154</b>	<b>5.568</b>	<b>5.855</b>	<b>(0.414)</b>	<b>(7.44)</b>	<b>(0.701)</b>	<b>(11.97)</b>
4.1	Municipal Tax	1.216	1.195	1.155	0.021	1.76	0.061	5.28
4.2	Health Contribution	1.888	1.764	1.640	0.124	7.03	0.248	15.12
4.3	Royalties	2.050	2.609	3.060	(0.559)	(21.43)	(1.010)	(33.01)
4.3.1	Royalty on Forestry Products.	2.050	2.609	3.060	(0.559)	(21.43)	(1.010)	(33.01)
4.3.2	Royalty on Mines & Minerals				0.000		0.000	
<b>II</b>	<b>Indirect Tax</b>	<b>57.181</b>	<b>56.741</b>	<b>50.119</b>	<b>0.440</b>	<b>0.78</b>	<b>7.062</b>	<b>14.09</b>
5	<b>Sales Tax</b>	<b>27.086</b>	<b>24.981</b>	<b>25.440</b>	<b>2.105</b>	<b>8.43</b>	<b>1.646</b>	<b>6.47</b>
5.1	Sales Tax on Goods & Commodities	16.582	19.800	20.246	(3.218)	(16.25)	(3.664)	(18.01)
5.2	Sales Tax on Petroleum Products	5.365	4.623	4.818	0.742	16.05	0.547	11.35
5.3	Sales Tax on Cable TV & Cinema	0.703	0.558	0.376	0.145	25.99	0.327	86.97
5.4	Sales tax on Hotels	0.005			0.005		0.005	
5.5	Sales Tax on Beer, Aerated water & Alcohol	1.531			1.531		1.531	
5.6	Revolving Fund	2.900			2.900		2.900	
6	<b>Export Tax</b>	<b>0.072</b>	<b>0.050</b>	<b>0.049</b>	<b>0.022</b>	<b>44.00</b>	<b>0.023</b>	<b>46.94</b>
6.1	Timber	0.016		0.049	0.016		(0.033)	(67.35)
6.2	Stone & Boulder	0.056	0.050		0.006	12.00	0.056	
7	<b>Excise Duty</b>	<b>30.023</b>	<b>31.710</b>	<b>24.630</b>	<b>(1.687)</b>	<b>(5.32)</b>	<b>5.393</b>	<b>21.90</b>
7.1	Distillery products	30.023	31.710	24.630	(1.687)	(5.32)	5.393	21.90
<b>B</b>	<b>NON-TAX REVENUE</b>	<b>61.638</b>	<b>61.164</b>	<b>60.037</b>	<b>0.474</b>	<b>0.77</b>	<b>1.601</b>	<b>2.67</b>
8	<b>Administration Fees &amp; Charges</b>	<b>9.820</b>	<b>8.851</b>	<b>8.894</b>	<b>0.969</b>	<b>10.95</b>	<b>0.926</b>	<b>10.41</b>
8.1	Judiciary Fees & Charges	0.136	0.296	0.324	(0.160)	(54.05)	(0.188)	(58.02)
8.2	House Rent	2.677	2.800	2.545	(0.123)	(4.39)	0.132	5.19
8.3	Depot Surcharge on Petroleum Products	4.842	4.055	4.291	0.787	19.41	0.551	12.84
8.4	Rural Life Insurance	1.263			1.263		1.263	
8.5	Other Administration Fees & charges	0.902	1.700	1.734	(0.798)	(46.94)	(0.832)	(47.98)
9	<b>Capital Revenue</b>	<b>0.472</b>	<b>1.754</b>	<b>0.567</b>	<b>(1.282)</b>	<b>(73.09)</b>	<b>(0.095)</b>	<b>(16.75)</b>
9.1	Sale of Government Properties & Assets				0.000		0.000	
9.2	Tender Documents	0.097			0.097		0.097	
9.3	Other Capital Revenue	0.375	1.754	0.567	(1.379)	(78.62)	(0.192)	(33.86)
10	<b>Revenue from Government Departments</b>	<b>2.843</b>	<b>2.016</b>	<b>2.174</b>	<b>0.827</b>	<b>41.02</b>	<b>0.669</b>	<b>30.77</b>
10.1	Municipal Revenue(W&H)	0.224	0.337	0.305	(0.113)	(33.53)	(0.081)	(26.56)
10.2	Animal Husbandry	1.611	1.506	1.805	0.105	6.97	(0.194)	(10.75)
10.3	Agriculture				0.000		0.000	
10.4	Forest	0.894			0.894		0.894	
10.5	Depart ment of Trade & Industry	0.005			0.005		0.005	
10.6	Education	0.064	0.042	0.051	0.022	52.38	0.013	25.49
10.7	Health	0.030	0.032	0.013	(0.002)	(6.25)	0.017	130.77
10.8	Registration	0.015	0.099		(0.084)	(84.85)	0.015	
11	<b>Dividend</b>	<b>48.371</b>	<b>48.500</b>	<b>48.371</b>	<b>(0.129)</b>	<b>(0.27)</b>	<b>0.000</b>	<b>0.00</b>
11.1	Penden Cement Authority Ltd.	48.371	48.500	48.371	(0.129)	(0.27)	0.000	0.00
12	<b>Other Non-Tax Revenue</b>	<b>0.132</b>	<b>0.043</b>	<b>0.031</b>	<b>0.089</b>	<b>206.98</b>	<b>0.101</b>	<b>325.81</b>
12.1	Security / Earnest Money	0.081	0.029	0.010	0.052	179.31	0.071	710.00
12.2	Other o/s dues and recoveries	0.030			0.030		0.030	
12.3	Recovery of Vehicle Instalment	0.021	0.014	0.021	0.007	50.00	0.000	0.00
<b>Total (A+B)</b>		<b>252.011</b>	<b>291.712</b>	<b>244.034</b>	<b>(39.701)</b>	<b>(13.61)</b>	<b>7.977</b>	<b>3.27</b>

# ANNEXURE III DETAILS OF DZONGKHAG REVENUE BY REGION: FY 2004-2005

## I THIMPHU REGION

Nu: in million

Source of Revenue	Thimphu	Punakha	Paro	Haa	Wangdue Phodrang	Gasa	Total
<b>(A) TAX REVENUE (I+II)</b>	<b>1089.605</b>	<b>2.612</b>	<b>38.574</b>	<b>6.293</b>	<b>7.987</b>	<b>0.661</b>	<b>1145.732</b>
<b>I Direct Tax</b>	<b>594.033</b>	<b>2.612</b>	<b>26.879</b>	<b>6.293</b>	<b>7.987</b>	<b>0.661</b>	<b>638.465</b>
1 Corporate Income Tax	123.098	0.017	0.118			0.047	123.280
2 Business Income Tax	113.528	0.532	5.707	0.673	1.573	0.227	122.240
3 PIT	50.218	0.589	3.294	0.355	1.123	0.125	55.704
4 Other Tax Revenue	307.189	1.474	17.760	5.265	5.291	0.262	337.241
4.1 Motor Vehicle Tax	34.816						34.816
4.2 Business & Prof. Licences	12.805						12.805
4.3 Municipal Taxes	0.010	0.317	1.284	0.032	0.006		1.649
4.4 Foreign Travel Tax(Airport Tax)			9.606				9.606
4.5 Health Contribution	14.966	0.451	1.399	0.284	0.669	0.069	17.838
4.6 Royalties	244.592	0.706	5.471	4.949	4.616	0.193	260.527
<b>II Indirect Tax</b>	<b>495.572</b>	<b>0</b>	<b>11.695</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>507.267</b>
5 Sales Tax	28.306		7.279				35.585
6 Export Tax							0.000
7 Excise Duty	461.948						461.948
7.1 Excise Duty Collection	20.770						20.770
7.2 Excise Duty Refund from GOI	441.178						441.178
8 Import Duty	1.743		4.416				6.159
9 Other Tax-Revenue	3.575	0	0	0	0	0	3.575
9.1 Sale of Revenue Stamp	3.575						3.575
<b>(B) NON-TAX REVENUE</b>	<b>856.035</b>	<b>1.702</b>	<b>18.279</b>	<b>0.793</b>	<b>3.47</b>	<b>0.085</b>	<b>880.364</b>
10 Adm.Fees & charges	94.475	1.412	4.933	0.679	2.651	0.076	104.226
11 Capital Revenue	175.428	0.093	0.697	0.029	0.096	0.003	176.346
12 Revenue from Government Departments	27.527	0.170	12.642	0.085	0.708	0.006	41.138
13 Dividends	79.571						79.571
14 Transfer of profit	233.803						233.803
15 Other Non-Tax Revenue	2.908	0.027	0.007		0.015		2.957
16 Interest Receipts from Corporation	242.323						242.323
<b>Total Tax &amp; Non-Tax Revenue (A+B)</b>	<b>1945.640</b>	<b>4.314</b>	<b>56.853</b>	<b>7.086</b>	<b>11.457</b>	<b>0.746</b>	<b>2026.096</b>
<b>% of Dzongkhag Revenue to Total National Revenue</b>	<b>31.79</b>	<b>0.07</b>	<b>0.93</b>	<b>0.12</b>	<b>0.19</b>	<b>0.01</b>	<b>33.10</b>

## II SAMDRUP JONGKHAR REGION

Nu: in million

Source of Revenue	Samdrup Jongkhar	T/gang	Mongar	Pema Gatshe	Lhuntse	Tashi Yangtse	Total
<b>(A) TAX REVENUE (I+II)</b>	<b>110.933</b>	<b>12.882</b>	<b>7.996</b>	<b>1.530</b>	<b>1.893</b>	<b>2.479</b>	<b>137.713</b>
<b>I Direct Tax</b>	<b>74.799</b>	<b>8.680</b>	<b>7.996</b>	<b>1.530</b>	<b>1.893</b>	<b>2.479</b>	<b>97.377</b>
1 Corporate Income Tax	19.109						19.109
2 Business Income Tax	17.823	3.621	2.235	0.579	0.690	0.982	25.930
3 Personal Income Tax	4.172	1.791	2.391	0.409	0.253	0.381	9.397
4 Other Tax Revenue	33.695	3.268	3.370	0.542	0.950	1.116	42.941
4.1 Tax on Motor Vehicle	8.019						8.019
4.2 Business & Prof.Licences	2.955						2.955
4.3 Municipal Tax	0.730	0.240	0.665	0.094			1.729
4.4 Health Contribution	1.750	1.320	0.891	0.330	0.333	0.364	4.988
4.5 Royalties	20.241	1.708	1.814	0.118	0.617	0.752	25.250
4.6 Rural Tax							0.000
<b>II Indirect Tax</b>	<b>36.134</b>	<b>4.202</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0</b>	<b>40.336</b>
5 Sales Tax	26.435	0.392					26.827
6 Export Tax	0.300						0.300
7 Excise Duty	9.399	3.810					13.209
8 Import Duty							0.000
<b>(B) NON-TAX REVENUE</b>	<b>54.713</b>	<b>10.301</b>	<b>5.717</b>	<b>2.966</b>	<b>1.692</b>	<b>2.973</b>	<b>78.362</b>
10 Administration Fees & Charges	14.502	5.006	3.245	1.169	1.376	1.790	27.088
11 Capital Revenue	35.829	0.283	0.823	1.604	0.205	0.990	39.734
12 Revenue from Government Departments	4.228	1.205	1.649	0.142	0.061	0.169	7.454
13 Dividends							0.000
14 Transfer of profit							0.000
15 Other Non-Tax Revenue	0.154	3.807		0.051	0.050	0.024	4.086
<b>Total Tax &amp; Non-Tax Revenue (A+B)</b>	<b>165.646</b>	<b>23.183</b>	<b>13.713</b>	<b>4.496</b>	<b>3.585</b>	<b>5.452</b>	<b>216.075</b>
<b>% of Dzongkhag Revenue to Total National Revenue</b>	<b>2.71</b>	<b>0.38</b>	<b>0.22</b>	<b>0.07</b>	<b>0.06</b>	<b>0.09</b>	<b>3.53</b>

