



National Revenue Report

2006 - 2007

Department of Revenue and Customs
Ministry of Finance
Royal Government of Bhutan

Vision

Contribute to nation building 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

Foreword

I am pleased to present the National Revenue Report for fiscal year 2006-07. The report analyses the revenue performance of the various sectors at the regional and national level.

The financial year recorded a growth in both tax and non-tax revenue which is the major source of domestic funds for the government. Therefore, it gives me, great pleasure to announce that the revenue growth for the year was a healthy 46%, with the tax revenue increasing by 3.5% and non-tax revenue by 109.3%.

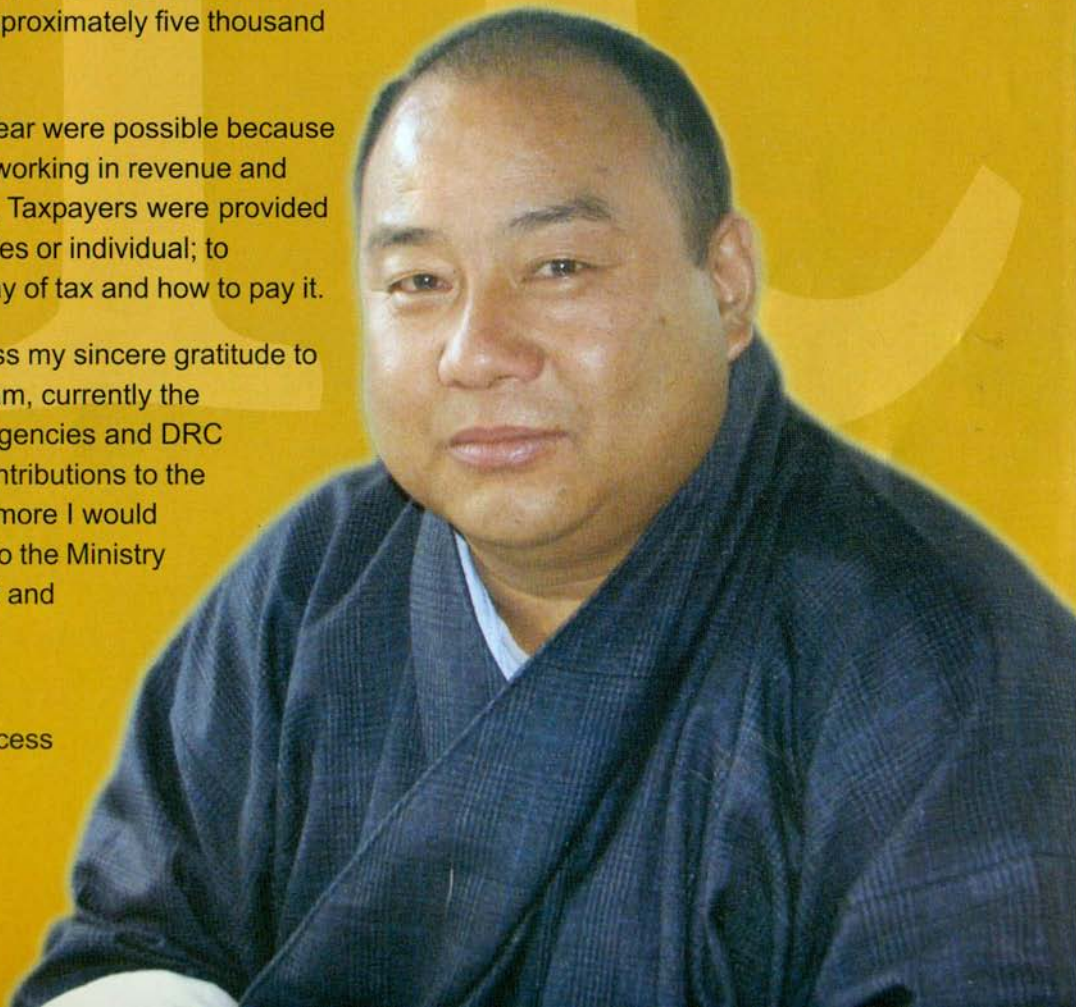
Amongst other developments during the year, we established our seventh regional office in the heart of the Monger town on 1 January 2007, to provide accessible services, better coordination and monitoring of business activities. Approximately five thousand taxpayers have benefited.

Many of the achievements for the year were possible because of the concerted efforts of our staff working in revenue and customs offices across the country. Taxpayers were provided timely information whether companies or individual; to understand what they owe us by way of tax and how to pay it.

I also take this opportunity to express my sincere gratitude to our former Director Aum Sangay Zam, currently the Education Secretary, the revenue agencies and DRC staff for their excellent effort and contributions to the department's performance. Furthermore I would like to extend our sincere gratitude to the Ministry of Finance for it's unstinting support and guidance.

We are committed to ensure and contribute to the nation building process through an efficient and effective revenue accounting system.

Tashi delek



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Revenue Performance

PART A



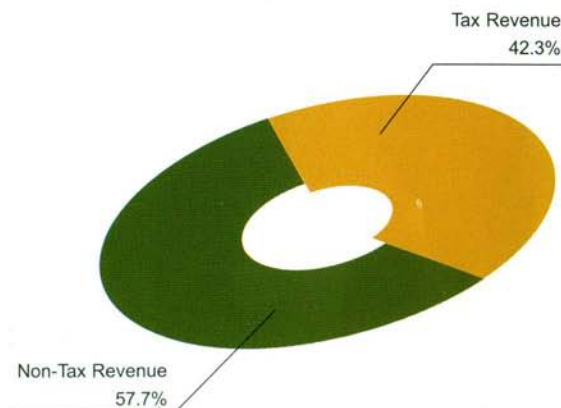
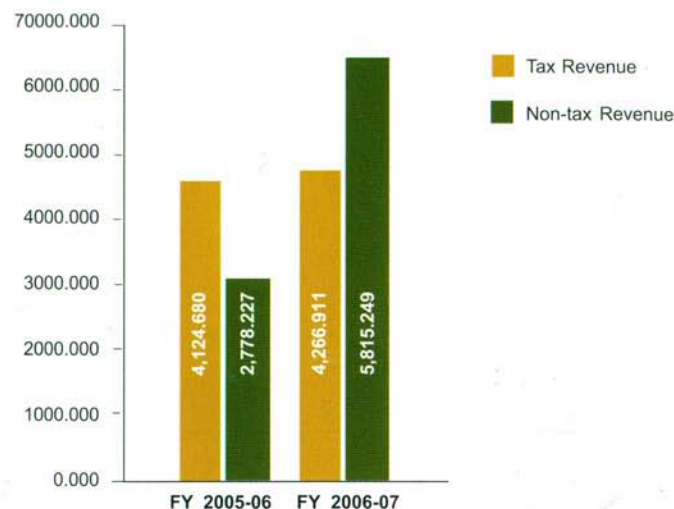
a) Current year collection vis-à-vis previous year collection

Revenue for the fiscal year amounted to Nu.10,082.160 million, recording an unprecedented growth of 46% or Nu.3,179.253 million over the previous year's collection of Nu.6,902.907 million. The increase in revenue is contributed mainly by non-tax revenue unlike in the previous year, where the major contribution was from the tax revenue. The main basis for the increase in non-tax revenue this year is due to the account of revenue from Tala Hydro Power Authority (THPA) under the account head 'transfer of profit' which is categorized under non-tax revenue as THPA has not been corporatized as yet and therefore the earnings cannot be segregated into 'Corporate Income Tax' and 'Dividend'. The details of the performance of the each revenue source are explained in the following sections.

b) Current year collection vis-à-vis target

The actual collection for the year exceeded the revised target of Nu.9,618.926¹ million by 4.8% or Nu. 463.234 million (Refer annexure 5 for details). The collections from tax and non-tax revenue have exceeded the target by 4.7% and 4.9% respectively. The tax and non-tax revenue for the fiscal year stands at Nu.4,266.911 million and Nu. 5,815.249 million, representing 42.3% and 57.7% of the total revenue respectively. The details of tax and non-tax revenue by source are depicted in Table 1.

Domestic Revenue by Year



¹ Original target of Nu.10121.982 million was revised downwards to Nu. 9618.926 million, as the estimated excise duty refund was unlikely to come in during the FY and also due to re-estimation of revenue from THPA which was initially estimated based on a tariff of Nu.2 per unit against the finalised tariff of Nu.1.80 per unit.

2. Summary of National Revenue FY 2006-07

Table 1

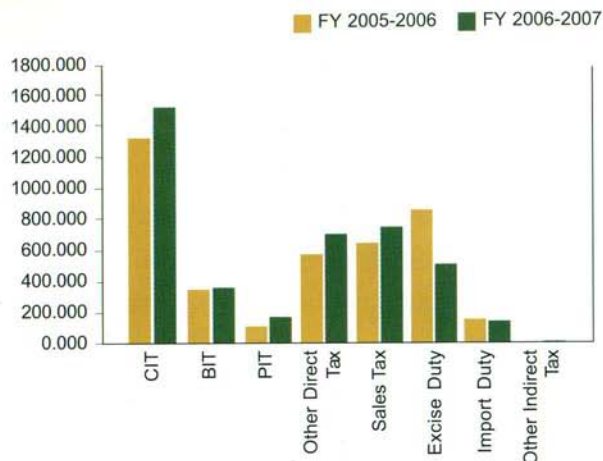
Nu: in million

Source of Revenue		2005-06 (Net Revenue)	2006-07 (Net Revenue)	(+) or (-) (Nu)	(+) or (-) (%)	% over Total Revenue
A	Tax Revenue (I+II)	4,124.680	4,266.911	142.231	3.45	42.32
I	Direct Tax	2,420.087	2,829.030	408.943	16.90	28.06
1	Corporate Income Tax	1,363.298	1,566.940	203.642	14.94	15.54
2	Business Income Tax	356.538	367.656	11.118	3.12	3.65
3	Personal Income Tax	113.354	174.462	61.108	53.91	1.73
4	Other Tax revenue	586.897	719.972	133.075	22.67	7.14
4.1	Motor Vehicle Tax	85.246	93.273	8.027	9.42	0.93
4.2	Business and Professional Licenses	25.630	45.628	19.998	78.03	0.45
4.3	Foreign Travel Tax (Airport)	15.854	19.230	3.376	21.29	0.19
4.4	Municipal Tax	8.709	13.808	5.099	58.55	0.14
4.5	Health Contribution	44.060	49.419	5.359	12.16	0.49
4.6	Royalties	407.398	498.614	91.216	22.39	4.95
II	Indirect Tax	1,704.593	1,437.881	(266.712)	(15.65)	14.26
5	Sales Tax	662.785	765.544	102.759	15.50	7.59
6	Export Tax	0.339	0.012	(0.327)	(96.46)	0.00
7	Excise Duty	879.543	519.393	(360.150)	(40.95)	5.15
8	Import Duty	157.178	144.690	(12.488)	(7.95)	1.44
9	Other Indirect Tax Revenue	4.748	8.242	3.494	73.59	0.08
B	Non-Tax Revenue	2,778.227	5,815.249	3,037.022	109.32	57.68
10	Administration Fees and Charges	197.131	214.726	17.595	8.93	2.13
11	Capital Revenue	167.826	175.258	7.432	4.43	1.74
12	Revenue from Government Departments	102.062	225.700	123.638	121.14	2.24
13	Dividends	1,542.429	2,123.164	580.735	37.65	21.06
14	Transfer of Profits	503.268	2,678.750	2,175.482	432.27	26.57
15	Other Non-Tax Revenue	18.312	8.144	(10.168)	(55.53)	0.08
16	Interest on Loan from Corporations	247.199	389.507	142.308	57.57	3.86
Total Revenue (A+B)		6,902.907	10,082.160	3,179.253	46.06	100.00

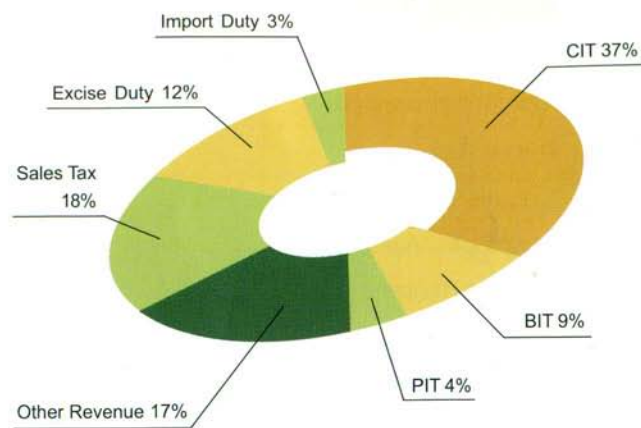
2.1 Tax Revenue

The overall tax revenue for the year has recorded Nu.4,266.911 million registering a growth of 3.5% or Nu.142.231 million over Nu.4,124.680 million in the previous year. The increase is mainly from direct taxes, which accounts for 16.9% growth over the previous year's collection. Tax revenue forms 42.3% of the total revenue. The composition of collection by tax type is given below:

Tax Revenue Compared for Two Fiscal Years



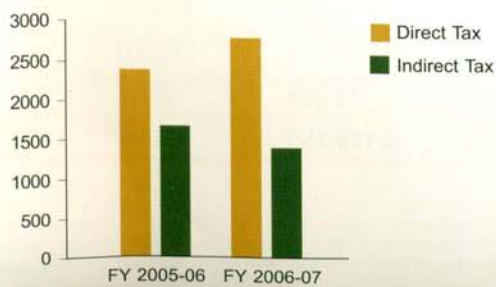
Composition of Tax Revenue



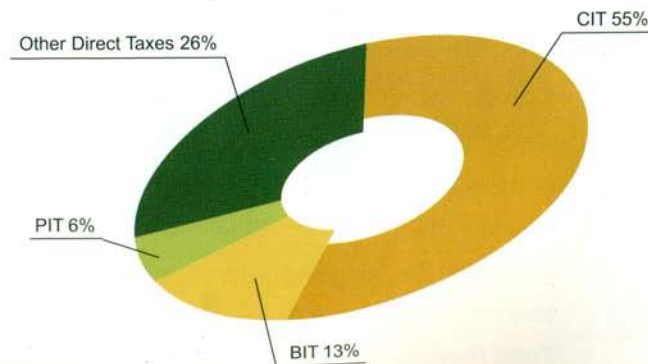
2.1.1 Direct Tax

The collection from direct tax stands at Nu.2,829.030 million registering a growth of 16.9% or Nu. 408.943 million over the previous year's collection. The increase is from personal income tax, corporate income tax, royalties and other direct taxes. It constitutes 66.3% of the total tax revenue and 28.1% of the total revenue. The collections from various heads under direct taxes are explained in the following sections.