# ANNEXURE III DETAILS OF DZONGKHAG REVENUE BY REGION: FY 2004-2005

## III GELEPHU REGION

Nu: in million

Source of Revenue	Sarpang	Bumthang	Tsirang	Trongsa	Dagana	Zhemgang	Total
(A) TAX REVENUE (I+II)	54.530	6.717	2.206	4.747	1.463	3.906	73.569
I Direct Tax	31.538	6.717	2.206	4.747	1.463	3.906	50.577
1 Corporate Income Tax	4.504	0.387	0.205			0.274	5.370
2 Business Income Tax	14.511	1.132	1.011	1.153	0.527	1.495	19.829
3 Personal Income Tax	1.789	0.525	0.351	0.353	0.245	0.476	3.739
4 Other Tax Revenue	10.734	4.673	0.639	3.241	0.691	1.661	21.639
4.1 Motor Vehicle Tax	5.296						5.296
4.2 Business & Prof. Licences	1.894			0.906			2.800
4.3 Municipal Tax	0.283		0.010	0.092	0.031	0.008	0.424
4.4 Health Contribution	1.390	0.525	0.348	0.325	0.306	0.467	3.361
4.5 Royalties	1.871	4.148	0.281	1.918	0.354	1.186	9.758
II Indirect Tax	22.992	0.000	0.000	0.000	0.000	0.000	22.992
5 Sales Tax	12.772						12.772
6 Export Tax							0.000
7 Excise Duty	10.220						10.220
8 Import Duty							0.000
(B) NON-TAX REVENUE	15.454	11.529	6.438	1.557	1.624	1.865	38.467
10 Administration Fees & Charges	8.526	9.614	1.471	0.981	1.246	1.456	23.294
11 Capital Revenue	3.021	1.335	0.109	0.194	0.166	0.147	4.972
12 Revenue from Government Departments	3.881	0.397	4.692	0.376	0.165	0.201	9.712
13 Dividends							0.000
14 Transfer of profit							0.000
15 Other Non-Tax Revenue	0.026	0.183	0.166	0.006	0.047	0.061	0.489
Total Tax & Non-Tax Revenue (A+B)	69.984	18.246	8.644	6.304	3.087	5.771	112.036
% of Dzongkhag Revenue to Total National Revenue	1.14	0.30	0.14	0.10	0.05	0.09	1.83

## IV. PHUENTSHOLING REGION

Nu. in million

Source of Revenue	Chukha	Total
(A) TAX REVENUE (I+II)	1,886.99	1,886.99
I Direct Tax	1,128.044	1,128.044
1 Corporate Income Tax	772.688	772.688
2 Business Income Tax	236.269	236.269
3 PIT	42.045	42.045
4 Other Tax Revenue	77.042	77.042
4.1 Motor Vehicle Tax	24.413	24.413
4.2 Business & Prof. Licences	5.635	5.635
4.3 Municipal Taxes	4.182	4.182
4.4 Health Contribution	7.926	7.926
4.5 Royalties	34.886	34.886
4.6 Rural Tax		
II Indirect Tax	758.941	758.941
5 Sales Tax	483.148	483.148
6 Export Tax	0.498	0.498
7 Excise Duty	50.228	50.228
8 Import Duty	225.067	225.067
B NON-TAX REVENUE	1,627.206	1,627.206
9 Administration Fees & Charges	53.075	53.075
10 Capital Revenue	11.367	11.367
11 Revenue from Government Departments	18.935	18.935
12 Dividends	1,422.583	1,422.583
13 Transfer of Profit	120.672	120.672
14 Other Non-Tax Revenue	0.574	0.574
Total Tax & Non-Tax Revenue (A+B)	3,514.191	3,514.191
% of Dzongkhag Revenue to Total National Revenue	57.42	57.42

## V. SAMTSE REGION

Nu. in million

Samtse	Total
190.373	190.373
133.192	133.192
101.630	101.630
20.722	20.722
5.686	5.686
5.154	5.154
1.216	1.216
1.888	1.888
2.050	2.050
57.181	57.181
27.086	27.086
0.072	0.072
30.023	30.023
61.638	61.638
9.820	9.820
0.472	0.472
2.843	2.843
48.371	48.371
0.132	0.132
252.011	252.011
4.12	4.12

# ANNEXURE IV SECTORAL REVENUE PERFORMANCE: FY 2004-2005

Nu: in million						
Sector	FY 2003-2004	% of Total Revenue	FY 2004-2005	% of Total Revenue	(Nu) (+) or (-)	% (+) or (-)
<b>1 Electricity</b>	<b>1935.145</b>	<b>37.79</b>	<b>1952.564</b>	<b>31.90</b>	<b>17.419</b>	<b>0.90</b>
CHPC	1912.886	37.4	1924.287	31.44	11.401	0.60
Basochu Power Corporation	22.259	0.4	28.277	0.46	6.018	27.04
KHPC	0.000	0.0	0.002	0.00	0.002	
<b>2 Trade</b>	<b>1233.747</b>	<b>24.09</b>	<b>1899.145</b>	<b>31.03</b>	<b>665.398</b>	<b>53.93</b>
FCB	1.150	0.0	4.136	0.07	2.986	259.65
Sales Tax & Depot Surcharge	539.587	10.5	622.232	10.17	82.645	15.32
Excise Duty	130.314	2.5	565.623	9.24	435.309	334.05
STCB	9.218	0.2	7.484	0.12	(1.734)	(18.81)
CIT & BIT(Trading)	377.067	7.4	444.249	7.26	67.182	17.82
Business Licences	22.433	0.4	24.195	0.40	1.762	7.85
Import Duty	153.978	0.3	231.226	3.78	77.248	50.17
<b>3 Service (3.1 to 3.9)</b>	<b>892.921</b>	<b>17.44</b>	<b>1394.087</b>	<b>22.78</b>	<b>501.166</b>	<b>56.13</b>
<b>3.1 Transportation</b>	<b>87.661</b>	<b>1.71</b>	<b>91.119</b>	<b>1.49</b>	<b>3.458</b>	<b>3.94</b>
M.V. Tax &	85.812	1.7	91.119	1.49	5.307	6.18
BIT (Transport)	1.849	0.0	0.000	0.00	(1.849)	(100.00)
<b>3.2 Communications</b>	<b>78.274</b>	<b>1.53</b>	<b>104.601</b>	<b>1.71</b>	<b>26.327</b>	<b>33.63</b>
P&T (Rev.stamps)	3.296	0.1	3.575	0.06	0.279	8.46
Radio Spectrum Mangt.Unit	1.184	0.0	2.451	0.04	1.267	107.01
Bhutan Telecom	73.794	1.4	98.575	1.61	24.781	33.58
<b>3.3 TAB (Royalties)</b>	<b>152.027</b>	<b>3.0</b>	<b>239.670</b>	<b>3.92</b>	<b>87.643</b>	<b>57.65</b>
<b>3.4 Municipals (City Corporations)</b>	<b>4.997</b>	<b>0.1</b>	<b>9.200</b>	<b>0.15</b>	<b>4.203</b>	<b>84.11</b>
<b>3.5 Education</b>	<b>2.334</b>	<b>0.1</b>	<b>1.807</b>	<b>0.03</b>	<b>(0.527)</b>	<b>(22.58)</b>
<b>3.6 Health</b>	<b>4.366</b>	<b>0.1</b>	<b>4.259</b>	<b>0.07</b>	<b>(0.107)</b>	<b>(2.45)</b>
<b>3.7 Bhutan Lottery</b>	<b>124.872</b>	<b>2.4</b>	<b>110.672</b>	<b>1.81</b>	<b>(14.200)</b>	<b>(11.37)</b>
<b>3.8 BIT &amp; CIT (service)</b>	<b>6.006</b>	<b>0.1</b>	<b>13.045</b>	<b>0.21</b>	<b>7.039</b>	<b>117.20</b>
<b>3.9 Others</b>	<b>432.384</b>	<b>8.4</b>	<b>819.714</b>	<b>13.39</b>	<b>387.330</b>	<b>89.58</b>
<b>4 Primary</b>	<b>152.261</b>	<b>2.97</b>	<b>132.218</b>	<b>2.16</b>	<b>(20.043)</b>	<b>(13.16)</b>
Agriculture	11.785	0.2	6.836	0.11	(4.949)	(41.99)
(Rural tax, Agriculture & Animal Husbandary Division)						
Mining (Royalties,BIT,CIT & others)	62.744	1.2	47.865	0.78	(14.879)	(23.71)
Forestry (Royalties , FDC & other Receipts)	0.0	0.00	0.000			
	77.732	1.5	77.517	1.27	(0.215)	(0.28)
<b>5 Finance</b>	<b>204.686</b>	<b>4.00</b>	<b>361.444</b>	<b>5.91</b>	<b>156.758</b>	<b>76.58</b>
RICB	25.49	0.5	31.649	0.52	6.159	24.16
BOB	87.972	1.7	110.023	1.80	22.051	25.07
RMA	53.519	1.1	181.803	2.97	128.284	239.70
BNB	37.567	0.7	36.224	0.59	(1.343)	(3.57)
Others	0.138	0.0	1.745	0.03	1.607	asian
<b>6 Manufacturing</b>	<b>281.555</b>	<b>5.50</b>	<b>264.380</b>	<b>4.32</b>	<b>(17.18)</b>	<b>(6.10)</b>
AWP	18.054	0.4	14.108	0.23	(3.95)	(21.86)
BBPL	8.017	0.2	11.907	0.19	3.89	48.52
PCAL	136.008	2.7	131.074	2.14	(4.93)	(3.63)
BCCL	34.934	0.7	28.725	0.47	(6.21)	(17.77)
Lhaki cement	6.073	0.1	7.087	0.12	1.01	16.70
BFPL	3.069	0.1	3.093	0.05	0.02	0.78
Yangzom Cement	0.093	0.0	0.289	0.01	0.20	210.75
BFAL	56.003	1.1	43.985	0.72	(12.02)	(21.46)
Bhutan Polythene	4.154	0.1	2.569	0.04	(1.585)	(38.16)
Others	15.150	0.3	21.543	0.35	6.393	42.20
<b>Total Revenue *</b>	<b>4700.315</b>	<b>91.8</b>	<b>6003.838</b>	<b>98.09</b>	<b>1303.523</b>	<b>27.73</b>

\* Figures are based on Gross Collections

# ANNEXURE V STATEMENT OF ACTUAL COLLECTION AND REVENUE TARGET FOR FY 2004-2005

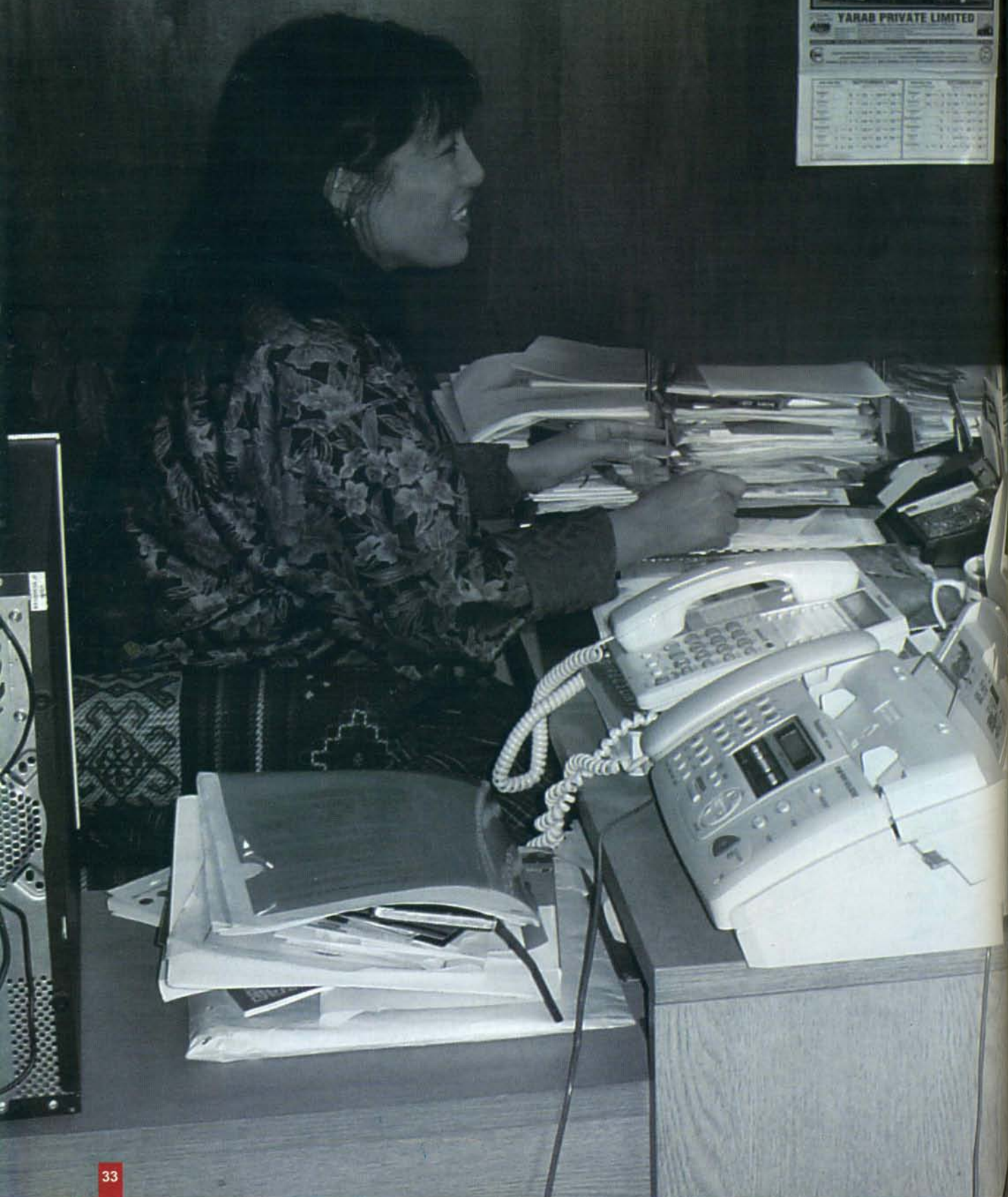
	Source of Revenue	Target	Actual	(+ or -)Nu.	(+ or -) %
(A)	<b>TAX REVENUE (I+II)</b>	<b>3470.905</b>	<b>3382.367</b>	<b>(88.538)</b>	<b>(2.55)</b>
I	<b>Direct Tax</b>	<b>1950.314</b>	<b>2013.628</b>	<b>63.314</b>	<b>3.25</b>
1	Corporate Income Tax	988.514	1022.078	33.564	3.40
2	Business Income Tax	435.254	423.156	(12.098)	(2.78)
3	Personal Income Tax	80.701	84.609	3.908	4.84
4	<b>Other Tax Revenue</b>	<b>445.845</b>	<b>483.785</b>	<b>37.940</b>	<b>8.51</b>
4.1	Motor Vehicle Tax	94.065	72.544	(21.521)	(22.88)
4.2	Business & Prof.Licences	27.459	24.195	(3.264)	(11.89)
4.3	Foreign Travel Tax(Airport)	6.777	9.606	2.829	41.74
4.4	Municipal Tax	14.026	9.200	(4.826)	(34.41)
4.5	Health contribution	34.126	36.001	1.875	5.49
4.6	Royalties	269.392	332.239	62.847	23.33
II	<b>Indirect Tax</b>	<b>1520.591</b>	<b>1368.739</b>	<b>(151.852)</b>	<b>(9.99)</b>
5	Sales Tax	634.186	567.897	(66.289)	(10.45)
6	Export Tax	0.973	0.870	(0.103)	(10.59)
7	Excise Duty	739.439	565.623	(173.816)	(23.51)
7.1	Excise Duty collection	136.799	124.445	(12.354)	(9.03)
7.2	Duty refund from GOI	602.64	441.178	(161.462)	(26.79)
8	Import Duty	141.174	230.774	89.600	63.47
9	Other Tax-Revenue	4.819	3.575	(1.244)	(25.81)
(B)	<b>NON-TAX REVENUE</b>	<b>2402.107</b>	<b>2683.734</b>	<b>281.627</b>	<b>11.72</b>
10	Administration Fees & Charges	163.396	187.572	24.176	14.80
11	Capital Revenue	60.611	232.613	172.002	283.78
12	Revenue from Government Departments	42.013	78.688	36.675	87.29
13	Dividends	1473.710	1550.524	76.814	5.21
14	Transfer of profit	218.935	384.475	165.540	75.61
15	Other non tax revenue	162.266	7.539	(154.727)	(95.35)
16	Interest receipt from Corporation	281.176	242.323	(38.853)	(13.82)
	<b>Total (A+B)</b>	<b>5873.012</b>	<b>6066.101</b>	<b>193.089</b>	<b>3.29</b>
	<b>Reserve transfer</b>	<b>767.891</b>			
	<b>Grand Total</b>	<b>6640.903</b>	<b>6066.101</b>	<b>(574.802)</b>	<b>(8.66)</b>

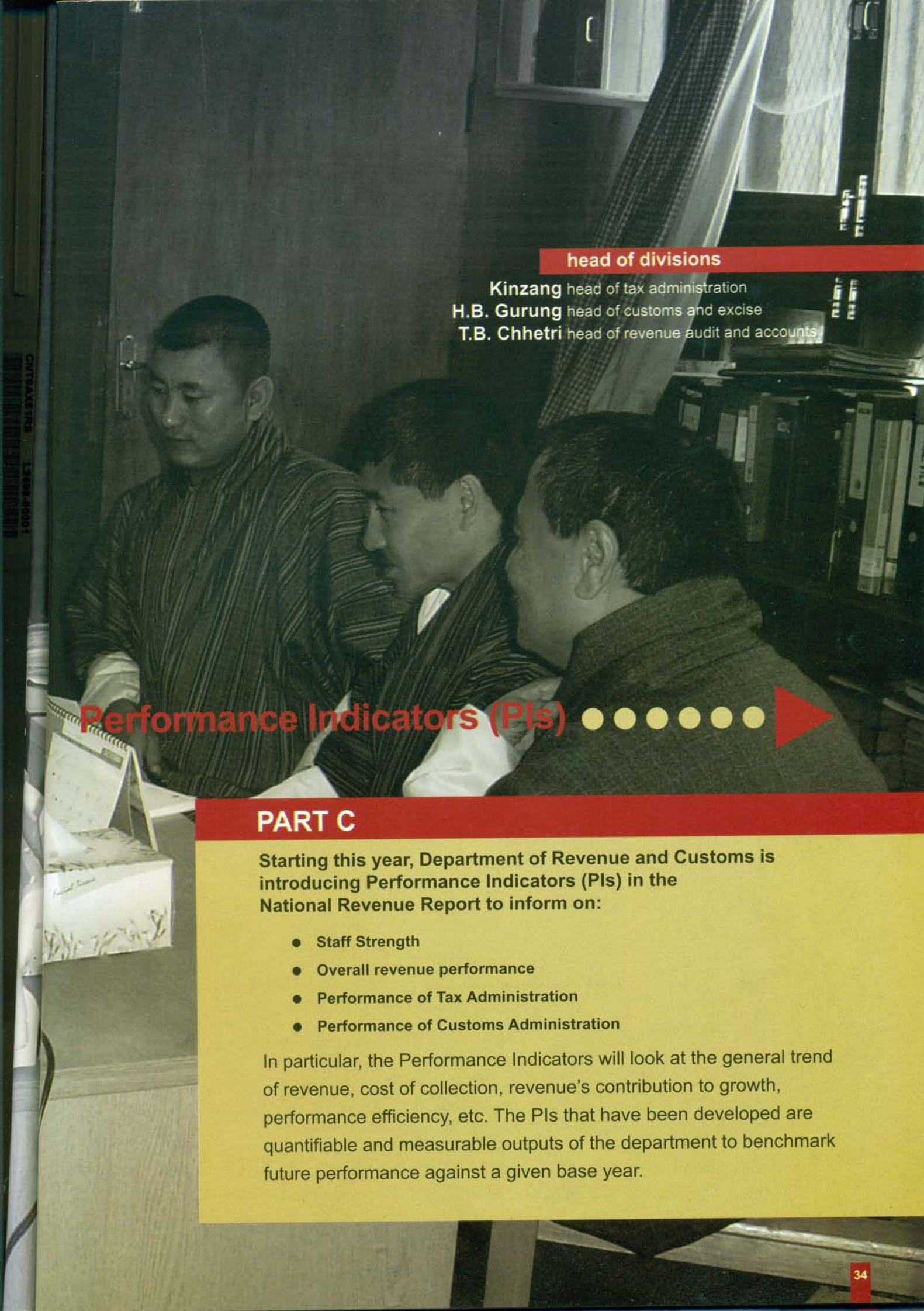
ཡཱ་ར་པ་རིཌ་ལོ་སྒྲིལ་གྱི་ཁྲིམས་འཁུར་



**YARAB PRIVATE LIMITED**

ཁྲིམས་འཁུར་གྱི་ཁྲིམས་འཁུར་	ཁྲིམས་འཁུར་གྱི་ཁྲིམས་འཁུར་
ཁྲིམས་འཁུར་གྱི་ཁྲིམས་འཁུར་	ཁྲིམས་འཁུར་གྱི་ཁྲིམས་འཁུར་
ཁྲིམས་འཁུར་གྱི་ཁྲིམས་འཁུར་	ཁྲིམས་འཁུར་གྱི་ཁྲིམས་འཁུར་
ཁྲིམས་འཁུར་གྱི་ཁྲིམས་འཁུར་	ཁྲིམས་འཁུར་གྱི་ཁྲིམས་འཁུར་
ཁྲིམས་འཁུར་གྱི་ཁྲིམས་འཁུར་	ཁྲིམས་འཁུར་གྱི་ཁྲིམས་འཁུར་
ཁྲིམས་འཁུར་གྱི་ཁྲིམས་འཁུར་	ཁྲིམས་འཁུར་གྱི་ཁྲིམས་འཁུར་
ཁྲིམས་འཁུར་གྱི་ཁྲིམས་འཁུར་	ཁྲིམས་འཁུར་གྱི་ཁྲིམས་འཁུར་
ཁྲིམས་འཁུར་གྱི་ཁྲིམས་འཁུར་	ཁྲིམས་འཁུར་གྱི་ཁྲིམས་འཁུར་
ཁྲིམས་འཁུར་གྱི་ཁྲིམས་འཁུར་	ཁྲིམས་འཁུར་གྱི་ཁྲིམས་འཁུར་
ཁྲིམས་འཁུར་གྱི་ཁྲིམས་འཁུར་	ཁྲིམས་འཁུར་གྱི་ཁྲིམས་འཁུར་