Comparison of Direct Tax and Indirect Tax for Two Fiscal Years



Composition of Direct Tax



Corporate Income Tax (CIT)

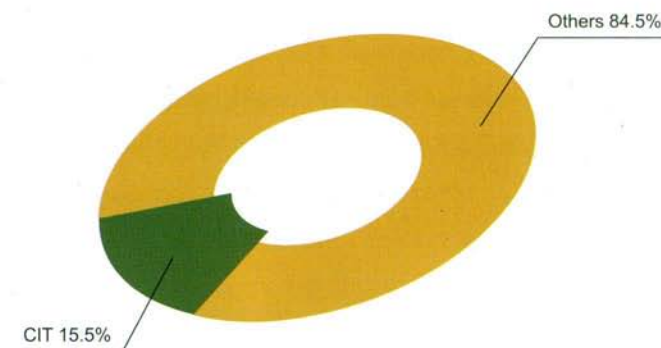
The collection from CIT stands at Nu.1,566.940 million recording a growth of 14.9% or Nu.203.642 million over the previous year's collection. The increase is due to improved performance by corporate units such as; Chukha Hydro Power Corporation Limited (CHPCL), Bank of Bhutan Limited (BOBL), Bhutan National Bank Limited (BNBL), Bhutan Telecom Limited, and Penden Cement Authority Limited (PCAL). Revenue from CIT for the year constitutes 36.7% of the tax revenue and 15.5% of the total revenue. Table 2 shows the details of revenue contributions from the corporations for the fiscal year.

Table 2 CIT Payers for FY 2006-07 **Nu: in million**

	Corporate Units	CIT for FY 2006-07	% to Tax Revenue
1	CHPCL	841.040	19.71
2	Bhutan Telecom	117.76	2.76
3	PCAL	98.872	2.32
4	BNBL	86.297	2.02
5	BoBL	84.040	1.97
6	BHPCL	43.020	1.01
7	RICBL	38.584	0.90
8	FDCL	29.530	0.69
9	Druk Satair Ltd.	19.807	0.46
10	AWPL	19.050	0.45
11	SDEBCL	17.323	0.41
12	BFAL	17.237	0.40
13	BBPL	15.155	0.36
14	Lhaki Cement	7.080	0.17
15	BCCL	5.734	0.13
16	Bhutan Polymer	3.315	0.08
17	Others	123.096	2.88
		1,566.940	36.72

Note: CIT figures are based on actual receipts during the FY 2006-07 and does not include TDS for companies

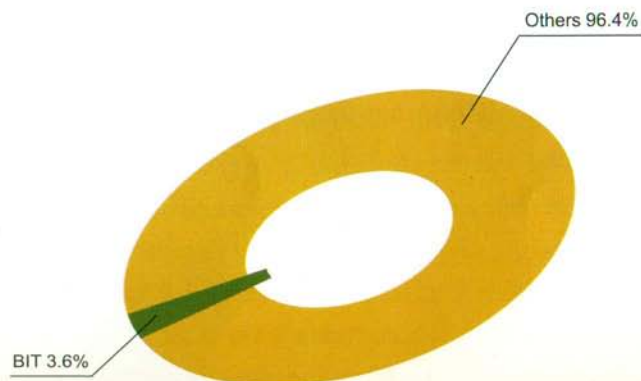
CIT as a % of Total Revenue



Business Income Tax (BIT)

The collection from BIT amounted to Nu.367.656 million, which is 3.1% growth or Nu.11.118 million over the previous year's collection. Although the actual BIT collection has gone down for the year, the nominal increase recorded is due to improved collection on account of tax deducted at source (TDS) from BIT units. Revenue from BIT constitutes 3.6% of the total revenue.

BIT as a % of Total Revenue



Personal Income Tax (PIT)

The collection from PIT for the year is Nu.174.462 million registering a growth of 53.9% or Nu.61.108 million compared to the previous year's collection. The increase is due to revision of PIT tax rates from 15% to 25% with effect from March 2007. Revenue from PIT constitutes 1.7% of the total revenue. Table 3 shows the details of the collection under PIT.

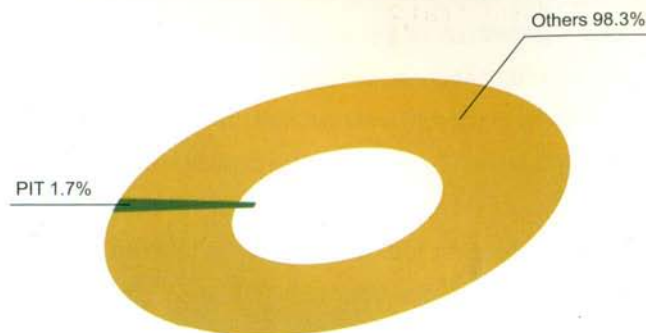
Table 3

Personal Income Tax	2005-2006	2006-2007
TDS on Personal Income Tax	114.263	159.151
Salary Tax	75.84	114.452
Rental Income	10.882	13.198
Interest	19.209	11.849
Dividend	6.925	18.128
Other Sources	1.407	1.524
Personal Income Tax (final)	23.681	27.029
PIT: Fines and Penalties	0.46	0.991
Gross Total	138.404	187.171
Refunds	25.050	12.709
Net Total	113.354	174.462

Other Direct Taxes

The revenue collected on account of other direct taxes is from motor vehicle tax, business & professional licences, airport tax, municipal tax, health contribution and royalties. Total collection from other direct taxes amounted to Nu.719.972 million registering a growth of 22.7% or Nu.133.075 million compared to the previous year's collection. The increase in collection is mainly from royalty from tourism and forestry products and business and professional licence fees. Other direct tax constitutes 7.1% of the total revenue. The following sections explain the revenue contribution from other direct taxes. Table 4 shows the sources under other

PIT as a % of Total Revenue



ODT as a % of Total Revenue

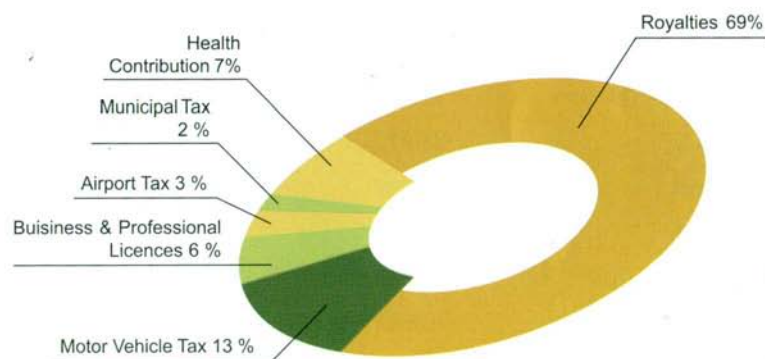


Table 4

Source	Nu. in million	%
Royalties	498.614	4.95
Motor Vehicle Tax	93.273	0.93
Business & Professional licenses	45.628	0.45
Foreign Travel Tax (airport)	19.230	0.19
Municipal Tax	13.808	0.14
Health Contribution	49.419	0.49
Total	719.972	7.14

Royalties

Royalty from forestry products, mines and minerals and the tourism sector has recorded Nu.498.614 million registering a growth of 22.4% or Nu.91.216 million over the previous year's collection. The collections from all three sources have increased with the royalty from tourism leading the contribution, registering an increase of Nu. 50.392 million followed by royalty from forestry products and mines and minerals which have registered an increase of Nu. 23.798 million and 17.026 million respectively. Royalties represents 4.9% of the total revenue. Table 5 shows the revenue collected from sources under royalty.

Table 5

Source	Nu. in million	%
Royalties from tourism	364.831	3.62
Royalties from mines	71.362	0.71
Royalties from forestry	62.421	0.62
Total	498.614	4.95

Motor Vehicle Tax

The collection from motor vehicle tax on account of annual registration fee and ownership transfer tax stands at Nu.93.273 million. The collection shows an increase of 9.4% or Nu.8.027 million over the previous year's collection. While the increase is due to the growing number of vehicles in the country, the year had also received the full impact of the revision of rates that came into effect from September 2005. Motor vehicle tax for the year constitutes 0.9% of the total revenue.

Business and Professional Licenses

The collection from business and professional licenses is Nu.45.628 million registering an increase of Nu.19.998 million or 78% over the previous year's collection. The increase is attributed to liberalisation of business licenses and revision of fees by Ministry of Trade and Industry, which came into effect from July 2006. Business and professional licenses

Municipal Tax

The revenue collected from municipal tax stands at Nu.13.808 million recording an increase of Nu.5.099million or 58.6% from the previous year's collection. Municipal tax constitutes 0.1% of the total revenue.

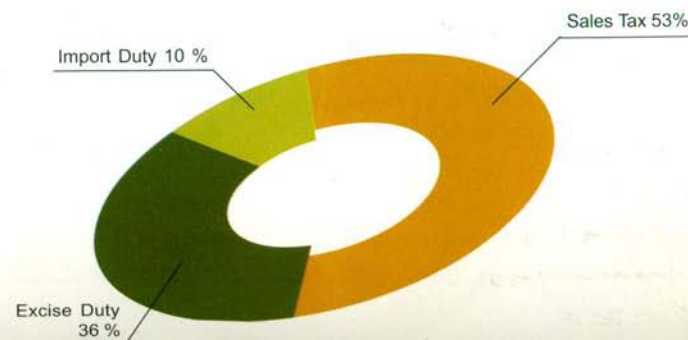
Health Contribution

The collection from health contribution amounted to Nu.49.419 million registering a growth of 12.2% or Nu.5.359 million from the previous year's collection. The increase in the collection of health contribution is due to revision of salary that came into effect from July 2006 and is attributed to increasing number of employees both in the private and public sector. Health contribution constitutes 0.5% of the total revenue.

2.1.2 Indirect Tax

Indirect tax comprises revenue from sales tax, excise duty on domestic goods, excise duty refund from Government of India (GOI), import duty and other indirect tax revenue. The total collection under indirect tax for the year stands at Nu.1,437.881 million showing a decline of 15.7%. The decrease is mainly from excise duty refund and import duty. However, collection under sales tax has registered a growth of 15.5% or Nu.102.759 million over the previous year's collection. Indirect tax for the year constitutes 14.3% of the total revenue as compared to 24.7% in the previous year. The details are further explained under the respective sources.

Composition of Indirect Tax



Sales Tax

Sales tax collection for the year amounted to Nu.765.544 million recording a growth of 15.5% or Nu.102.759 million compared to the previous year. Notable increase has come from sales tax on goods, hotels and restaurants and petroleum products which have registered an increase of Nu.87.132 million, Nu.12.361 million, and Nu.9.641 million respectively as compared to the previous year's collection. The increase is attributed to; increase in volume of imports, broadened tax base with the establishment of new luxury hotels and improved compliance. Sales tax collection constitutes 7.6% of the total revenue. Table 6 shows the revenue collected from sources under sales tax.