### head of divisions

**Kinzang** head of tax administration

**H.B. Gurung** head of customs and excise

**T.B. Chhetri** head of revenue audit and accounts

## Performance Indicators (PIs)

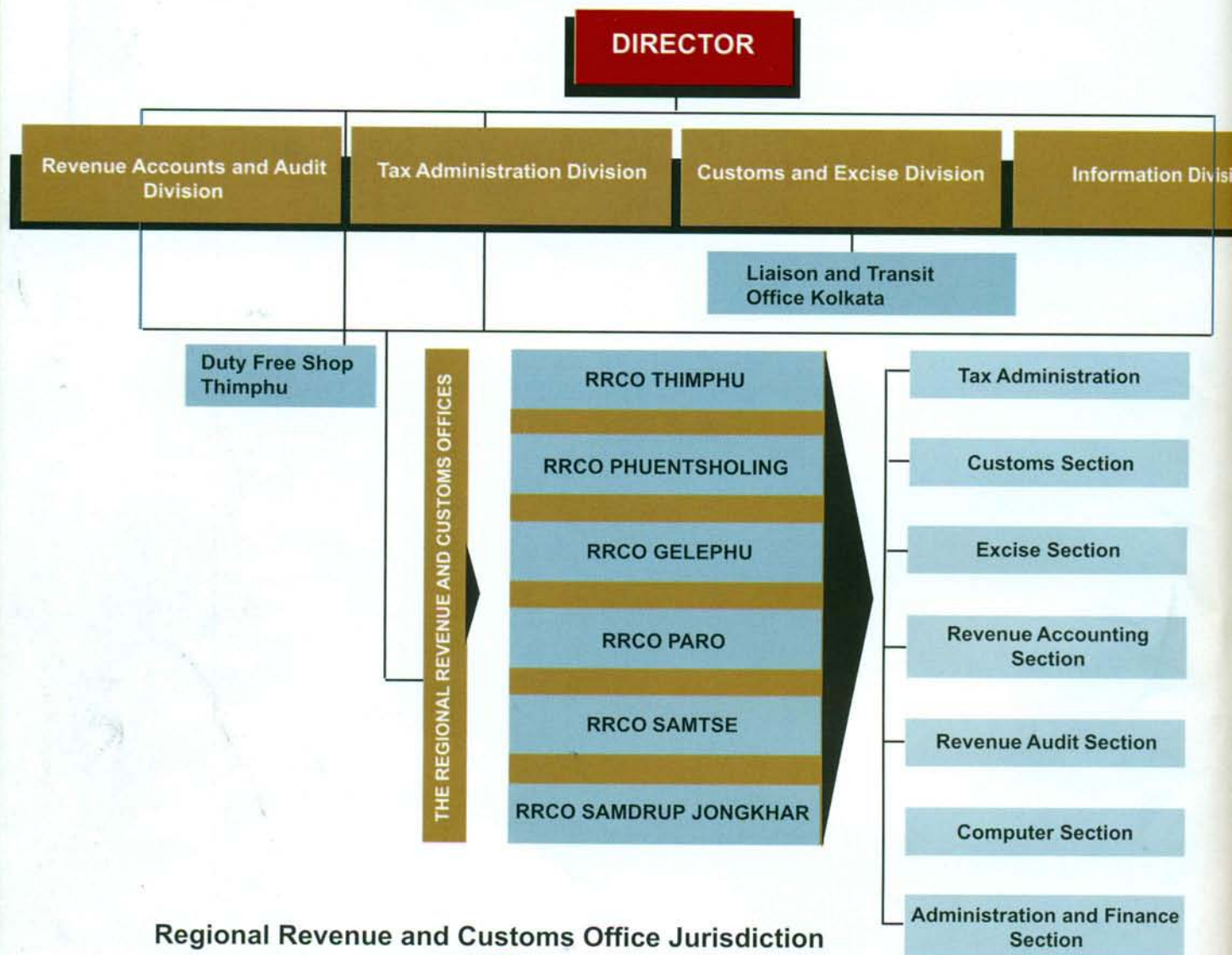
### PART C

Starting this year, Department of Revenue and Customs is introducing Performance Indicators (PIs) in the National Revenue Report to inform on:

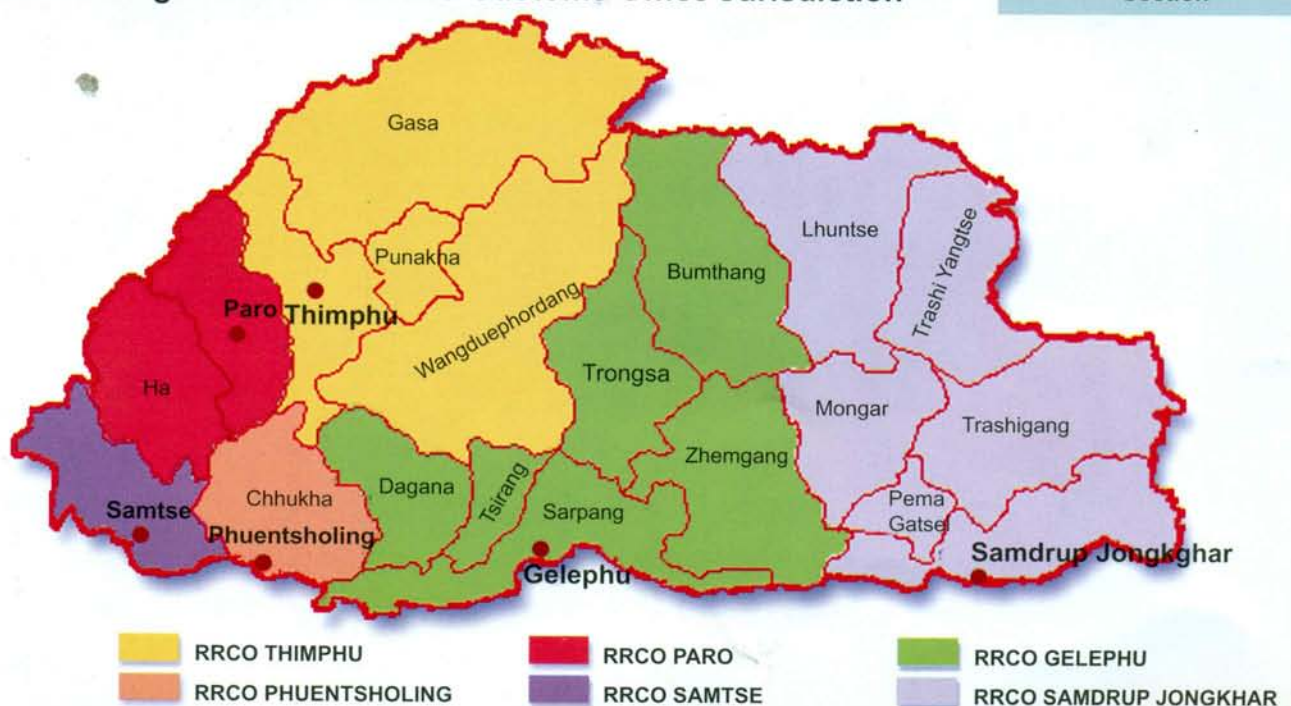
- Staff Strength
- Overall revenue performance
- Performance of Tax Administration
- Performance of Customs Administration

In particular, the Performance Indicators will look at the general trend of revenue, cost of collection, revenue's contribution to growth, performance efficiency, etc. The PIs that have been developed are quantifiable and measurable outputs of the department to benchmark future performance against a given base year.

# ORGANISATION CHART OF THE DEPARTMENT OF REVENUE AND CUSTOMS



Regional Revenue and Customs Office Jurisdiction

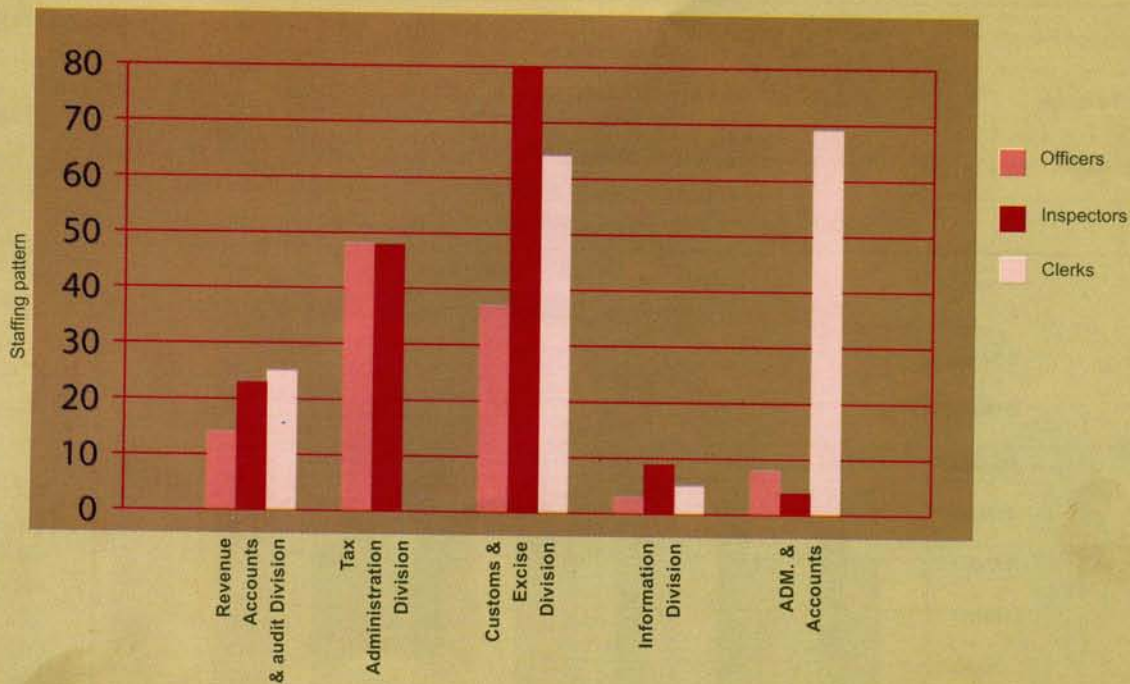


STAFF STRENGTH

Department of Revenue and Customs is currently staffed with 110 officers, 164 inspectors and 163 clerks making a total of 437. Customs and Excise, the largest division is at present staffed with 37 Officers, 80 Inspectors and 64 Clerks, which is 41.42% of the total staff strength. Next we have Tax Administration, which constitute about 21.97% of the total staff strength but this division is staffed with the highest number of officers (48 Officers). Revenue Accounts and Audit Division comprises of 14.19% of the total staff strength while Administration and Accounts constitutes about 18.54% and Information Division is only 3.89 % of the total staff strength.

	Revenue Accounts & Audit	Tax Administration	Customs & Excise	Information Division	Adm & Accounts	Total
Officers	14	48	37	3	8	110
Inspectors	23	48	80	9	4	164
Clerks	25	-	64	5	69	163
Total	62	96	181	17	81	437
As % to Total Staff Strength	14.19%	21.97%	41.42%	3.89%	18.54%	100.00%

**Note:** The above positions are as per Royal Civil Service classification. Adminstration & Accounts also includes the Duty Free Shop staff.

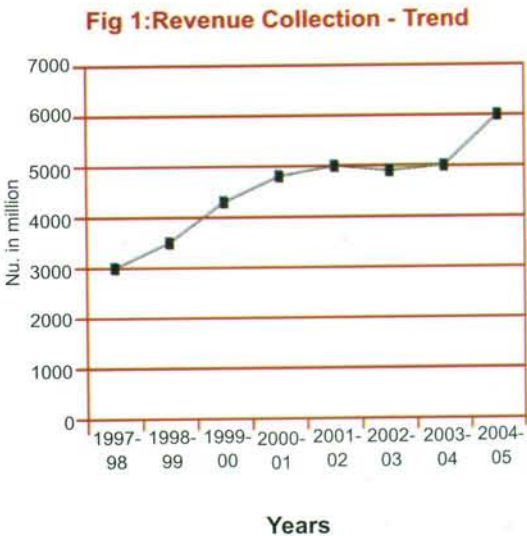


1. OVERALL REVENUE PERFORMANCE

1.1 Trend Analysis

Analysis on performance of national revenue covers the period FY 1997-98 to FY 2004-05. Revenue in the last eight years has registered a progressive growth averaging 10.8 % p.a. However, there has been a decline in revenue during the FY 2002-03 and FY 2003-04 due to reduced remittances from RMA post September 11, decision to abolish export tax on cash crop, SARS (negative impact on tourism), and devolution of rural taxes and granting of tax holidays/ incentives.

It can also be seen from table 2, revenue receipts has doubled over the period of eight years from Nu. 3035.954 million in FY 1997-98 to Nu. 6066.101 million in FY 2004-05.

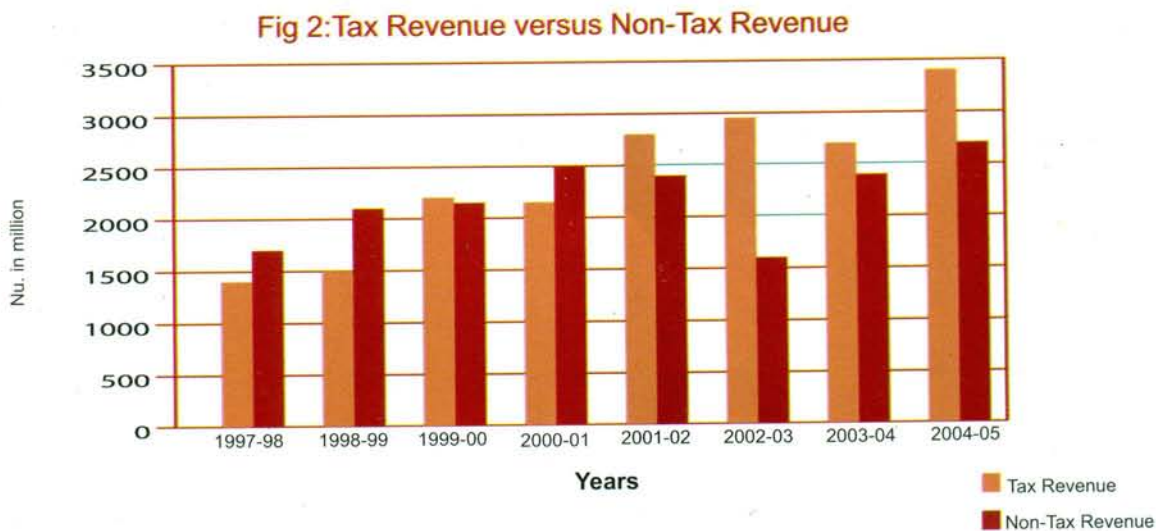


1.2 Tax versus Non-Tax

Trend also indicates a growing share of tax revenue (direct & indirect taxes) to non-tax revenue over the years. From the outset of the period, ratio of tax to non-tax has gradually increased from 46:54 in 1997-98 to 56:44 in 2004-05 (table 1). This is directly attributable to economic growth in general, corporatization of government departments, introduction of new taxes, automation and simplification of procedures, better compliance and improved enforcement measures.

Table 1:Tax to Non-tax Ratios

Source of Revenue	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Tax Revenue	46.39%	41.14%	50.19%	46.93%	52.46%	62.25%	53.21%	55.76%
Non-Tax Revenue	53.61%	58.86%	49.81%	53.07%	47.54%	37.75%	46.79%	44.24%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%



### 1.3 Revenue vis-à-vis Recurrent Expenditure

The fiscal policy of the RGoB requires that domestic revenue must meet at least the recurrent expenditure. On this front, internal revenue has not only met the recurrent expenditure but also recorded a modest surplus except in the FY 2003-04 due to non receipt of excise duty refund from Gol. Refer table 2 for more details.

**Table 2: Revenue vis-à-vis Recurrent Expenditure**

Years	Current Expenditure	Internal Revenue	Rev. as % to Recurrent
1998 to 99	3,178.30	3,547.49	111.62%
1999 to 2000	3,702.15	4,381.14	118.34%
2000 to 2001	4,435.62	4,671.52	105.32%
2001 to 2002	4,467.89	5,100.03	114.15%
2002 to 2003	4,580.91	4,785.26	104.46%
2003 to 2004	5,149.23	5,055.20	98.17%
2004 to 2005	5,699.00*	6,066.10	106.44%

Source: DBA, Financial Statements and Past Revenue Report, DRC

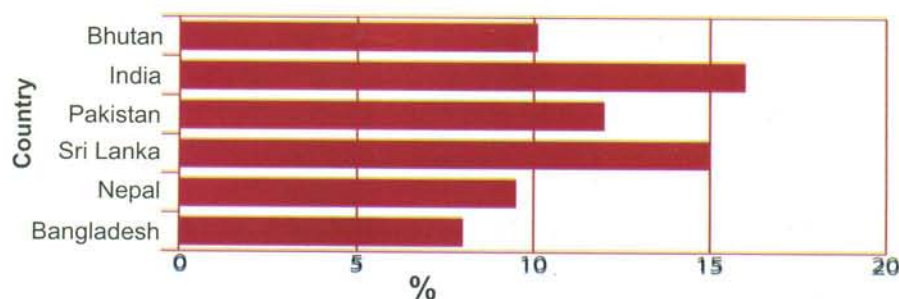
\*The current expenditure figure for FY 2004-05 is not the actual but estimates

### 1.4 Tax Revenue to GDP

The tax - GDP ratio for Bhutan stands at about 10.2% of GDP as compared to 16% in India, 12.1% in Pakistan and 15% in Sri Lanka which is somewhere in the middle (at 4<sup>th</sup>) in the South Asian region (Figure 3 below – IMF report 2002).

The tax - GDP ratio for the period reported shows inconsistency particularly peaking in the third year at 11.78% and dropping to 10.62% in FY 2003-04. The sudden decrease in Tax-GDP ratio in FY 2003-04 may be attributed to significant growth in GDP without major changes in the Tax structure. However it is noted that sudden spurts of growth that can be seen in the GDP and the unpredictability of excise duty refund on the tax front has subjected this analysis to variation. Table 3 & 4 depicts Tax-GDP ratio with and without excise duty refund.

**Fig 3: Tax Revenue (% of GDP), 2002**



**Table 3: Tax as a % to GDP (Including Excise Duty Refund from Gol)**

Year	GDP	Direct Tax	Indirect Tax	Total Tax (A+B)	Tax as a % to GDP
1997 - 98	16,085.00	830.86	577.49	1,408.35	8.76%
1998 - 99	17,183.00	913.92	545.65	1,459.57	8.49%
1999 - 00	18,672.50	1,273.19	925.68	2,198.86	11.78%
2000 - 01	20,361.40	1,524.65	667.52	2,192.17	10.77%
2001 - 02	21,954.95	1,626.11	1,049.45	2,675.55	12.19%
2002 - 03	23,484.65	1,716.05	1,212.25	2,928.30	12.47%
2003 - 04	25,318.65	1,908.02	781.88	2,689.90	10.62%
2004 - 05	27,578.25	2,013.63	1,368.74	3,382.37	12.26%

Source: NSB. However GDP values have been converted into fiscal year basis.

**Note to Table 3:**

1. Indirect Tax includes Excise Duty Refund from Gol
2. GDP value for FY2003-04 and 2004-05 is not the actual but the forecasted value.

Table 4:Tax as a % to GDP Excluding Excise Refund

Year	GDP	Direct Tax (A)	Indirect Tax (B)	Excise Duty Refund from Gol (C)	Indirect Tax (Excluding Excise Duty-GOI) [(B-C)]	Total Tax (A) +(B-C)	Tax as a % to GDP
1997 - 98	16,085.00	830.86	577.49	162.34	415.16	1,246.01	7.75%
1998 - 99	17,183.00	913.92	545.65	82.50	463.15	1,377.07	8.01%
1999 - 00	18,672.00	1,273.19	925.68	358.63	567.05	1,840.23	9.86%
2000 - 01	20,361.40	1,524.65	667.52	0.00	667.52	2,192.17	10.77%
2001 - 02	21,954.95	1,626.11	1,049.45	326.60	722.85	2,348.95	10.70%
2002 - 03	23,484.65	1,716.05	1,212.25	555.70	656.55	2,372.60	10.10%
2003 - 04	25,318.65	1,908.02	781.88	21.81	760.07	2,668.09	10.54%
2004 - 05	27,578.25	2,013.63	1,368.74	441.178	927.56	2,941.19	10.66%

Source: NSB. However GDP values have been converted into fiscal year basis.

Note to Table 4:

- 1. GDP value for FY2003-04 and FY2004-05 is not the actual but the forecasted value.

1.5 Direct and Indirect Tax Trend

While growth trend for direct taxes are fairly predictable, the trend for indirect taxes sees wide variations due to unpredictability of excise duty refund. This point is illustrated in figure 4 & 5 below where the trend becomes less erratic.

Fig 4:Tax Trend (Including Excise Duty Refund from Gol)

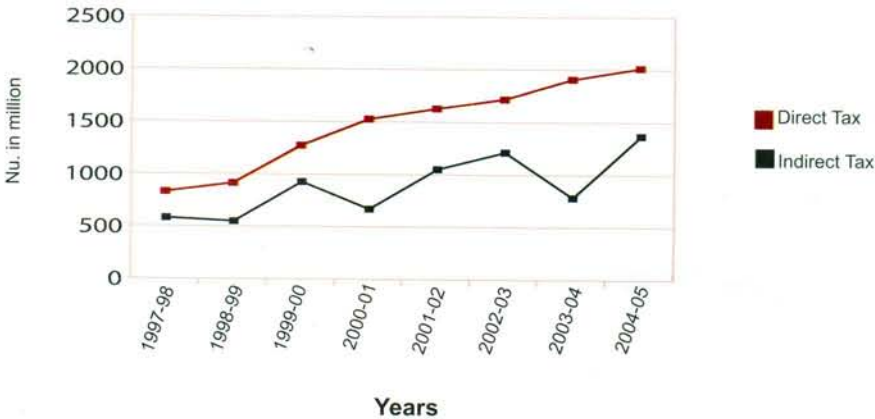
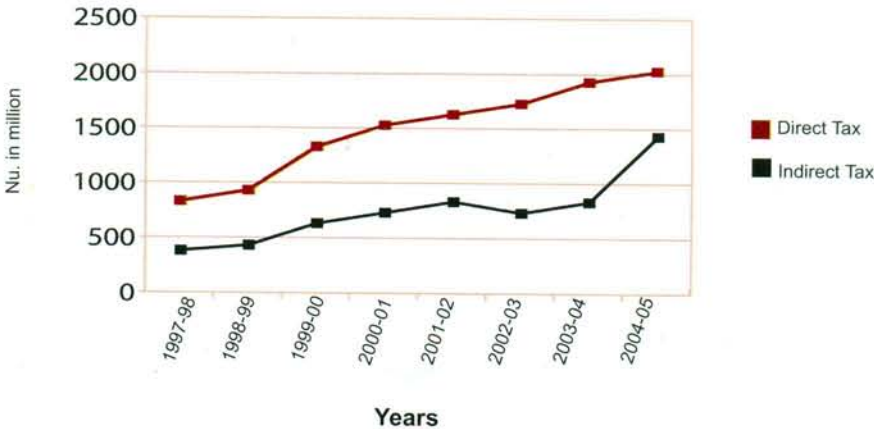


Fig 5:Tax Trend (Without Excise Duty Refund from Gol)



## 1.6 Non-Tax Revenue

Non-tax Revenue covers 46.79% of the total national revenue for the FY2003-04 compared to 53.61% during FY1997-98 showing a gradual decline as a share to total national revenue (table 1). The reason for the trend is due to higher growth rate posted by Tax Revenue as compared to Non-tax Revenue. The ratio of non-tax to GDP has declined from 10.12% in 1997-98, 12.15% in 1998-99 to 9.34% during FY 2003-04 (table 5).