Sales Tax as a % of Total Revenue

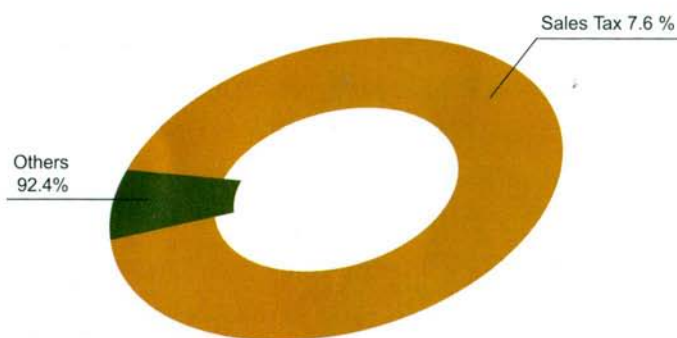


Table 6

Source	Nu. in million	%
Sales Tax on goods	452.699	4.49
Sales Tax on petroleum products	56.918	0.56
Sales Tax on hotels	57.443	0.57
Sales Tax on cable TV/cinema	10.968	0.11
Sales Tax on beer, alcoholic drinks,		
Aerated water	187.516	1.86
Total	765.544	7.59

Excise Duty

Excise duty comprises of excise duty on distillery products manufactured in Bhutan and excise duty refund received from the Government of India (Gol) for imports made to Bhutan. Excise duty constitutes 5.2% of the total revenue.

Excise Duty on Distillery Products

Domestic excise duty collection for the year is recorded at Nu.139.991 million registering a growth of 13.6% or Nu.16.706 million as compared to previous year's collection. Domestic excise duty collection includes liquor shop license fee. Domestic excise duty on distillery products contributes 1.4% to the total revenue.

Excise Duty Refund from Gol

The collection on account of excise duty refund from Gol amounted to Nu.379.402 million, showing a decline of 49.8% or Nu.376.856 million from the previous year's collection. The major portion of excise duty refund pertaining to the year 2002 and 2003 has been received in the last fiscal year whilst only the balance was received this fiscal year providing the rationale for the comparative decrease in collection. Excise duty refund from Gol contributes 3.8% to the total revenue. Table 7 shows the sources under Excise duty.

Table 7

Source	Nu. in million	%
Excise Duty on distillery products	139.991	1.4
Excise Duty refund from Gol	379.402	3.8
Total	519.393	5.2

Excise Duty as a % of Total Revenue



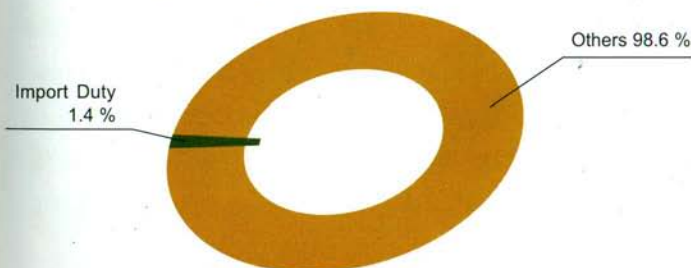
Export Tax

The collection from export tax amounted to Nu.0.012 million, which is a decrease of Nu. 0.327 million from the previous year's collection. The decline in the revenue is due to decrease in the export of timber.

Import Duty

Import duty collection amounted to only Nu.144.690 million, showing a decline of 7.9% or Nu.12.488 million, despite the increase in volume of import. This is owing to the 'exemption-creep' that has resulted in import of raw materials and machineries that are not liable for import duty. Further, the quantity restriction imposed on the importers on size of containers and the frequency of imports has also resulted in decline of import duty collection. Import duty constitutes 1.4% of the total revenue.

Import Duty as a % of Total Revenue



Stamp Duty

Stamp duty represents sale proceeds from revenue and judicial stamps. The collection on account of stamp duty amounted to Nu.8.370 million recording an increase of 76.3% or Nu.3.622 million over the previous year's collection of Nu.4.748 million. The increase is due to revision of stamp duty rates in September 2005. Stamp duty constitutes 0.1% of the total revenue.

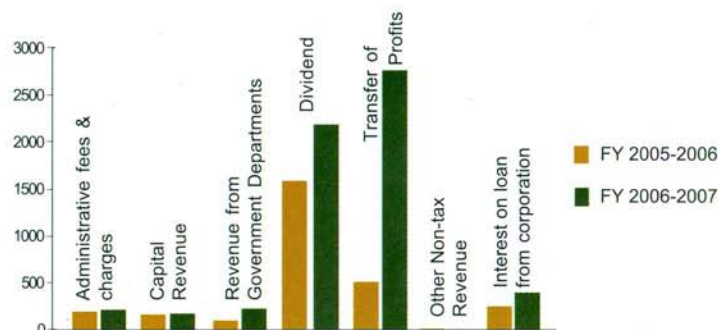
2.2. Non-Tax Revenue

Non-tax revenue comprises of administrative fees & charges, capital revenue from sale of government properties, revenue from government departments, dividend receipts from state owned enterprises and joint public sector corporations,

transfer of profits, interest receipts from corporations and other non-tax revenue.

During the year, there was substantial contribution from the non-tax revenue amounting to Nu.5,815.249 million registering a growth of 109.3% or Nu.3,037.022 million compared to the previous year's collection. This growth is mainly because of THPA revenue of Nu.1,800 million and it constitutes 31% of the total non-tax revenue. Non-tax revenue for the year covers 57.7% of the total revenue. The details are further explained under its respective sources.

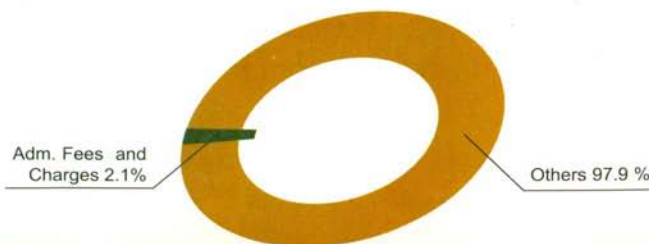
Comparison of Non-tax Revenue for Two Fiscal Years



Administrative Fees and Charges

Collection from administrative fees and charges stands at Nu.214.726 million registering a growth of 8.9% or Nu.17.595 million over the previous year's collection. The increase is mainly from mineral rent and air passenger surcharge that was introduced in October 2006 and is included under other administrative fees and charges. The collection on depot surcharge on petroleum products has also recorded a growth of 9% over last year's collection. Administrative fees and charges constitute 2.1% of the total revenue.

Administrative Fees and Charges as a % of Total Revenue



Revenue from Government Departments

Revenue from government departments for the year is Nu.225.700 million compared to previous year's collection of Nu.102.062 million. It has recorded an increase of 121.1% or Nu.123.638 million over the previous year's collection. The increase is mainly from Department of Survey on excess land charges, industrial plot rent from Ministry of Economic Affairs (Ministry of Trade and Industry), collections from issue of new citizenship identity card from Ministry of Home and Cultural Affairs, and passport and visa fees from Ministry of Foreign Affairs. Revenue from government departments constitutes 2.2% of the total revenue.

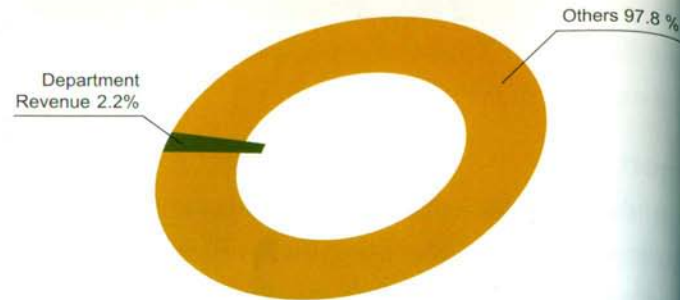
Dividend

Dividend receipts from government shareholdings in state owned enterprises and public sector corporations amounted to Nu.2,123.164 million recording a growth of 37.7% or Nu.580.735 million over the previous year's collection. The increase is from dividend declared by CHPC, Basochu Hydro Power Corporation (BHPC), PCAL and BOB. Dividend covers 21.1% of the total revenue.

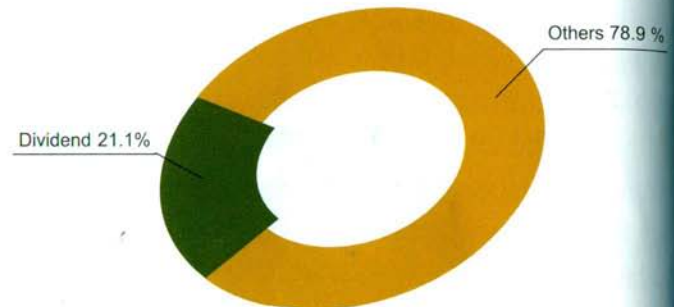
Transfer of Profits

Revenue on account of transfers from RMA, Department of Lottery(DOL) and other transfers (transfer from THPA for this year) for the year has shown a remarkable increase over the past collections. The collection stands at Nu. 2,678.750 million, registering a growth of 432.3% or Nu.2,175.482 million. The achievement is largely due to commencement of revenue inflow from THPA and higher remittances from RMA due to higher returns on its investments abroad. Transfer of profit from RMA is Nu. 737.050 million, out of which Nu.400 million is the part payment for the year and Nu.337.050 million is the balance from the previous year. A transfer of Nu.1,800 million from THPA constitutes 67.2% of the collection under transfer of profit. Revenue from transfer of profits constitutes 26.6% of

Revenue from Government Departments as a % of Total Revenue



Dividend as a % of Total Revenue



Transfer of Profit as a % of Total Revenue



Capital Revenue

Capital revenue comprises of revenue from sale of government properties/assets, proceeds from agricultural products, bid value from coal, gypsum, dolomite and other capital revenue. The collection from capital revenue amounted to Nu.175.258 million registering a growth of 4.4% or Nu.7.432 million over the previous year. The increase is mainly from sale of government properties including disinvestment of INTEL SAT shares abroad amounting to Nu.68.954 million. Capital revenue covers 2% of the total revenue.

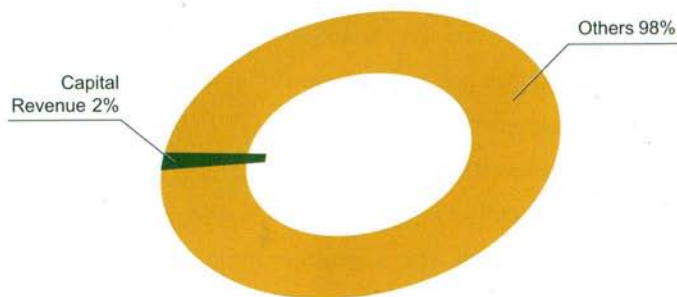
Other Non-tax Revenue

Other non-tax revenue includes audit recoveries, recovery of outstanding dues, security earnest money, and treaty payment from Gol. Revenue from this source amounted to Nu.8.144 million, showing a decline of Nu.10.168 million compared to the previous year's collection. Other non-tax revenue constitutes 0.1% of the total revenue.

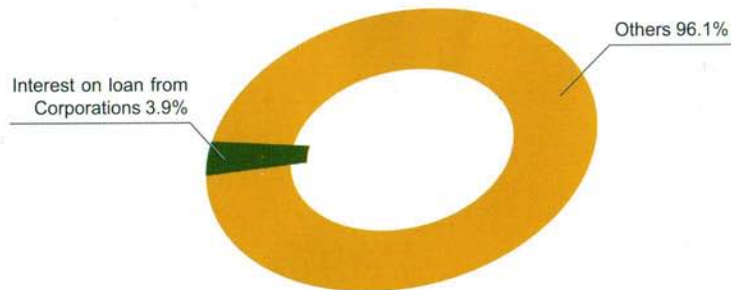
Interest on Loan from Corporations

Interest on loan from corporations comprises of Gol loan and other on-lending loans for government projects. The interest payment for the year amounted to Nu.389.507 million, an increase by 57.6% or Nu.142.308 million from the previous year. This source constitutes 3.9% of the total revenue.

Capital Revenue as a % of Total Revenue



Interest Receipts as a % of Total Revenue



3. Sectoral Revenue

Sectoral revenue includes collections from different sectors such as electricity, trading, services, primary, manufacturing and finance. The collection from sectors reached Nu.9,960.320 million recording an increase of 45.7% or Nu.3,124.293 million over the previous year. All sectors except trade have performed well during the year. The increase is mainly from remittances from electricity with commencement of revenue inflow from THPA, remittances from CHPC and BHPC. Revenue from finance sector and service sector has also increased remarkably, contributing 9.9% and 17.8% respectively. Electricity sector leads the contribution with 45.4% of the total revenue followed by trade and service. The overall contribution from these sources to the total revenue is 98.2%. Table 8 shows the revenue collection from the various sectors.

Composition of Sectoral Revenue in Relation to Total Sectoral Revenue of Nu. 9,960.320 million

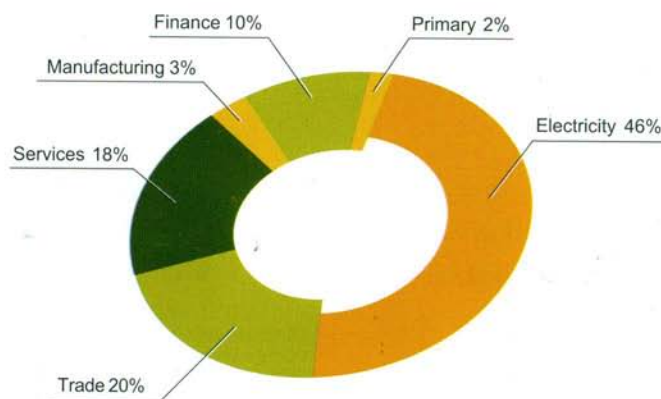


Table 8 - Highlights of Revenue by Sectors

Nu: In million

Sector	FY 2005-06	Total Revenue	% of	FY 2006-07	Total Revenue	% of	(+) or (-) (Nu)	(+) or (-) % growth
Trade	2,276.451	32.6		2,032.607	20.0		(243.844)	(10.7)
Electricity	2,214.263	31.7		4,603.570	45.4		2,389.307	107.9
Services	1,431.393	20.5		1,808.689	17.8		377.296	26.4
Finance	509.449	7.3		1,006.903	9.9		497.454	97.6
Manufacturing	267.856	3.8		307.425	3.0		39.569	14.8
Primary	136.615	2.0		201.126	2.0		64.511	47.2
Total Revenue	6,836.027	98.0		9,960.320	98.2		3,124.293	45.7

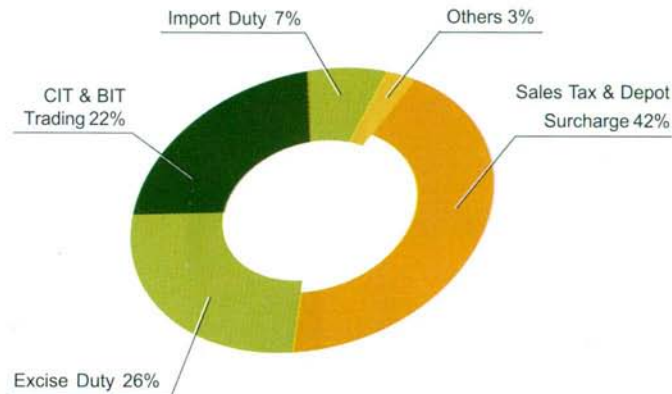
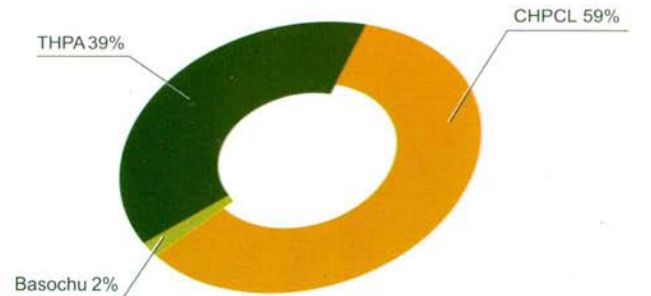
Figures are based on gross collections.

Electricity

Electricity sector takes the lead as the major source of revenue for the government comprising 45.4% of the total revenue as compared to 31.8% in the previous year. The collection from the sector for the year amounted to Nu. 4,603.570 million recording an increase of 107.9% or Nu.2,389.307 million over the previous year. The increase is attributed to commencement of revenue inflow from THPA and increased remittances from CHPC. THPA alone contributed Nu.1,800 million, which constitutes 17.7% of the total revenue and CHPC contributed Nu.2,688.850 million, an increase of Nu.596.168 million or 28.5% over the last year's collection.

Trade

Trade sector is the second highest contributor among the sectors and has contributed Nu.2,032.607 million. The contribution has declined as compared to the previous year by Nu. 243.844 million or 10.7%. The decline is mainly from collection on excise duty and import duty as explained in the above sections. However, collection under sales tax and depot surcharge has recorded a growth of 15.1% or Nu.111.948 million.

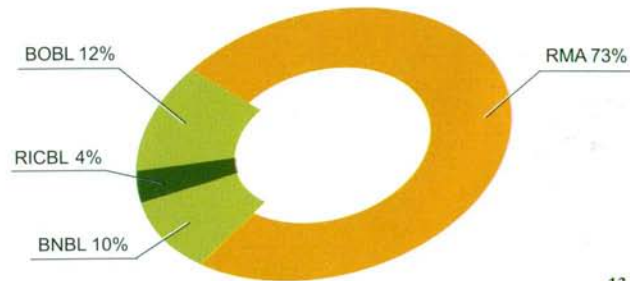
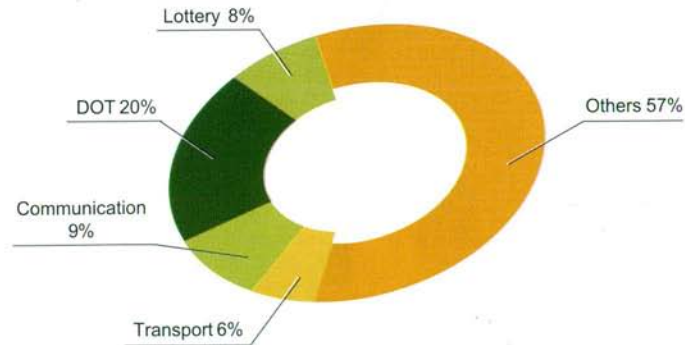


Service

Service sector comes third contributing Nu.1,808.689 million, which is an increase of Nu.377.296 million or 26.4% over the previous year. The increased collection from tourism royalty, telecom services, and motor vehicle taxes and other service fees and charges have contributed to the growth. The collection from the sector constitutes 17.8% of the total revenue.

Finance

The sector has recorded a significant growth with its revenue reaching Nu.1,006.903 million, an increase of Nu.497.454 or 97.7% over the previous year. The increase is largely from RMA on account of transfer of profit of Nu.737.050 million, improved contribution from financial institutions such as BOB and BNB by way of CIT and dividends. The revenue from this sector contributes 9.9% of the total revenue.

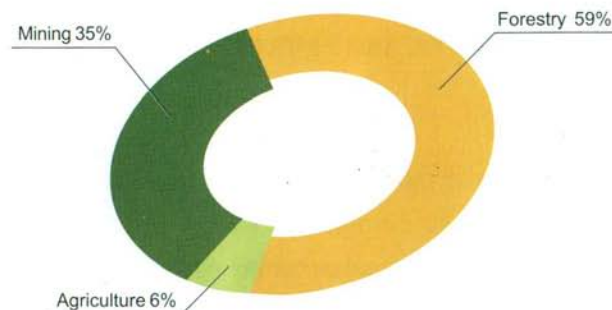
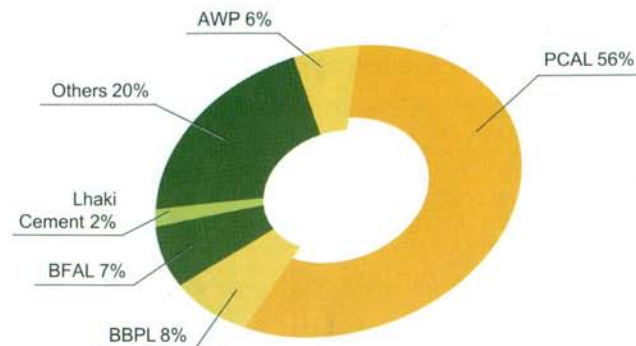


Manufacturing

The collection from manufacturing sector stands at Nu.307.425 million registering an increase of Nu.39.569 million or 14.8% from the previous year. The increase is largely due to increase receipts from PCAL, Army Welfare Project (AWP) and Bhutan Ferro Alloys Limited (BFAL). The revenue from this source comprises 3% of the total revenue.

Primary

Primary sector covers forestry, mining and agricultural activities. Revenue from this sector amounted to Nu.201.126 million registering a growth of 47.2% or Nu.64.511 million as compared to previous year's collection. The increased collections from royalty, mining and forestry, sale proceeds of agricultural products and forest lease rent has contributed to the growth of this sector. Primary sector constitutes 2% of the total revenue.





CHPCL
with its contribution of
Nu.2688.850 million stands first
in the top ten revenue generating agencies

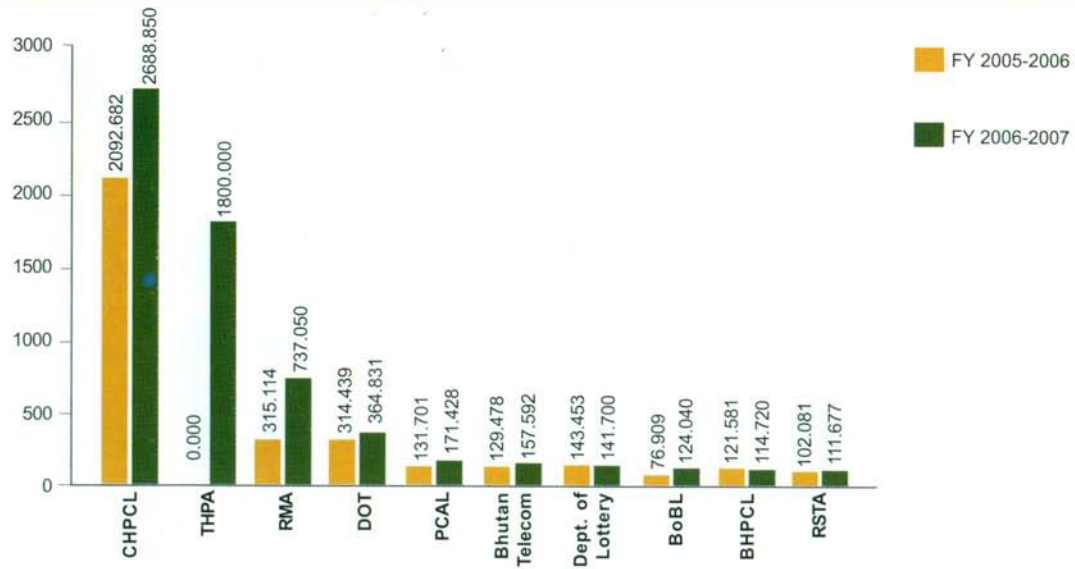
4. Top Ten Revenue Agencies

Top ten revenue agencies have been identified based on their contribution to the total revenue. Collection from top ten revenue agencies for the year reached Nu.6,411.888 million contributing 63.2% of the total revenue. The commencement of revenue inflow from THPA this year has changed the regular list of top ten revenue agencies. THPA with its contribution of Nu.1,800 million stands second in the top ten. Table 9 shows the revenue collected from top ten agencies and the details are further explained below.

Table 9 Top Ten Revenue Agencies

Nu: In million

Sl.no	Source of Revenue	FY 2005-06	Rank	(+) or (-)		(+) or (-) (Nu)	% of Total (%)	Revenue 2006-07
				FY 2006-07	Rank			
1	CHPCL	2,092.682	1	2,688.850	1	596.168	28.49	26.50
2	THPA	0.000		1,800.000	2	1,800.000		17.74
3	RMA	315.114	2	737.050	3	421.936	133.90	7.26
4	DOT	314.439	3	364.831	4	50.392	16.03	3.60
5	PCAL	131.701	5	171.428	5	39.727	30.16	1.69
6	Bhutan Telecom	129.478	6	157.592	6	28.114	21.71	1.55
7	Department of Lottery	143.453	4	141.700	7	(1.753)	(1.22)	1.40
8	BoBL	76.909	9	124.040	8	47.131	61.28	1.22
9	BHPCL	121.581	7	114.720	9	(6.861)	(5.64)	1.13
10	RSTA	102.081	8	111.677	10	9.596	9.40	1.10
Total		3,427.438		6,411.888		2,984.450	87.08	63.19
Total National Revenue		6,974.431		10,147.491		3,173.060	45.50	100.00



4.1 Chukha Hydro Power Corporation Ltd. (CHPCL)

CHPC as a major source of revenue has contributed Nu.2,688.850 million or 26.5% to the total revenue. The receipt during the year shows an increase of Nu.596.168 million or 28.5% from the previous years collection. The increase is mainly due to higher generation and increase in energy export as domestic power needs are met by other Hydro Power Projects.

4.2 Tala Hydro Power Authority (THPA)

THPA started contributing to the government exchequer during the year and it stands second in the top ten revenue agencies contributing Nu.1,800 million. The contribution from the source constitutes 17.7% of the total revenue.

4.3 Royal Monetary Authority (RMA)

RMA stands third with its contribution of Nu.737.050 million. The revenue from this source has registered a significant growth of 133.9% or Nu.421.936 million over the previous fiscal year. The increase is largely due to high returns on the RMA's investments abroad. Revenue from this source constitutes 7.3% of the total revenue.

4.4 Department of Tourism (DOT)

Department of Tourism as one of the top ten contributors has contributed Nu.364.831 million for the year registering a growth of 16.03% or Nu.50.392 million. Revenue from tourism comprises of 3.6% of the total revenue.

4.6 Bhutan Telecom Corporation (BTC)

Revenue from BTC stands at Nu. 157.592 million recording an increase of Nu.28.114 million or 21.7% over the previous year's collection. Revenue from this source comprises 1.6% of the total revenue.