**Table 5: Non - Tax Revenue as a % to GDP**

Year	GDP	Non -Tax Revenue	Non -Tax Revenue as a % to GDP
1997 to 98	16,085.00	1,627.61	10.12%
1998 to 99	17,183.00	2,087.93	12.15%
1999 to 00	18,672.00	2,182.27	11.69%
2000 to 01	20,361.40	2,479.35	12.18%
2001 to 02	21,954.95	2,424.47	11.04%
2002 to 03	23,484.65	1,776.06	7.56%
2003 to 04	25,318.65	2,365.30	9.34%
2004 to 05	27,578.25	2,683.73	9.73%

Source: Past National Revenue Report,  
DRC and NSB for GDP value

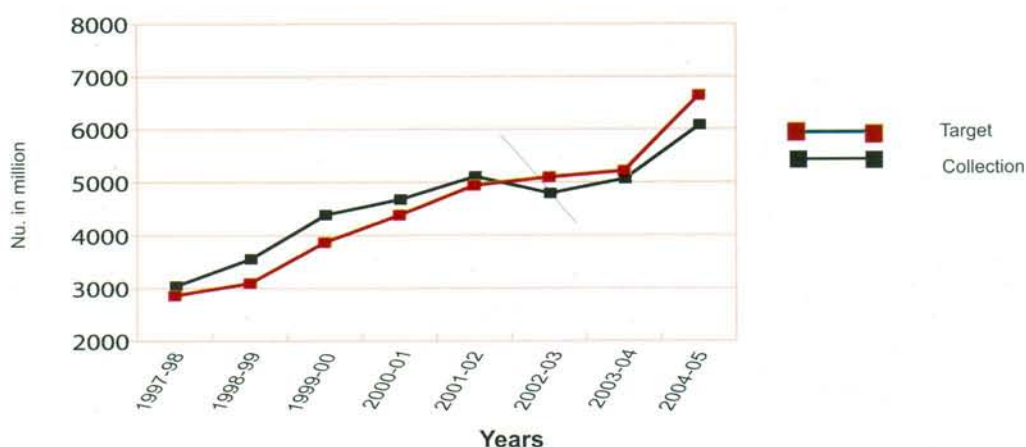
## 1.7 Forecasting Accuracy

During the 8<sup>th</sup> FYP period, revenue collections have always exceeded the target with an average variation of 8.72%. This trend has however changed during the first three years of the 9<sup>th</sup> FYP where actual collections have fallen below the targets by an average variation of (-) 5.96%.

**Table 6: Variation in Estimates (Actual & Forecast)**

Years	Target	Collection	Difference in Nu.	% Difference
1997 to 98	2,860.286	3,035.954	175.668	6.14%
1998 to 99	3,094.081	3,547.493	453.412	14.65%
1999 to 00	3,869.791	4,381.137	511.346	13.21%
2000 to 01	4,389.237	4,671.518	282.281	6.43%
2001 to 02	4,943.824	5,100.026	156.202	3.16%
2002 to 03	5,100.215	4,785.260	(314.955)	(6.18%)
2003 to 04	5,214.757	5,055.195	(159.562)	(3.06%)
2004 to 05	6,640.903	6,066.101	574.802	(8.65%)

**Fig 6: Target Versus Actual Collection Trends**



## 2. PERFORMANCE INDICATORS FOR TAX ADMINISTRATION

### 2.1 Overview

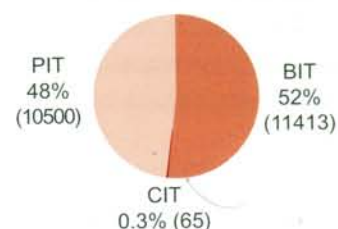
Tax Administration Division is primarily responsible for:

- Implementation and enforcement of the Income Tax Act of the Kingdom of Bhutan, 2001, and the Rules thereto.
- Overall administration, assessment and collection of direct tax revenue viz. Personal Income Tax(PIT), Business Income Tax(BIT), Corporate Income Tax(CIT), and Sales Tax(ST) at point of sale.
- Reviewing and advising Ministry of Finance on all revenue related matters, including tax policy and planning, revision of the Act and Rules from time to time.

### 2.2 Taxpayer Highlights

There are three types of taxpayers categorised into Corporate Income Taxpayers, Business Income Taxpayers, and Personal Income Taxpayers. The number of registered taxpayers as of the assessment year ending 31<sup>st</sup> December 2004 recorded a total of 21978 taxpayers noting an increase of almost 17% over the previous income year. The increase is mainly due to increase PIT and BIT payers.

**Taxpayer Composition**



CIT payers constitute a mere.03% while BIT and PIT payers constitute 52% and 48% respectively. See details of taxpayer composition in each RRCO in *Table 7* below:

**Table 7:Overall Taxpayer Profile**

RRCOs	PIT		CIT		BIT					Total		% Distribution
					Accounts Filers		Non Accounts Filers		Non op			
	2002	2003	2002	2003	2002	2003	2002	2003	2003	2002	2003	
Thimphu	4500	5098	51	27	508	571	3839	3922	427	8898	10045	46%
P/ling	2223	2497	36	20	311	268	1206	1013	183	3776	3981	18%
Samtse	501	574	9	6	88	141	582	858	29	1180	1608	7%
Gelephu	524	922	8	4	55	59	1468	1744	323	2055	3052	14%
S/Jonkha	800	1409	16	8	63	97	2050	1415	363	2929	3292	15%
<b>Total</b>	<b>8548</b>	<b>10500</b>	<b>120</b>	<b>65</b>	<b>1025</b>	<b>1136</b>	<b>9145</b>	<b>8952</b>	<b>1325</b>	<b>18838</b>	<b>21978</b>	<b>100%</b>
<b>% for 2003</b>		<b>48%</b>		<b>0.3%</b>		<b>52%</b>					<b>100%</b>	

RRCO, Thimphu and P/ling, being the commercial centres, have the highest concentration of taxpayer registration at 46% and 18% respectively.

### 2.3 CIT Payers

CIT payers are those entities incorporated under the *Company's Act of the Kingdom of Bhutan, 2000*, including state owned corporations. The number of CIT payers this year has dropped to 65 from 120 in the previous years due to stringent incorporation requirements under the *Company's Act* (See *Table 7* for details).

## 2.4 BIT Payers

Those businesses not registered with the *Company's Act of the Kingdom of Bhutan, 2000* are categorised as BIT payers. It includes mostly small-scale business entities such as retail outlets, small hotels, restaurants, grocery stores, etc having a valid trade licence issued by MTI.

**Table 8:BIT Profile**

RRCOs	Account Filers		Non Accounts Filers		Non Operational	Total		% Distribution for 2003
	2002	2003	2002	2003		2002	2003	
Thimphu	508	571	3839	3922	427	4347	4920	43%
P/ling	311	268	1206	1013	183	1517	1464	13%
Samtse	88	141	582	858	29	670	1028	9%
Gelephu	55	59	1468	1744	323	1523	2126	19%
S/Jonkha	63	97	2050	1415	363	2113	1875	16%
<b>Total</b>	<b>1025</b>	<b>1136</b>	<b>9145</b>	<b>8952</b>	<b>1325</b>	<b>10170</b>	<b>11413</b>	<b>100%</b>
% for 2003	10%		78%		12%	100%		

BIT payers, for tax purposes, are further categorised into accounts filers, non account filers (estimated units) and non operational units. Out of a total of 11,413 BIT payers recorded during the period to 31<sup>st</sup> December 2004, 10% constitutes accounts filers while the remaining 90% are non accounts filers or estimated units (See Table 8 above for details). Tax liabilities of non account filers are determined by assessing officials using one or combination of the following information:

- Import information.
- TDS records.
- Previous year's tax payments.
- Taxes paid by similar units.
- Third Party Information.

RRCO, Thimphu has maximum registration at 43% followed by RRCO, Gelephu and Samdrup Jonkha at 19% and 16% respectively. About 12% are reported as non-operational business units.

## 2.5 PIT Payers

Individuals earning personal income more than Nu. 100,000 per annum from any of the six sources of income under PIT are termed as PIT payers. A total of 10500 individuals have registered and filed returns for the assessment year ending 31<sup>st</sup> Dec 2004, registering an increase of 21% over the previous year's filing record of 8548 returns(See Table 9 for details). Analysis by income-wise break up suggests that 85% of the total PIT payers are salaried earners while rental, dividend, interest, cash crop and other income earners comprise 9%, 2%, 2%, 1% and 1% respectively.<sup>1</sup>

**Table 9:PIT Profile**

Income Source	RRCOs						
	Thimphu	P/ling	Samste	Gelephu	S/Jonkha		
Salary	3885	2317	548	865	1339	8954	85%
Rental	725	127	19	45	66	982	9%
Dividend	200	10	4	1	0	215	2%
Interest	163	16	2	5	4	190	2%
Cash Crop	82	2	1	5	0	90	1%
Other income	43	25	0	1	0	69	1%
<b>Total</b>	<b>5098</b>	<b>2497</b>	<b>574</b>	<b>922</b>	<b>1409</b>	<b>10500</b>	<b>100%</b>
% Distribution	49%	24%	5%	9%	13%	100%	

49% are registered under RRCO, Thimphu, 24% under RRCO, P/ling, 13% under RRCO, S/Jonkha, 9% under RRCO, Gelephu, and 5% under RRCO, Samtse.

<sup>1</sup> For the purpose of this report tax payers with multiple sources of income have been categorised under the source where income declare is maximum.

## 2.6 Estimated Collection

Estimated BIT collection pertains to those collection made from small businesses where there are no books of accounts maintained. Their annual taxes are assessed and collected on a best of judgment basis at the year-end by the assessing officers. Its contribution to the total direct tax revenue amounted to mere 2.39% only.

Table 10 presents average estimated collection in 20 Dzongkhags along with the highest and the lowest collection per taxpayer in each Dzongkhag.

**Table 10: Average Estimated Collection**

<b>Thimphu</b>	Wangdi	326	987,430	3,029	500	25,000
	Gasa	31	47,000	1,516	500	3,800
	Paro	373	1,305,257	3,499	450	29,000
	Punakha	126	577,725	4,585	450	43,000
	Haa	100	323,230	3,232	500	16,000
	Thimphu	2,966	10,670,759	3,598	300	85,000
	<b>Subtotal</b>	<b>3,922</b>	<b>13,911,401</b>	<b>3,547</b>	<b>450</b>	<b>33,633</b>
<b>P/Ling</b>	Chhukha	1,013	3,453,757	3,409	300	70,000
	<b>Subtotal</b>	<b>1,013</b>	<b>3,453,757</b>	<b>3,409</b>	<b>300</b>	<b>70,000</b>
<b>S/Jonkha</b>	Lhuentse	78	276,097	3,540	500	54,695
	Mongar	375	750,510	2,001	500	63,000
	Pema Gatshel	113	423,790	3,750	500	18,000
	Tashigang	370	1,298,308	3,509	500	101,806
	Tashi Yangtse	91	252,423	2,774	100	35,500
	S/Jongkhar	388	3,451,313	8,895	200	50,359
	<b>Subtotal</b>	<b>1,415</b>	<b>6,452,440</b>	<b>4,560</b>	<b>383</b>	<b>53,893</b>
<b>Gelephu</b>	Sarpang	650	2,146,184	3,302	500	43,000
	Bumthang	301	722,541	2,400	400	17,000
	Tshirang	235	543,400	2,312	500	21,000
	Trongsa	163	439,945	2,699	500	31,500
	Dagana	251	507,936	2,024	500	10,300
	Zhemgang	144	407,550	2,830	500	18,500
	<b>Subtotal</b>	<b>1,744</b>	<b>4,767,558</b>	<b>2,734</b>	<b>483</b>	<b>23,550</b>
<b>Samste</b>	Samste	858	929,326	1,083	240	41,882
	<b>Subtotal</b>	<b>858</b>	<b>929,326</b>	<b>1,083</b>	<b>240</b>	<b>41,882</b>
<b>OVERALL</b>		<b>8,952</b>	<b>29,346,740</b>	<b>3,067</b>	<b>371</b>	<b>44,592</b>

The average national collection per estimated unit stood at Nu.3067, while the highest and the lowest collection was Nu. 371 and Nu. 44,592 per taxpayer respectively.