4.7 Department of Lottery (DoL)

DoL has contributed Nu.141.700 million for the year. Revenue from this source has declined as compared to the previous year by 1.2% or Nu.1.753 million. This is due to retention of some portion of marketing fee for the construction of a new office at Phuentsholing. The revenue from this source constitutes 1.4% of the total revenue.

4.8 Bank of Bhutan Ltd. (BoBL)

Revenue from BoB stands at Nu.124.040 million, noting an increase of Nu.47.131 million or 61.3% from the previous year's collection. Revenue from BOB constitutes 1.2% of the total revenue.

4.9 Basochu Hydro Power Corporation Ltd. (BHPCL)

Revenue from BHPC for the year is Nu.114.720 million and it has declined from the previous year's collection by 5.6% or Nu.6.861 million mainly due to one time fund transfer of Nu.44.701 million received for the lower stage project in the previous year. The revenue from this source constitutes 1.1% to the total revenue.

4.5 Penden Cement Authority Ltd. (PCAL)

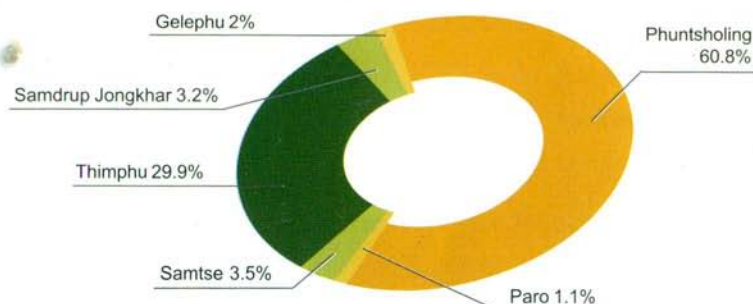
Revenue from PCAL in terms of corporate income tax and dividend for the year is Nu.171.428 million registering a growth of 30.16% or Nu.39.727 million as compared to the previous year. Revenue from PCAL covers 1.7% of the total revenue.

4.10 Road Safety and Transport Authority (RSTA)

Receipt from RSTA on account of motor vehicle tax, fees and charges for the year stands at Nu.111.677 million registering an increase of 9.4% or Nu.9.596 million from the previous year's collection. The revenue from this source constitutes 1.1% of the total revenue.

5. Revenue Performance by Region

This section highlights revenue performances by all Regional Revenue and Customs Offices. Collection this year has recorded an unprecedented growth of 46% or Nu.3,173.06² million over the previous year's collection. The details on the performance by each regional office are explained below. Table 10 shows the revenue contribution from regions and its jurisdiction.



5.1 RRCO Phuentsholing

Phuentsholing region has collected Nu.6,169.396 million registering a remarkable growth of 70.4% or Nu. 2,548.278 million from the previous year. The increase is mainly from corporate units such as; CHPC, BOB, RICB and revenue from THPA. The region contributes 60.8% to the total revenue.

5.2 RRCO Thimphu

Thimphu region has collected Nu.3,029.397 million recording a growth of 17.9% or Nu. 460.767 million as compared to the previous year's collection. The growth in this region is largely due to remittances from RMA and other sources such as royalty receipts from tourism and forestry and corporations located in the region. The region contributes 29.9% to the total revenue.

5.3 RRCO Samtse

Samtse region has contributed Nu. 354.474 million registering an increase of Nu.85.12 million or 31.6%. The increase is largely due to increased remittances from PCAL, royalty receipt from forestry and collections from sales tax. The region contributes 3.5% to the total revenue.

5.4 RRCO Samdrup Jongkhar

The collection by Samdrup Jongkhar region for the year is Nu.325.757 million recording an increase of Nu.37.07 million or 12.8% from the previous year. The increased collections are on account of corporate income tax from Druk Satair Company limited, SD Eastern Bhutan Coal Company limited, royalty on forestry products and sales tax collection have contributed towards the growth under this region. The region contributes 3.2% to the total revenue.

5.5 RRCO Gelephu

The collection from Gelephu region amounted to Nu.157.65 million which is an increase of Nu.32 million or 25.5% from the previous year's collection. The increase is mainly from CIT from AWP, royalty receipts from forestry products and remittances from Department of Survey and Land Records. The region contributes 1.6% to the total revenue.

5.6 RRCO Paro

Paro region contributed Nu.110.817 million registering an increase of Nu.9.83 million or 9.7% over the previous year's collection. The growth in the region is contributed mainly to collections from sales tax on new luxury hotels. The region contributes 1.1% to the total revenue.

² Comparison made on gross collections

Table 10

Nu: In million

Particulars	Phuentsholing	Thimphu	Paro	Samtse	S/Jongkhar	Gelephu	Total
No. of Dzongkhag(s)	1	4	2	1	6	6	20
Tax Revenue	2,181.067	1,484.157	91.53	264.515	207.019	101.462	4,329.750
% of Total Regional Revenue	35.4	49.0	82.6	74.6	63.6	64.4	42.7
Non-tax Revenue	3,988.329	1,545.240	19.287	89.959	118.738	56.188	5,817.741
% of Total Regional Revenue	64.6	51.0	17.4	25.4	36.4	35.6	57.3
Total Tax & Non-tax Revenue	6,169.396	3,029.397	110.817	354.474	325.757	157.650	10,147.491
% of Total National Revenue*	60.8	29.9	1.1	3.5	3.2	1.6	100.0

*Figures are based on gross collections.

Table 11

Nu: In million

Region	Source of Revenue	FY 2006-07		FY 2005-06	Achievement to traget (+/-)		Collection compared to FY 2005-06 (+/-)	
		Collection 3	Target 4	Collection 5	Nu 6 (3-4)	% 7 (6 of 4)	Nu 8 (3-5)	% 9 (8 of 5)
Phuentsholing	Tax Revenue	2,181.067	2,127.050	1,995.459	54.017	2.5	185.608	9.3
	Non-tax Revenue	3,988.329	3,827.100	1,625.659	161.229	4.2	2,362.67	145.34
	Total Revenue	6,169.396	5,954.150	3,621.118	215.246	3.6	2,548.278	70.4
Thimphu	Tax Revenue	1,484.157	1,355.926	1,644.230	128.231	9.5	(160.07)	(9.7)
	Non-tax Revenue	1,545.240	1,477.928	924.400	67.312	4.6	620.84	67.2
	Total Revenue	3,029.397	2,833.854	2,568.630	195.544	6.9	460.77	17.9
Paro	Tax Revenue	91.530	93.856	80.923	(2.326)	(2.5)	10.61	13.1
	Non-tax Revenue	19.287	12.947	20.063	6.340	49.0	(0.78)	(3.9)
	Total Revenue	110.817	106.803	100.986	4.014	3.8	9.83	9.7
Samtse	Tax Revenue	264.515	213.582	207.293	50.933	23.8	57.22	27.6
	Non-tax Revenue	89.959	68.477	62.066	21.482	31.4	27.89	44.9
	Total Revenue	354.474	282.059	269.359	72.415	25.7	85.12	31.6
Samdrup	Tax Revenue	207.019	188.934	179.655	18.085	9.6	27.36	15.2
Jongkhar	Non-tax Revenue	118.738	117.427	109.032	1.311	1.1	9.71	8.9
	Total Revenue	325.757	306.361	288.687	19.396	6.3	37.07	12.8
Gelephu	Tax Revenue	101.462	94.370	88.509	7.092	7.5	12.95	14.6
	Non-tax Revenue	56.188	41.330	37.142	14.858	35.9	19.05	51.3
	Total Revenue	157.65	135.700	125.651	21.950	16.2	32.00	25.5
Overall	Tax Revenue	4,329.750	4,073.718	4,196.069	256.032	6.3	133.68	3.2
	Non-tax Revenue	5,817.741	5,545.209	2,778.362	272.533	4.9	3,039.38	109.4
	Total Revenue	10,147.491	9,618.926	6,974.431	528.565	5.5	3,173.06	45.5

Figures are based on Gross Collection.

6. Dzongkhag Revenue

Revenue performance by dzongkhags for the year is highlighted below in sequence. The top three dzongkhags account for 93.9% of the total revenue. Chukha dzongkhag, as in the previous years is the major contributor generating 60.8%, followed by Thimphu dzongkhag contributing 29.6% and Samtse dzongkhag contributing 3.5% to the total revenue. The vast differences in the revenue contribution from the dzongkhags are largely due to location of Industries such as hydro power projects and major manufacturing industries and the commercial centres.

Table 12

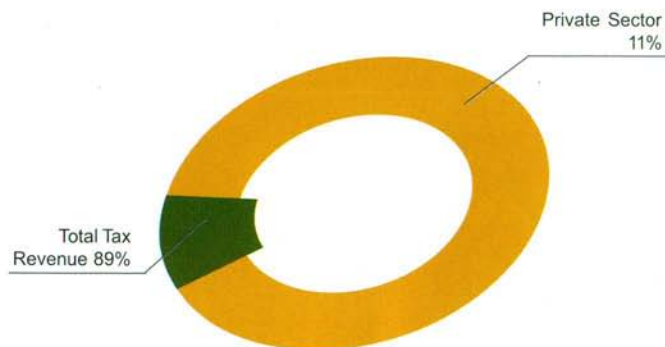
Nu: In million

Rank 2005-06	FY 2005-06	Dzongkhag	Rank 2006-07	FY 2006-07	(+)or(-) Nu.	(+) or (-) %	N/Revenue %
1	3,621.118	Chukha	1	6,169.396	2,548.278	70.37	60.8
2	2,553.090	Thimphu	2	3,006.288	453.198	17.75	29.6
4	269.359	Samtse	3	354.474	85.115	31.60	3.5
3	229.373	Samdrup Jongkhar	4	264.374	35.001	15.26	2.6
5	94.193	Paro	5	108.151	13.958	14.82	1.1
6	83.307	Sarpang	6	106.142	22.835	27.41	1.0
9	17.517	Mongar	7	29.145	11.628	66.38	0.3
7	26.445	Trashigang	8	20.917	(5.528)	(20.90)	0.2
10	9.259	Wangdi Phodrang	9	18.876	9.617	103.87	0.2
8	20.049	Bumthang	10	18.418	(1.631)	(8.14)	0.2
15	5.174	Tsirang	11	16.750	11.576	223.73	0.2
14	6.189	Zhemgang	12	8.731	2.542	41.07	0.1
11	7.117	Trongsa	13	5.522	(1.595)	(22.41)	0.1
13	6.524	Trashie Yangtse	14	5.096	(1.428)	(21.89)	0.1
17	4.762	Punakha	15	3.315	(1.447)	(30.39)	
19	3.766	Pema Gatshel	16	3.311	(0.455)	(12.08)	
16	5.062	Lhuentse	17	2.914	(2.148)	(42.43)	
12	6.793	Haa	18	2.666	(4.127)	(60.75)	
18	3.815	Dagana	19	2.087	(1.728)	(45.29)	
20	1.519	Gasa	20	0.918	(0.601)	(39.57)	
6,974.431				10,147.491	3,173.060	45.50	100.0

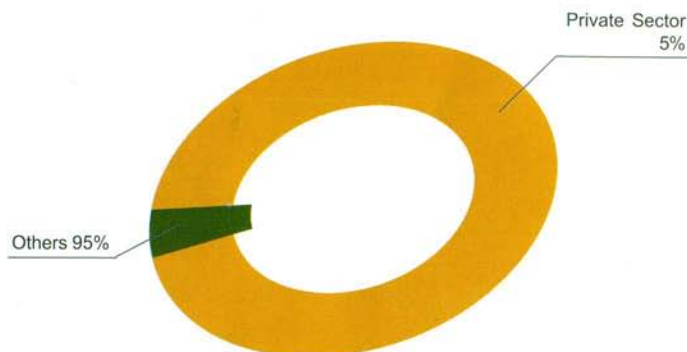
7. Private Sector

The revenue from private sector excluding the joint public sector corporations amounted to Nu.474.412 million recording a growth of 6.9% or Nu.30.433 million compared to the previous year. The increase is mainly on account of corporate income tax, health contribution and collections from BIT. Revenue from private sector accounts for 11.1% of tax revenue and 4.7% of the total revenue.

Private Sector and Tax Revenue



Private Sector and Total Revenue



7.1 Private Sector Revenue

Table 13 Nu: In million

Source of Revenue	2005-06 FY	2006-07 FY	% growth (+) or (-)
1. Corporate Income Tax	71.162	88.827	24.824
2. Business Income Tax	356.538	367.656	3.12
3. Health Contribution	15.940	17.917	12.40
4. Export Tax	0.339	0.012	(96.46)
Total Private Sector Revenue	443.979	474.412	6.85
% of Tax Revenue	10.76	11.12	
% of Total National Revenue	6.43	4.71	

7.1.1 Corporate Income Tax

The collection from CIT has increased to Nu.88.827 from Nu.71.162 million in the previous year registering a growth of 24.8%. The increase is largely due to better performance of the corporate units and timely assessment of taxes.

7.1.2 Business Income Tax

The collection from BIT amounted to Nu.367.656 million registering a growth of 3.1% or Nu.11.118 million. The nominal increase recorded is due to improved collection on account of TDS from BIT units.

7.1.3 Health Contribution from Private Sector

The collection on account of health contribution stands at Nu.17.917 million registering an increase of 12.4% or Nu.1.977 million compared to the previous year. The increase may be attributed to the increase in number of salaried employees.

8. Top Ten Private Businesses

The revenue from top ten private businesses for the year is Nu.102.148 million, which is a decline of 8.9% or Nu.9.607 million from the contribution made by private business listed as top ten contributors in the last fiscal year. Tashi Commercial Corporation, the leading top ten in the previous year is not reflected in the list this year as the business units have been reflected individually and not as a consolidated group as in the previous year. Uma Resort, Jigme Mining Company and the Druk Hotel are the new entrants in the topten for the year. Revenue from the top ten private units constitutes 1% of the total revenue. The contributions for the year as per their performances are given below:

Table 14		Nu: In million
Top Ten Private Businesses		
Rank	Private Businesses	FY 2006-07
1	Druk Satair Ltd.	19.807
2	SD Eastern Bhutan Coal Company Ltd.	17.323
3	Singye Group of Companies	11.000
4	Sherja Equipment Hiring Unit	10.583
5	Yarab Pvt Ltd.	10.116
6	Uma Resort	8.595
7	Lhaki Cement	7.080
8	Jigme Mining Company	6.091
9	Hotel Druk	5.819
10	BCCL	5.734
Total		102.148

9. Future Outlook

During this fiscal year, we have received a significant amount of revenue from THPA following its commissioning. As THPA has not yet been corpourtized, the entire remittances have been treated as transfer of profit thereby disrupting the tax revenue and non-tax revenue collection ratio. However, with the corporatization of THPA, the ratio balance is expected to resume as the remittances would be segregated into Corporate Income Tax and Dividend.

On the administrative front, the Department is planning to establish the eighth regional office in the central part of the country, with the objective of enhancing taxpayer service delivery which is also expected to facilitate prompt revenue collection.

However, as a result of democratic reforms in the country, there could be some uncertainties due to changes in policies adopted by the new government that could subsequently have an impact on collection of internal revenue.

Annexures

PART B



ANNEXURE-I DETAILS OF NATIONAL REVENUE : FY 2006-2007

(Nu. In million)

Sl. No.	Source of Revenue	2005-2006 Actual Gross	Refund 2005- 2006	2005-2006 Net Revenue	2006-2007 Actual Gross	Refund 2006- 2007	2006-2007 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]	[9of 5]	
A	Tax Revenue	4,196.022	71.342	4,124.680	4,329.750	62.839	4,266.911	142.231	3.45	42.32
I	Direct Tax	2,449.050	28.963	2,420.087	2,842.285	13.255	2,829.030	408.943	16.90	28.06
1	Corporate Income Tax	1,363.298	0.000	1,363.298	1,566.940	0.000	1,566.940	203.642	14.94	15.54
1.1	BFAL	14.464		14.464	17.237		17.237	2.773	19.17	0.17
1.2	PCAL	83.330		83.330	98.872		98.872	15.542	18.65	0.98
1.3	BOB	56.909		56.909	84.040		84.040	27.131	47.67	0.83
1.4	RICB	35.899		35.899	38.584		38.584	2.685	7.48	0.38
1.5	BNB	65.176		65.176	86.297		86.297	21.121	32.41	0.86
1.6	FDC	14.098		14.098	29.530		29.530	15.432	109.46	0.29
1.7	BBPL	20.880		20.880	15.155		15.155	(5.725)	(27.42)	0.15
1.8	BFPL	2.948		2.948	2.721		2.721	(0.227)	(7.70)	0.03
1.9	CHPC	736.560		736.560	841.040		841.040	104.480	14.18	8.34
1.10	FCB	0.950		0.950	2.847		2.847	1.897	199.68	0.03
1.11	AWP	13.437		13.437	19.050		19.050	5.613	41.77	0.19
1.12	STCB	3.272		3.272	4.921		4.921	1.649	50.40	0.05
1.13	Bhutan Telecom	89.376		89.376	117.760		117.760	28.384	31.76	1.17
1.14	BCCL	24.383		24.383	5.734		5.734	(18.649)	(76.48)	0.06
1.15	BTCL	0.000		0.000	3.267		3.267	3.267		0.03
1.16	Yangzom Cement	0.032		0.032	0.329		0.329	0.297	928.13	0.00
1.17	Eastern Bhutan Coal Co.	13.882		13.882	17.323		17.323	3.441	24.79	0.17
1.18	Lhaki Cement	4.233		4.233	7.080		7.080	2.847	67.26	0.07
1.19	Druk Satair Ltd.	15.212		15.212	19.807		19.807	4.595	30.21	0.20
1.20	Bhutan Polymer Co. Ltd.	2.927		2.927	3.315		3.315	0.388	13.26	0.03
1.21	Basochu Hydro Power Corporation	41.878		41.878	43.020		43.020	1.142	2.73	0.43
1.22	2% Contractor tax	19.825		19.825	16.808		16.808	(3.017)	(15.22)	0.17
1.23	3% Contractor tax	90.794		90.794	50.961		50.961	(39.833)	(43.87)	0.51
1.24	TDS on suppliers	0.990		0.990	5.226		5.226	4.236	427.88	0.05
1.25	Other corporations	11.843		11.843	36.016		36.016	24.173	204.11	0.36
2	Business Income Tax	359.498	2.960	356.538	368.159	0.503	367.656	11.118	3.12	3.65
2.1	Business income tax	155.199	0.549	154.650	138.792	0.395	138.397	(16.253)	(10.51)	1.37
2.2	Contractor tax	197.052	2.411	194.641	224.115	0.108	224.007	29.366	15.09	2.22
2.3	Tourism(withholding tax)	7.247		7.247	5.252		5.252	(1.995)	(27.53)	0.05
3	Personal Income Tax	138.404	25.050	113.354	187.171	12.709	174.462	61.108	53.91	1.73
3.1	PIT	138.404	25.050	113.354	187.171	12.709	174.462	61.108	53.91	1.73
4	Other Tax Revenue	587.850	0.953	586.897	720.015	0.043	719.972	133.075	22.67	7.14
4.1	Motor vehicle tax	85.304	0.058	85.246	93.273		93.273	8.027	9.42	0.93
4.2	Business & professional license	25.630		25.630	45.628		45.628	19.998	78.03	0.45
4.3	Foreign travel tax	15.854		15.854	19.230		19.230	3.376	21.29	0.19
4.4	Municipal tax	8.709		8.709	13.826	0.018	13.808	5.099	58.55	0.14
4.5	Health contribution	44.060		44.060	49.419		49.419	5.359	12.16	0.49
4.6	Royalties	408.293	0.895	407.398	498.639	0.025	498.614	91.216	22.39	4.95
4.6.1	Forestry pdts	39.518	0.895	38.623	62.446	0.025	62.421	23.798	61.62	0.62
4.6.2	Mines & minerals	54.336		54.336	71.362		71.362	17.026	31.33	0.71
4.6.3	Tourism	314.439		314.439	364.831		364.831	50.392	16.03	3.62

ANNEXURE-I DETAILS OF NATIONAL REVENUE : FY 2006-2007

(Nu. In million)

Sl. No.	Source of Revenue	2005-2006 Actual Gross	Refund 2005- 2006	2005-2006 Net Revenue	2006-2007 Actual Gross	Refund 2006- 2007	2006-2007 Net Revenue	Net (+) or (-) Nu.	Net (+) or (-) %	% over Total Revenue
(1)	(2)	(3)	(4)	(5) [3-4]	(6)	(7)	(8) [6-7]	(9) [8-5]	(10) [9of 5]	(11)
II	Indirect Tax	1,746.972	42.379	1,704.593	1,487.465	49.584	1,437.881	(266.712)	(15.65)	14.26
5	Sales Tax	701.321	38.536	662.785	809.554	44.010	765.544	102.759	15.50	7.59
5.1	Sales tax on goods & commodities	400.563	34.996	365.567	491.931	39.232	452.699	87.132	23.83	4.49
5.2	Sales tax on petroleum products	50.817	3.540	47.277	61.696	4.778	56.918	9.641	20.39	0.56
5.3	Sales tax on hotel & restaurant	45.082		45.082	57.443		57.443	12.361	27.42	0.57
5.4	Sales tax on cable tv & cinema	10.743		10.743	10.968		10.968	0.225	2.09	0.11
5.5	Sales tax on beer, aerated water	194.116		194.116	187.516		187.516	(6.600)	(3.40)	1.86
6	Export Tax	0.339	0.000	0.339	0.012	0.000	0.012	(0.327)	(96.46)	0.00
6.1	Stone & boulder	0.001		0.001	0.000		0.000	(0.001)	(100.00)	0.00
6.2	Timbers	0.338		0.338	0.012		0.012	(0.326)	(96.45)	0.00
7	Excise Duty	879.543	0.000	879.543	519.393	0.000	519.393	(360.150)	(40.95)	5.15
7.1	Distillery pdts.	123.285		123.285	139.991		139.991	16.706	13.55	1.39
7.2	Excise duty refund from GOI	756.258		756.258	379.402		379.402	(376.856)	(49.83)	3.76
8	Import Duty	161.021	3.843	157.178	150.136	5.446	144.690	(12.488)	(7.95)	1.44
8.1	Goods & commodities	149.078	3.843	145.235	138.64	5.446	133.194	(12.041)	(8.29)	1.32
8.2	Customs service charges/others	11.943		11.943	11.496		11.496	(0.447)	(3.74)	0.11
9	Other Indirect Tax Revenue	4.748	0.000	4.748	8.370	0.128	8.242	3.494	73.59	0.08
9.1	Stamp duty	4.748		4.748	8.370		8.370	3.622	76.28	0.08
9.2	Other withdrawals (bank charges)					0.128				
B	Non -tax Revenue	2,778.409	0.182	2,778.227	5,817.741	2.492	5,815.249	3,037.022	109.32	57.68
10	Admns. Fees & charges	197.188	0.057	197.131	214.749	0.023	214.726	17.595	8.93	2.13
10.1	Judiciary fees & charges	15.217	0.005	15.212	15.894		15.894	0.682	4.48	0.16
10.2	House rent	67.313	0.019	67.294	67.932		67.932	0.638	0.95	0.67
10.3	Hire charges	15.385		15.385	13.709		13.709	(1.676)	(10.89)	0.14
10.4	Rural life insurance	13.793		13.793	14.713	0.011	14.702	0.909	6.59	0.15
10.5	Motor vehicle fees & charges	16.777		16.777	18.404		18.404	1.627	9.70	0.18
10.6	Depot surcharge on petroleum product	41.121		41.121	44.836		44.836	3.715	9.03	0.44
10.7	Other admn. charges & fees	27.582	0.033	27.549	39.261	0.012	39.249	11.700	42.47	0.39
11	Capital Revenue	167.951	0.125	167.826	175.527	0.269	175.258	7.432	4.43	1.74
11.1	Sale of govt. properties/ assets	48.503	0.125	48.378	82.783	0.269	82.514	34.136	70.56	0.82
11.2	Sale proceeds of agricultural product	2.634		2.634	2.574		2.574	(0.060)	(2.28)	0.03
11.3	Coal mine bid value	50.120		50.120	36.47		36.470	(13.650)	(27.23)	0.36
11.4	Gypsum mine bid value	23.025		23.025	31.577		31.577	8.552	37.14	0.31
11.5	Dolomite mine bid value	13.650		13.650	0.000		0.000	(13.650)	(100.00)	0.00
11.6	Tender document sale	8.736		8.736	8.560		8.560	(0.176)	(2.01)	0.08
11.7	Other capital revenue	21.283		21.283	13.563		13.563	(7.720)	(36.27)	0.13
12	Revenue from Govt. Depts.	102.062	0.000	102.062	225.700	0.000	225.700	123.638	121.14	2.24
12.1	Division of roads	0.211		0.211	0.021		0.021	(0.190)	(90.05)	0.00
12.2	Public works division	0.721		0.721	2.218		2.218	1.497	207.63	0.02
12.3	Municipal revenue	16.275		16.275	15.298		15.298	(0.977)	(6.00)	0.15
12.4	Radio spectrum management	2.069		2.069	2.032		2.032	(0.037)	(1.79)	0.02
12.5	Contractor development board	2.019		2.019	1.421		1.421	(0.598)	(29.62)	0.01
12.6	Department of civil aviation	1.167		1.167	0.733		0.733	(0.434)	(37.19)	0.01

ANNEXURE- I DETAILS OF NATIONAL REVENUE : FY 2006-2007

(Nu. In million)