2.7 PIT Income Slab Wise Analysis

Analysis by income slab suggests that 92% of the total PIT payers who fall under middle-income bracket contributed Nu. 20.28 million, while 8% constituting high-income bracket contributed almost Nu. 50 million of the total PIT revenue. The top 51 taxpayers whose annual incomes exceeded more than 1 million contributed about 35% of the total PIT revenue.

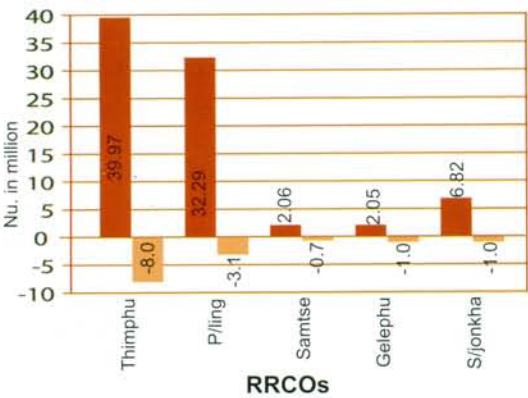
Table 11:PIT Analysis

					Amount in Nu. Millions
Income Slab		Tax Rates	No of Taxpayers	Tax Amount (a)	% of Tax Paid (a/total tax amount)
-	100,000	0%	2754	-	0%
100,001	250,000	10%	6895	20.28	29%
250,001	500,000	15%	644	14.13	20%
500,001	1,000,000	20%	156	10.62	15%
1,000,001	Over	25%	51	24.29	35%
TOTAL		10500	69.320	100%	

2.8 Tax Refund

From a gross revenue collection of Nu. 2013.628 million, less than 2% of it was refunded on account of excess TDS during the period, the highest claims being under PIT. Refunds from CIT and BIT were, however, negligible. Under PIT alone, a total of Nu. 13.88 million which is about 17% of total PIT collection was refunded due to various deductions allowed under PIT viz. education allowance, donation, life insurance claims.

Fig 7:Total Collection Vis-a-Vs Refunds-PIT



2.9 Tax Outstanding

Tax outstanding ratio, as a percentage of total collection has improved by 1% from 5% in the previous income year as seen in Table 11. This assertion confirms with the findings of IMF Mission in their report to the Royal Government in March 2003.

The outstanding ratio is high under BIT at 12% comparing to CIT & PIT due to poor compliance factor. However, low overall tax outstanding ratio can be attributed to clearing of backlog assessments, compulsory desk assessments after filing, taxpayer's compliance with the rules, and vigorous tax awareness campaigns conducted by the department.

Table 12:Tax Outstanding Profile

	TAX AMOUNT OUTSTANDING		
	PIT	CIT	BIT
Thimphu	0.045	11.72	17.36
P/ling	0.188	31.93	1.61
Samtse	0.001	3.99	0.11
Gelephu	0.089	-	0.03
S/Jonkha	0.034	-	0.25
Total	0.357	47.63	19.36
% Arrears	0.43%	4.44%	12.17%

## 2.10 Assessment Highlights

The Income Tax Act requires every return to go through either desk assessment (DA) or field assessment (FA) process compulsorily in a cycle of every two-income year. Desk assessment begins from 1<sup>st</sup> of April for three months till 30<sup>th</sup> June for BIT & CIT, and from 2<sup>nd</sup> of March till May end for PIT, while field assessment begins from July through December end. At the DA stage, every return is verified whether FA will be required or not. The performance of RRCOs vis-à-vis targets and achievement in DA and FA for the assessment year ending 31<sup>st</sup> December 2004 is given below:

**Table 13: Assessment Status**

	THIMPHU	P/LING	SAMTSE	GELEPHU	S/JONKHA	OVERALL
<b>Overall Coverage</b>						
DA Finalized	83%	97%	99%	96%	96%	<b>90%</b>
DA Pending	963	72	7	38	63	<b>1143</b>
FA Finalized	59%	90%	78%	88%	82%	<b>77%</b>
FA Pending	45	11	13	2	13	<b>84</b>
<b>Officer to Taxpayer ratio</b>	<b>457</b>	<b>72</b>	<b>105</b>	<b>305</b>	<b>145</b>	<b>120</b>

The overall assessment coverage under DA and FA stood at 90% and 77% respectively, while total pending assessments were 84 field assessments and 1143 desk assessments. In terms of manpower availability, there is one officer available for every 120 taxpayers.

## 2.11 Assessment Efforts

Additional revenue raised or collected through desk assessments, field assessments and estimated assessments are taken as a yardstick to gauge effectiveness and efficiency in the overall administration and collection efforts of the division. About 6% of the total tax revenue is collected through administrative and assessment efforts while the other 94% is voluntary declared by taxpayers and through TDS collections by withholding agencies. The highest assessment efforts recorded was under RRCO, Thimphu at Nu. 39.65 million followed by RRCO, P/ling at Nu. 11.75 million.

Additional tax collected from BIT payers is high compared to additional collection from PIT and CIT payers, which may be attributed to the poor compliance factor requiring therefore greater attention and scrutiny by the tax officials.

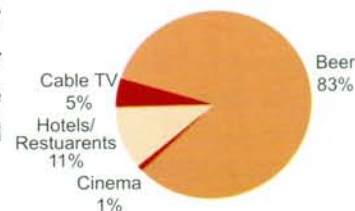
**Assesment Efforts**



## 2.12 Sales Tax Collection at Point of Sale

Sales tax at the point of sale collected from beer, cable services, hotels/ restaurants and cinema for the period amounted to Nu. 144 million. Beer contributed about 83% of the total collection mainly in P/ling while the collection or contribution from hotels and restaurants; cable services and cinema were in the order of 11%, 5% and 1% respectively.

**ST Collection Source wise**



**Table 14: ST Collection Source wise**

Source	ST Collection	% Distribution
Hotel/ Restaurants	16,407,910.33	11.4%
Cable TV	6,910,535.38	4.8%
Cinema	1,205,103.70	0.8%
Beer	119,442,817.47	83.0%
<b>Total</b>	<b>143,966,366.88</b>	<b>100.0%</b>

## 2.13 Appeals

Tax appeal process consists of three stages; RRCO level, HQs Level, Ministry Level, each of which is constituted by a committee. Circumstances arising to tax appeals are when a taxpayer's rights are infringed by actions of the tax authorities, and or when assessment report issued is not agreed by the taxpayers.

Out of a total of 128 appeals received during the year, 94 appeals have been resolved at the RRCO appeal level, and the remaining 29 at the HQ appeal level. Maximum appeals were again from BIT with 64 cases followed by PIT and CIT at 52 and 12 respectively. Total fines collected amounted to Nu. 15.65 million while the amount condoned was to the extent of Nu. 2.35 million out of total fines imposed of Nu. 18 million.

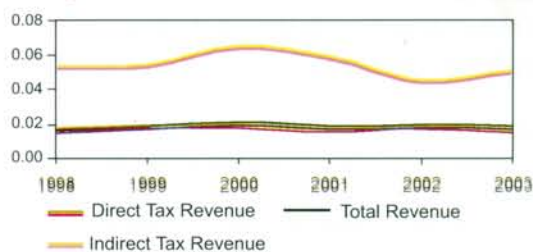
**Table 15: Appeals & Filing Details**

	TAX TYPE			
	PIT	CIT	BIT	
Filers	10,456	64	10,088	20,608
Filing Time Extension Cases	46	4	87	137
Non Filers	44	-	-	44
Non Operational Taxpayers	-	1	1,325	1,326
Tax Holiday Units	-	4	136	140
Penalty Cases	1,010	7	316	1,333
Penalty Imposed (Nu. In Million)	1.37	0	17	18
Penalty Collected (Nu. In Million)	0.31	0	1	1
Number of Evasion Cases	22	0	4	26
Number of Tax Delinquents	5	0	12	17
<b>Tax Appeals</b>				
Number of Appeals Received	52	12	64	128
Appeals Resolved at RRCO	26	9	59	94
Amount Waived In Appeals at RRCO	0.24	1.99	0.12	2.35
Appeals Resolved at HQ	25	2	2	29
Ongoing Appeals	1	1	3	5

## 2.14 Cost of Collection

Cost of collection ratio<sup>2</sup> as a measure of efficiency and effectiveness of the department is computed taking into account of the resources (that is, recurrent costs, capital costs, and Danida project contribution) spent by the government in operating the tax system or collecting the national revenue.

**Fig 8: Trend line: Cost of Collection (98-03)**



**Table 16: Cost of Collection Details**

REVENUE Heads	1998	1999	2000	2001	2002	2003
Direct Tax Revenue	0.018	0.019	0.020	0.017	0.019	0.017
Indirect Tax Revenue	0.053	0.054	0.065	0.059	0.045	0.050
Non-tax Revenue	0.005	0.006	0.007	0.007	0.008	0.008
<b>Total Revenue</b>	<b>0.017</b>	<b>0.019</b>	<b>0.021</b>	<b>0.019</b>	<b>0.019</b>	<b>0.019</b>

The cost incurred by the govt to collect every 100 units of revenue is about Nu. 2 for direct tax revenue, Nu. 5 for indirect tax revenue, and about Nu. 1 for non-tax revenue respectively. The overall cost of collection, however, has remained the same in the last three years at Nu. 2 as depicted by the graph below.

The operating cost for indirect tax is a little high compared to tax and non tax revenue as there is no corresponding revenue inflow for custom services performed such as vigilance, facilitation of imports and exports, and processing of duty exemptions.

<sup>2</sup> The ratio is computed by dividing the total administrative cost incurred by the total revenue collections during the period.

### 3. PERFORMANCE INDICATORS OF CUSTOMS AND EXCISE DIVISION

#### 3.1 Responsibilities

The major responsibilities of Customs and Excise Division are:

- Simplify and streamline the Customs and Excise procedures.
- Provide efficient services to the importers, exporters and taxpayers.
- Facilitate speedy and smooth customs clearance by applying risk assessment management.
- Create public awareness and encourage tax compliance.
- Levy correct amount of tax and duties.
- Implement law, rules and regulations in a uniform manner.
- Prevent import and export of restricted and prohibited goods.
- Become the nation's supplier of international trade information and
- Provide reliable, timely and comprehensive import/export statistics and other information related to trade and travel.

#### 3.2 Overview

The analysis of the performance indicator of the Division is carried out based on the above responsibilities. It covers the following areas:

- Total value of Import and Export
- Top ten Export and Import
- Number of Customs Declarations processed and recorded
- Exemptions issued on imports of raw materials and plant and machinery
- Trends in Customs Seizures, and
- Excise duty collected and number of cases sold

#### 3.3 Total Value of Import and Export

The balance of trade is in deficit indicating that Bhutan is basically an import-based economy. The two tables below depict the balance of trade with and without the trade in Electricity. The import figure for third country for the year 2004 saw major increase due to import of two Airbuses.