Sl. No.	Source of Revenue	2005-2006 Actual Gross	Refund 2005- 2006	2005-2006 Net Revenue	2006-2007 Actual Gross	Refund 2006- 2007	2006-2007 Net Revenue	Net (+) or (-) Nu.	Net (+) or (-) %	% over Total Revenue
(1)	(2)	(3)	(4)	(5) [3-4]	(6)	(7)	(8) [6-7]	(9) [8-5]	(10) [9 of 5]	(11)
12.7	Animal Husbandry	7.830		7.830	9.455		9.455	1.625	20.75	0.09
12.8	Agriculture	1.185		1.185	0.686		0.686	(0.499)	(42.11)	0.01
12.9	Forest	7.648		7.648	10.073		10.073	2.425	31.71	0.10
12.10	Survey	15.048		15.048	63.476		63.476	48.428	321.82	0.63
12.11	Industrial plot/shed rent	7.071		7.071	50.372		50.372	43.301	612.37	0.50
12.12	Other division of trade & industry	3.173		3.173	0.356		0.356	(2.817)	(88.78)	0.00
12.13	Passport & visa fees	18.569		18.569	32.671		32.671	14.102	75.94	0.32
12.14	Education	2.073		2.073	2.530		2.530	0.457	22.05	0.03
12.15	Health	5.757		5.757	5.574		5.574	(0.183)	(3.18)	0.06
12.16	Registration	10.849		10.849	28.779		28.779	17.930	165.27	0.29
12.17	National Environment Commission	0.397		0.397	0.005		0.005	(0.392)	(98.74)	0.00
13	Dividend	1,542.429	0.000	1,542.429	2,125.164	2.000	2,123.164	580.735	37.65	21.06
13.1	BOB	20.000		20.000	40.000		40.000	20.000	100.00	0.40
13.2	PCAL	48.371		48.371	72.556		72.556	24.185	50.00	0.72
13.3	FCB	0.000		0.000	1.500		1.500	1.500		0.01
13.4	RICB	3.768		3.768	3.536	2.000	1.536	(2.232)	(59.24)	0.02
13.5	FDC	12.000		12.000	15.000		15.000	3.000	25.00	0.15
13.6	CHPC	1,356.122		1,356.122	1,847.810		1,847.810	491.688	36.26	18.33
13.7	BNB	11.339		11.339	16.198		16.198	4.859	42.85	0.16
13.8	BFAL	3.859		3.859	5.789		5.789	1.930	50.01	0.06
13.9	STCB	0.000		0.000	0.000		0.000	0.000		0.00
13.10	BTCL	0.597		0.597	0.000		0.000	(0.597)	(100.00)	0.00
13.11	BBPL	10.025		10.025	10.025		10.025	0.000	0.00	0.10
13.12	Bhutan Telecom	40.102		40.102	39.832		39.832	(0.270)	(0.67)	0.40
13.14	Asian Reinsurance Corporation	1.244		1.244	1.198		1.198	(0.046)	(3.70)	0.01
13.15	Basochu Hydro Power Corporation	35.002		35.002	71.700		71.700	36.698	104.85	0.71
13.60	BFPL	0.000		0.000	0.020		0.020	0.020		0.00
14	Transfer of Profits	503.268	0.000	503.268	2,678.750	0.000	2,678.750	2,175.482	432.27	26.57
14.1	Department of lottery	143.453		143.453	141.700		141.700	(1.753)	(1.22)	1.41
14.2	RMA	314.721		314.721	737.050		737.050	422.329	134.19	7.31
14.4	Special drawing rights	0.393		0.393	0.000		0.000	(0.393)	(100.00)	0.00
14.5	Transfers from others	44.701		44.701	1,800.000		1,800.000	1,755.299	3,926.76	17.85
15	Other Non-tax Revenue	18.312	0.000	18.312	8.344	0.200	8.144	(10.168)	(55.53)	0.08
15.1	Security / earnest money	0.258		0.258	0.405	0.200	0.205	(0.053)	(20.54)	0.00
15.2	Treaty payment 1949	0.500		0.500	0.500		0.500	0.000	0.00	0.00
15.3	Audit recovery account	3.104		3.104	1.570		1.570	(1.534)		0.02
15.4	Recovery of outstanding loans, veh. loan, etc.	14.450		14.450	5.869		5.869	(8.581)	(59.38)	0.06
16	Interest on loan from corp.	247.199		247.199	389.507		389.507	142.308	57.57	3.86
	Total Revenue (A+B)	6,974.431	71.524	6,902.907	10,147.491	65.331	10,082.160	3,179.253	46.06	100.00

ANNEXURE- II REVENUE PERFORMANCE BY REGION : FY 2006-2007

(Nu. In million)

Regional Revenue & Customs Office: Paro

SI. No.	SOURCE OF REVENUE	FY 2006-07		FY 2005-06 Actual	Achievement to Target		Collection compared to 2005-06	
		Collection	Target		Nu.	%	Nu.	%
A	Tax Revenue	91.530	93.856	80.924	(2.326)	(2.48)	10.606	13.11
I	Direct Tax	52.012	53.721	49.508	(1.709)	(3.18)	2.504	5.06
1	Business Income Tax	11.295	10.741	10.899	0.554	5.16	0.396	3.63
1.1	Business Income Tax	4.439	4.661	4.151	(0.222)	(4.76)	0.288	6.94
1.2	Contractor Tax	6.856	6.080	6.748	0.776	12.76	0.108	1.60
2	Personal Income Tax	11.856	10.657	10.698	1.199	11.25	1.158	10.82
2.1	TDS on personal income	11.513	9.909	10.010	1.604	16.19	1.503	15.01
2.1.1	Salary Tax	10.604	9.128	9.352	1.476	16.17	1.252	13.39
2.1.2	Rental Income	0.376	0.351	0.335	0.025	7.12	0.041	12.24
2.1.3	Interest	0.327	0.183	0.166	0.144	78.69	0.161	96.99
2.1.4	Other sources	0.206	0.247	0.157	(0.041)	(16.60)	0.049	31.21
2.2	Final personal income	0.305	0.748	0.680	(0.443)	(59.22)	(0.375)	(55.15)
2.3	PIT: Fines & penalties	0.038		0.008	0.038		0.030	375.00
3	Other Tax Revenue	28.861	32.323	27.911	(3.462)	(10.71)	0.950	3.40
3.1	Municipal tax	0.635	0.721	0.721	(0.086)	(11.93)	(0.086)	(11.93)
3.2	Health contribution	3.474	3.366	3.060	0.108	3.21	0.414	13.53
3.3	Foreign travel tax	19.230	22.736	15.854	(3.506)	(15.42)	3.376	21.29
3.4	Royalties	5.522	5.500	8.276	0.022	0.40	(2.754)	(33.28)
3.4.1	Forest products	5.522	5.500	8.276	0.022	0.40	(2.754)	(33.28)
II	Indirect Tax	39.518	40.135	31.416	(0.617)	(1.54)	8.102	25.79
4	Sales Tax	28.975	29.379	21.157	(0.404)	(1.38)	7.818	36.95
4.1	Sales tax on goods & commodities	2.745	2.958	2.816	(0.213)	(7.20)	(0.071)	(2.52)
4.2	Sales tax on hotel & restaurants	24.761	24.930	17.194	(0.169)	(0.68)	7.567	44.01
4.3	Sales tax on cable tv & cinema	1.469	1.491	1.147	(0.022)	(1.48)	0.322	28.07
5	Import Duty	10.543	10.756	10.259	(0.213)	(1.98)	0.284	2.77
5.1	Drinks & food stuff	1.463	2.143	2.041	(0.680)	(31.73)	(0.578)	(28.32)
5.2	Goods & commodities	9.061	8.613	8.203	0.448	5.20	0.858	10.46
5.3	Fines & penalties	0.019		0.015			0.004	26.67
B	Non-tax Revenue	19.287	12.947	20.062	6.340	48.97	(0.775)	(3.86)
6	Adm. Fees & Charges	11.302	6.539	5.446	4.763	72.84	5.856	107.53
6.1	Judiciary fees & charges	1.493	0.973	0.318	0.520	53.44	1.175	369.50
6.2	House rent	3.154	2.802	2.801	0.352	12.56	0.353	12.60
6.3	Hire charges	0.060		0.109	0.060		(0.049)	(44.95)
6.4	Rural life insurance	0.780	0.797	0.781	(0.017)	(2.13)	(0.001)	(0.13)
6.5	Other admn. charges & fees	5.815	1.967	1.437	3.848	195.63	4.378	304.66
7	Capital Revenue	1.558	1.103	1.088	0.455	41.25	0.470	43.20
7.1	Sale of govt. propertie / assets	0.078	0.220	0.221	(0.142)	(64.55)	(0.143)	(64.71)
7.2	Sale of agricultural products	1.189	0.660	0.655	0.529	80.15	0.534	81.53
7.3	Tender docement sales	0.291	0.223	0.212	0.068	30.49	0.079	37.26
8	Revenue From Govt. Dept.	6.393	5.305	13.522	1.088	20.51	(7.129)	(52.72)
8.1	Municipal revenue	0.071	0.519	0.522	(0.448)	(86.32)	(0.451)	(86.40)
8.2	Department of civil aviation	0.733	0.492	0.402	0.241	48.98	0.331	82.34
8.3	Animal husbandry	0.250	0.591	0.260	(0.341)	(57.70)	(0.010)	(3.85)
8.4	Agriculture	0.298	0.469	0.469	(0.171)	(36.46)	(0.171)	(36.46)
8.5	Forest	1.962	0.959	0.872	1.003	104.59	1.090	125.00
8.6	Survey	0.000		0.001	0.000		(0.001)	(100.00)
8.7	Industrial plot/shed rent	0.000		0.065	0.000		(0.065)	(100.00)
8.8	Passport & visa fees	2.511	1.908	10.401	0.603	31.60	(7.890)	(75.86)
8.9	Education	0.112	0.153	0.139	(0.041)	(26.80)	(0.027)	(19.42)
8.10	Health	0.090	0.068	0.062	0.022	32.35	0.028	45.16
8.11	Registration	0.366	0.146	0.329	0.220	150.68	0.037	11.25
9	Other Non-tax Revenue	0.034	0.000	0.006	0.034		0.028	466.67
9.1	Other o/s dues and recoveries	0.000	0.000	0.003	0.000		(0.003)	(100.00)
9.2	Security / earnest money	0.034		0.003				
Total Revenue (A+B)		110.817	106.803	100.986	4.014	3.76	9.831	9.74

ANNEXURE-II REVENUE PERFORMANCE BY REGION : FY 2006-2007

Regional Revenue & Customs Office: Phuentsholing

(Nu. In million)

SI. No.	SOURCE OF REVENUE	FY 2006-07		FY 2005-06 Actual	Achievement to Target		Collection compared to 2005-06	
		Collection	Target		Nu.	%	Nu.	%
A	TAX REVENUE	2,181.067	2,127.050	1,995.459	54.017	2.54	185.608	9.30
I	Direct Tax	1,347.177	1,297.517	1,235.370	49.660	3.83	111.807	9.05
1	Corporate Tax	1,082.100	1,086.940	1,005.138	(4.840)	(0.45)	76.962	7.66
1.1	BBPL	15.155	25.000	20.880	(9.845)	(39.38)	(5.725)	(27.42)
1.2	BFAL	17.237	15.000	14.464	2.237	14.91	2.773	19.17
1.3	BOBL	84.040	84.538	56.909	(0.498)	(0.59)	27.131	47.67
1.4	RICBL	38.584	40.200	35.899	(1.616)	(4.02)	2.685	7.48
1.5	CHPCL	841.040	836.736	736.56	4.304	0.51	104.480	14.18
1.6	FCBL	2.847	2.000	0.950	0.847	42.35	1.897	199.68
1.7	BCCL	5.734	3.750	24.383	1.984	52.91	(18.649)	(76.48)
1.8	AWPL	2.742	1.500	2.724	1.242	82.80	0.018	0.66
1.9	STCBL	4.921	2.639	3.272	2.282	86.47	1.649	50.40
1.10	2% Cont.tax	11.758	70.577	16.719	(58.819)	(83.34)	(4.961)	(29.67)
1.11	3% Cont.tax	42.111	0.000	86.827	42.111		(44.716)	(51.50)
1.12	TDS on suppliers	3.234	0.000	0.758	3.234		2.476	326.65
1.13	Other corporations/fines	12.697	5.000	4.793	7.697	153.94	7.904	164.91
2	Business Income Tax	116.047	86.088	111.073	29.959	34.80	4.974	4.48
2.1	Business Income Tax	53.887	55.199	64.939	(1.312)	(2.38)	(11.052)	(17.02)
2.2	Withholding tax(Tourism)			0.003	0.000		(0.003)	(100.00)
2.3	Contractor tax	62.160	30.889	46.131	31.271	101.24	16.029	34.75
3	Personal Income Tax	51.349	39.338	41.410	12.011	30.53	9.939	24.00
3.1	TDS on personal income tax	43.632	34.247	32.305	9.385	27.40	11.327	35.06
3.1.1	Salary tax	26.372	19.429	17.663	6.943	35.74	8.709	49.31
3.1.2	Rental income	5.056	5.432	4.268	(0.376)	(6.92)	0.788	18.46
3.1.3	Interest	4.547	4.168	5.861	0.379	9.09	(1.314)	(22.42)
3.1.4	Dividend	6.435	4.083	3.357	2.352	57.60	3.078	91.69
3.1.5	Other sources	1.222	1.135	1.156	0.087	7.67	0.066	5.71
3.2	Final personal income tax	7.542	5.000	8.904	2.542	50.84	(1.362)	(15.30)
3.3	PIT:Fines & penalties	0.175	0.091	0.201	0.084	92.31	(0.026)	(12.94)
4	Other Direct Tax Revenue	97.681	85.151	77.749	12.530	14.72	19.932	25.64
4.1	Motor vehicle tax	27.278	27.347	26.383	(0.069)	(0.25)	0.895	3.39
4.2	Business & professional licenses	8.077	6.484	6.397	1.593	24.57	1.680	26.26
4.3	Municipal tax	6.023	1.607	2.577	4.416	274.80	3.446	133.72
4.4	Health contribution	10.058	10.284	9.349	(0.226)	(2.20)	0.709	7.58
4.5	Royalties	46.245	39.429	33.043	6.816	17.29	13.202	39.95
4.5.1	Forestry products	1.533	2.278	3.431	(0.745)	(32.70)	(1.898)	(55.32)
4.5.2	Mines & minerals	44.712	37.151	29.612	7.561	20.35	15.100	50.99
II	Indirect Tax	833.890	829.533	760.089	4.357	0.53	73.801	9.71
5	Sales Tax	643.987	627.036	563.049	16.951	2.70	80.938	14.37
5.1	Sales tax on goods & commodities	430.95	401.870	349.98	29.077	7.24	80.967	23.13
5.2	Sales tax on petroleum products	24.967	21.737	20.855	3.230	14.86	4.112	19.72
5.3	Sales tax on hotel & restaurants	5.019	5.152	5.384	(0.133)	(2.58)	(0.365)	(6.78)
5.4	Sales tax on beer, aerated water & alcoholic drinks	180.23	194.917	183.941	(14.683)	(7.53)	(3.707)	(2.02)
5.5	Sales tax on cable tv & cinema	2.820	3.360	2.889	(0.540)	(16.07)	(0.069)	(2.39)
6	Export Tax	0.012	0.026	0.284	(0.014)	(53.85)	(0.272)	(95.77)
6.1	Timbers	0.012	0.026	0.284	(0.014)	(53.85)	(0.272)	(95.77)
7	Excise Duty	51.920	57.620	47.113	(5.700)	(9.89)	4.807	10.20
7.1	Distillery products	51.920	57.620	47.113	(5.700)	(9.89)	4.807	10.20
8	Import Duty	137.971	144.851	149.643	(6.880)	(4.75)	(11.672)	(7.80)
8.1	Goods & commodities/ food stuff	126.480	135.624	137.715	(9.144)	(6.74)	(11.235)	(8.16)
8.2	Customs service charges	11.491	9.227	11.928	2.264	24.54	(0.437)	(3.66)