##### Import and Export Value for the last four years in Million Nu. (Including Trade in Electricity)

Country	2001			2002			2003			2004		
	Imports	Exports	Deficit	Imports	Exports	Deficit	Imports	Exports	Deficit	Imports	Exports	Deficit
India	6,989	4,700	2,289	7,607	5,134	2,473	10,260	5,926	4,334	10,194	7,762	2,432
Third country	2,001	294	1,707	1,973	342	1,631	1,338	264	1,074	8,446	510	7,936
<b>Total</b>	<b>8,990</b>	<b>4,994</b>	<b>3,996</b>	<b>9,580</b>	<b>5,476</b>	<b>4,104</b>	<b>11,598</b>	<b>6,190</b>	<b>5,408</b>	<b>18,640</b>	<b>8,272</b>	<b>10,368</b>

Source: Bhutan Automated Customs System, DRC

##### Import and Export Value for the last four years in Million Nu. (Excluding Trade in Electricity)

Country	2001			2002			2003			2004		
	Imports	Exports	Deficit	Imports	Exports	Deficit	Imports	Exports	Deficit	Imports	Exports	Deficit
India	6,922	2,627	4,295	7,574	2,790	4,784	10,229	3,322	6,907	10,191	5,050	5,141
Third country	2,001	2,94	1,707	1,973	342	1,631	1,338	264	1,074	8,446	510	7,936
<b>Total</b>	<b>8,923</b>	<b>2,921</b>	<b>6,002</b>	<b>9,547</b>	<b>3,132</b>	<b>6,415</b>	<b>1,1567</b>	<b>3,586</b>	<b>7,981</b>	<b>1,8637</b>	<b>5,560</b>	<b>13,077</b>

Source: Bhutan Automated Customs System, DRC

### 3.4 Top Ten Export and Import by Items from India and Third Country for the Year 2004.

#### Top Ten Exports for the Year 2004

Rank	Commodity Description	Values in Million Nu.
1	Electricity	2,711.747
2	Ferro – Silicon	748.410
3	Of Calcium	706.063
4	Stranded Wire, Cables, Plaited bands etc.	525.915
5	Ingots	438.695
6	Portland Cement	357.368
7	Of Polyesters	327.179
8	Mineral & aerated water (with sugar & flavour)	262.237
9	Partical Board	246.864
10	Oranges	220.038
	Others	1,726.631
	<b>Total</b>	<b>8,271.147</b>

#### Top Ten Imports for the Year 2004

Rank	Commodity Description	Values in Million Nu.
1	Aeroplanes and other aircraft, of an unleaded weigh	4,107.454
2	HSD (High Speed Diesel)	1,008.592
3	Of polyesters, partially oriented	354.276
4	Petrol	339.928
5	Refined Copper other than cathodes, Wire-bats and Billets	334.790
6	Rice	317.757
7	Beer made from malt	248.151
8	Cars, petrol below 1000 cc	229.024
9	Telephonic or telegraphic switching apparatus	217.245
10	Motor Vehicles, with compression-ignition internal combustion piston engine (diesel or semi-diesel)	214.952
	Others	11,267.318
	<b>Total</b>	<b>18,639.486</b>

### 3.5 Number of Transactions Processed and Recorded

The table below shows a comparative Customs declaration filed during the year 2003 and 2004. Except in transit declaration, there were increases in other category of declarations in the year 2004 as compared to the year 2003.

Type of transaction	2003	2004
Import India	1,48,000	1,58,100
Export India	65,200	65,500
Import Third Country	2,000	2,400
Export Third Country	6,000	8,200
Transit	40,000	28,100

### 3.6 Exemptions Issued on Imports of Raw Materials and Plant and Machinery

There has been a considerable increase in the import value of both the raw materials and plant and machinery in the year 2004 over the previous year 2003. While increase on the import of raw materials is Nu. 82.74 million or 89%, the increase on the import of plant and machinery is Nu.1207.15 million or 188%. The increase in the import of plant and machinery is mainly due to huge imports by THPA, Bhutan Power Corporation and also by new manufacturing units.

Thus the value of exemption in the form of Customs duty in 2004 has accordingly increased significantly on both raw materials and plant and machinery over the previous year. The increase in the value of exemption on raw materials is Nu. 17.59 million or 110.8% and on plant and machinery is Nu. 467.97 million or 556% over the previous year.

The increase in the value of exemption in 2004 is attributed to the increase in import of raw materials due to establishment of new industries in addition to the existing industries.

#### Value of Import Duty Exemption Certificate (IDEC) issued in Million Nu.

Year	IDEC issued for Raw Materials		IDEC issued for Plant & Machinery		IDEC issued for Others (Vehicles etc.)	Total
	CIF	CD	CIF	CD		
2003	114.91	19.19	643.10	84.14	1,884.40	2,745.74
2004	179.56	33.87	1,850.25	552.11	1,226.84	3,842.63
<b>Total</b>	<b>294.47</b>	<b>53.05</b>	<b>2,493.35</b>	<b>636.25</b>	<b>3,111.25</b>	<b>6,588.37</b>

Source: Bhutan Automated Customs System, DRC

Note: 1. CIF is the cost, insurance and freight 2. CD is the Custom Duty

### 4. Trend in Customs Seizures

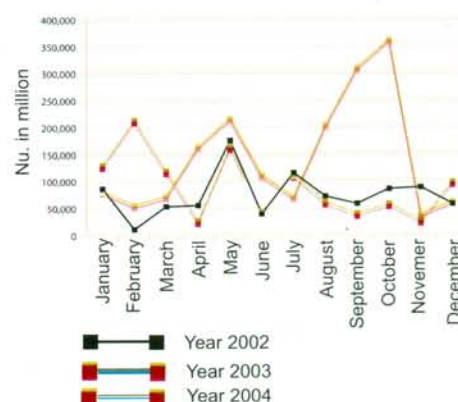
The Customs and Excise Division has compiled the monthly seizure report submitted by the Regional Offices at the Departmental level for all the six regions and the comparative analysis was made based on the information available in the report submitted by the Regions.

#### Customs Seizure

Month	Year 2002	Year 2003	Year 2004
January	81,184.00	77,636.00	125,411.00
February	6,040.00	51,425.00	209,082.00
March	48,270.00	68,265.00	114,834.00
April	50,391.00	161,235.00	22,224.00
May	171,130.90	212,923.00	159,424.00
June	34,654.00	107,618.00	38,433.00
July	110,793.00	67,398.00	107,465.00
August	67,299.00	200,711.68	57,202.00
September	53,527.00	306,996.10	35,552.00
October	80,980.00	358,779.00	53,656.00
November	83,966.00	34,302.00	23,070.00
December	53,002.00	58,227.48	94,016.00
<b>Total</b>	<b>841,236.90</b>	<b>1,705,516.26</b>	<b>1,040,369.00</b>

Source: Customs & Excise Division, DRC

#### Customs Seizures

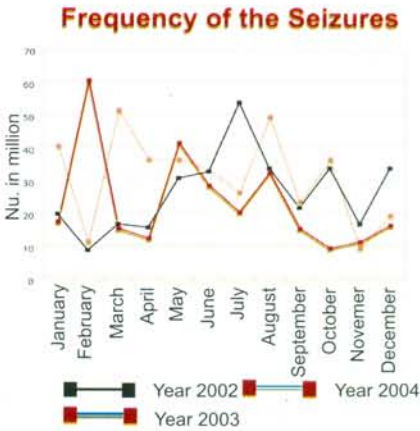


The graph shows the seizures made in terms of value. The seizures during the year 2003 seem to show a better performance than the other two years and this trend continued till March 2004. During the month of May the increase in seizures indicate that trade seems to pickup during this period and also more smuggling seems to take place.

4.1 Frequency of the Seizures

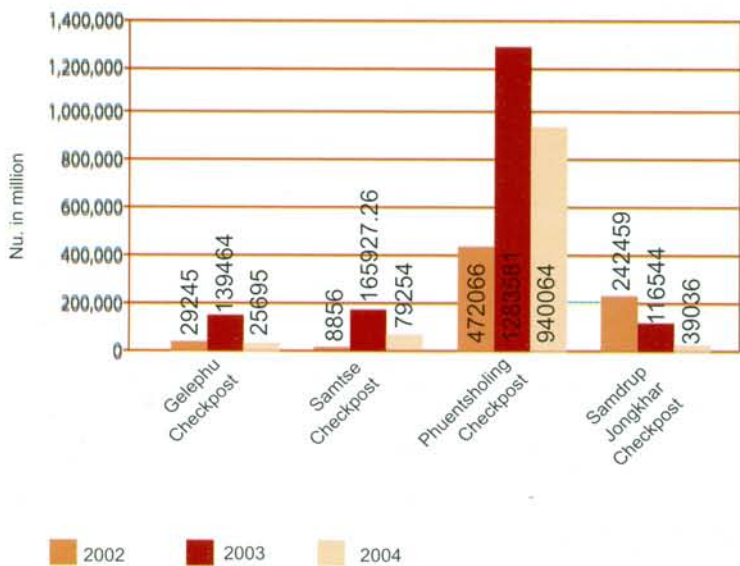
The number of seizures seems to remain constant ranging from about 10 seizures to about 60 seizures in a month. (For details refer the table and the graph below) The items being smuggled frequently were Tobacco and Betel nut followed by Garments, Confectionery items and stationeries.

Frequency of the seizures			
Month	2002	2003	2004
January	20	40	17
February	9	11	60
March	17	51	15
April	16	36	12
May	31	36	41
June	33	33	28
July	54	26	20
August	34	49	32
September	22	23	15
October	34	36	9
November	17	9	11
December	34	19	16
Total	321.00	369.00	276.00



4.2 Check Post Wise Seizures

The figure below depicts the check post wise seizures for the last three years. The value of seizures made by Samdrup Jongkhar was very high during the year 2002. However, gradually value of seizures declined in the subsequent years. The decline in value of seizures in the subsequent years is due to less stringent checks because of increased movement of vehicles as imports were restricted to particular days only. Whereas, the value of seizures made during the year 2003 was very high in Phuntsholing, Samtse and Gelephu as compared to the other two years. The value of seizures in Phuntsholing as compared to other regions was very high as most of the imports were diverted through Phuentsholing.



## 5. Excise Section

Excise Duty is an Indirect Tax on products manufactured or produced in a country and intended for home consumption.

### 5.1 Excise Duty Collected and Number of Cases Sold for the Past Three Years

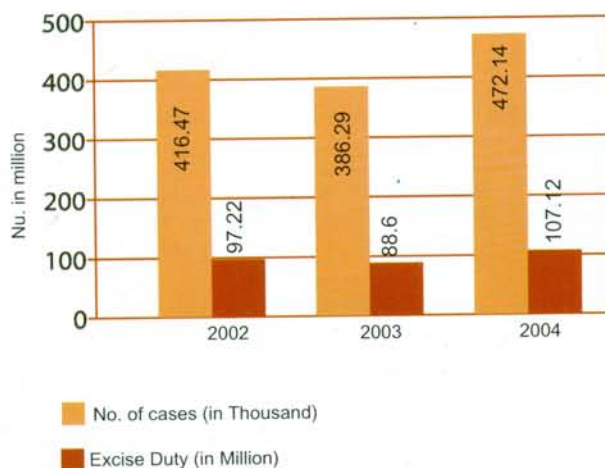
Total number of cases lifted and the Excise Duty collected from the local vendors

Year	2002	2003	2004
No. of cases	416.47	386.29	472.14
Excise Duty	97.22	88.60	107.12

The above table and the graph shows the Excise duty collected and total number of cases sold by the liquor vendors for the period from 2002 to 2004. While the number of cases sold during the year 2002 is 416.47 (thousand) cases and Excise duty collected is Nu.97.22 million, the number of cases sold during the year 2003 is 386.29(thousand) and Excise duty collected is Nu.88.6 million. The decrease of 30.18 (thousand) cases or 7.25% and Excise duty of Nu.8.62 million or 8.87% is due to closure of some of the liquor vendors in border areas.

In the year 2004, the total number of cases sold is 472.14 (thousand) cases and Excise duty collected is Nu.107.12 million, i.e. 22.2% increase in number of cases sold and 20.77% increase in Excise duty respectively as compared to 2003.

**Excise Duty Collected from Local Vendors**





annual dzongkhag revenue official's meet