ANNEXURE-II REVENUE PERFORMANCE BY REGION : FY 2006-2007

(Nu. In million)

Sl. No.	SOURCE OF REVENUE	FY 2006-07		FY 2005-06 Actual	Achievement to Target		Collection compared to 2005-06	
		Collection	Target		Nu.	%	Nu.	%
B	Non-tax Revenue	3,988.329	3,827.100	1,625.659	161.229	4.21	2,362.670	145.34
9	Admn. Fees & Charges	62.959	74.128	54.554	(11.169)	(15.07)	8.405	15.41
9.1	Judiciary fees & charges	0.961	0.775	0.736	0.186	24.00	0.225	30.57
9.2	House rent	9.072	7.664	9.548	1.408	18.37	(0.476)	(4.99)
9.3	Hire charges	0.148	0.358	0.073	(0.210)	(58.66)	0.075	102.74
9.4	Motor vehicle fees & charges	6.021	5.463	6.464	0.558	10.21	(0.443)	(6.85)
9.5	Deport surcharge on petroleum pdts.	25.997	24.712	23.645	1.285	5.20	2.352	9.95
9.6	Rural life insurance	0.990	1.105	0.717	(0.115)	(10.41)	0.273	38.08
9.7	Other admn. charges & fees	19.770	34.051	13.371	(14.281)	(41.94)	6.399	47.86
10	Capital Revenue	0.846	11.114	11.692	(10.268)	(92.39)	(10.846)	(92.76)
10.1	Sale of govt. properties/ assets	0.015		0.202	0.015		(0.187)	(92.57)
10.2	Tender documents	0.672	0.614	0.755	0.058	9.45	(0.083)	(10.99)
10.3	Sale of agricultural products.	0.083		0.117				0.00
10.4	Other capital revenue	0.076	10.500	10.618	(10.424)	(99.28)	(10.542)	(99.28)
11	Revenue from Govt. Depts. Agency	73.243	24.845	21.975	48.398	194.80	51.268	233.30
11.1	Municipal revenue	7.925	7.221	9.277	0.704	9.75	(1.352)	(14.57)
11.2	Department of civil aviation			0.765				
11.3	Animal husbandry	0.054	0.068	0.144	(0.014)	(20.59)	(0.090)	(62.50)
11.4	Agriculture	0.035					0.035	
11.5	Forest	3.906	1.694	3.347	2.212	130.58	0.559	16.70
11.6	Survey		0.000	0.144	0.000		(0.144)	(100.00)
11.7	Industrial plot/shed rent	47.495	4.124	2.582	43.371	1,051.67	44.913	1,739.47
11.8	Other division of trade & industry	0.003		0.033			(0.030)	(90.91)
11.9	Visa fees	0.219	0.159	1.750	0.060	37.74	(1.531)	(87.49)
11.10	Education	0.174	0.13	0.165	0.044	33.85	0.009	5.45
11.11	Health	0.972	0.833	0.633	0.139	16.69	0.339	53.55
11.12	Registration	12.460	10.616	3.135	1.844	17.37	9.325	297.45
12	Dividends	1,908.660	1,815.460	1,393.774	93.200	5.13	514.886	36.94
12.1	BOBL	40.000	40.000	20.000	0.000	0.00	20.000	100.00
12.2	BBPL	10.025	10.025	10.025	0.000	0.00	0.000	0.00
12.3	FCBL	1.500	1.500		0.000	0.00	1.500	
12.4	CHPCL	1,847.810	1,757.145	1,356.12	90.665	5.16	491.688	36.26
12.5	RICBL	3.536	3.840	3.768	(0.304)	(7.92)	(0.232)	(6.16)
12.6	BFAL	5.789	1.930	3.859	3.859	199.95	1.930	50.01
12.7	STCBL		1.020		(1.020)	(100.00)	0.000	
13	Transfer of profits	1,941.700	1,900.000	143.453	41.700	2.19	1,798.247	1,253.54
13.1	Department of Lottery	141.700	150.000	143.453	(8.300)	(5.53)	(1.753)	(1.22)
13.2	Transfer of fund (THPA)	1,800.000	1,750.000		50.000	2.86	1,800.000	
14	Other Non-tax Revenue	0.921	1.553	0.211	(0.632)	(40.70)	0.710	336.49
14.1	Other non-tax revenue	0.000		0.004	0.000		(0.004)	(100.00)
14.2	Security / earnest money	0.173		0.012			0.161	1,341.67
14.3	Recovery of outstanding loan, vehicle loan etc.	0.748	1.553	0.195	(0.805)	(51.84)	0.553	283.59
Total Tax and Non-tax Revenue		6,169.396	5,954.150	3,621.118	215.246	3.62	2,548.278	70.37

ANNEXURE-II REVENUE PERFORMANCE BY REGION : FY 2006-2007

Regional Revenue & Customs Office: Thimphu

(Nu. In million)

SI. No.	SOURCE OF REVENUE	FY 2006-07		FY 2005-06 Actual	Achievement to Target		Collection compared to 2005-06	
		Collection	Target		Nu.	%	Nu.	%
A	Tax Revenue	1,484.157	1,355.926	1,644.229	128.231	9.46	(160.072)	(9.74)
I	Direct Tax	1,038.880	919.960	833.399	118.920	12.93	205.481	24.66
1	Corporate Income Tax	296.811	251.241	216.945	45.570	18.14	79.866	36.81
1.1	FDCL	29.530	15.510	14.098	14.020	90.39	15.432	109.46
1.2	AWPL	0.926	1.353	1.229	(0.427)	(31.56)	(0.303)	(24.65)
1.3	BTCL	3.267	4.928		(1.661)	(33.71)	3.267	
1.4	Bhutan telecom	117.760	89.000	89.376	28.760	32.31	28.384	31.76
1.5	BNBL	86.297	80.000	65.176	6.297	7.87	21.121	32.41
1.6	Kuensel corporation	0.700	3.770	0.500	(3.070)	(81.43)	0.200	40.00
1.7	BHPCL	43.020	51.400	41.878	(8.380)	(16.30)	1.142	2.73
1.8	2% Cont.tax				0.000		0.000	
1.9	3% Cont.tax				0.000		0.000	
1.10	TDS on suppliers				0.000		0.000	
1.1	Other corporations/fines	15.311	5.280	4.688	10.031	189.98	10.623	226.60
2	Business Income Tax	170.170	163.470	156.978	6.700	4.10	13.192	8.40
2.1	Business Income Tax	47.013	49.172	51.305	(2.159)	(4.39)	(4.292)	(8.37)
2.2	Withholding tax(Tourism)	5.252	10.957	7.244	(5.705)	(52.07)	(1.992)	(27.50)
2.3	Contractor tax	117.905	103.341	98.429	14.564	14.09	19.476	19.79
3	Personal Income Tax	84.522	65.864	62.763	18.658	28.33	21.759	34.67
3.1	TDS on personal income tax	67.163	52.330	49.875	14.833	28.35	17.288	34.66
3.1.	Salary tax	51.853	39.181	34.071	12.672	32.34	17.782	52.19
3.1.	Rental income	6.200	5.229	4.983	0.971	18.57	1.217	24.42
3.1.	Interest	3.984	7.920	10.821	(3.936)	(49.70)	(6.837)	(63.18)
3.1.	Dividend	5.124	0.000	0.000	5.124		5.124	
3.1.	Other sources	0.002	0.000	0.000	0.002		0.002	
3.2	Final personal income tax	17.030	13.398	12.756	3.632	27.11	4.274	33.51
3.3	PIT:Fines & penalties	0.329	0.137	0.132	0.193	141.03	0.197	149.24
4	Other Tax Revenue	487.377	439.385	396.713	47.992	10.92	90.664	22.85
4.1	Motor vehicle tax	46.916	49.618	41.778	(2.702)	(5.45)	5.138	12.30
4.2	Business & professional license	29.477	12.726	12.123	16.751	131.63	17.354	143.15
4.3	Municipal tax	0.328	0.220	0.303	0.108	49.09	0.025	8.25
4.4	Health contribution	21.498	21.862	19.009	(0.364)	(1.66)	2.489	13.09
4.5	Royalties	389.158	354.959	323.500	34.199	9.63	65.658	20.30
4.5.	Forest products	22.883	18.508	9.059	4.375	23.64	13.824	152.60
4.5.	Mines & minerals	1.444		0.002	1.444		1.442	72100.00
4.5.	Tourism	364.831	336.451	314.439	28.380	8.44	50.392	16.03
II	Indirect Tax	445.277	435.966	810.830	9.311	2.14	(365.553)	(45.08)
5	Sales Tax	32.453	30.210	28.558	2.243	7.42	3.895	13.64
5.1	Sales tax on goods & commodity	2.579	1.744	1.444	0.835	47.88	1.135	78.60
5.2	Sales tax on beer, aerated water & alcoholic drinks	2.085	3.759	3.584	(1.674)	(44.53)	(1.499)	(41.82)
5.3	Sales tax on hotels & restaurant	24.572	20.895	19.897	3.677	17.60	4.675	23.50
5.4	Sales tax on cable tv & cinema	3.217	3.812	3.633	(0.595)	(15.61)	(0.416)	(11.45)
6	Export Tax	0	0	0	0.000		0.000	
6.1	Other export tax	0	0	0.000	0.000			
7	Excise Duty	402.966	399.908	776.405	3.058	0.76	(373.439)	(48.10)
7.1	Distillery products	23.564	21.158	20.147	2.406	11.37	3.417	16.96
7.2	Excise duty refund (GOI)	379.402	378.750	756.258	0.652	0.17	(376.856)	(49.83)
8	Import Duty	1.488	0.86	1.119	0.628		0.369	32.98
	Goods & commodities	0.992	0.860	1.119				
	Drinks & food stuff	0.491						
	Fines & penalties							
	Customs service charges	0.005						
9	Other Indirect Tax Revenue	8.370	4.988	4.748	3.382	67.80	3.622	76.28
9.1	Sale of revenue stamps	8.370	4.988	4.748	3.382	67.80	3.622	76.28

ANNEXURE- II REVENUE PERFORMANCE BY REGION : FY 2006-2007

(Nu. In million)

Sl. No.	SOURCE OF REVENUE	FY 2006-07		FY 2005-06 Actual	Achievement to Target		Collection compared to 2005-06	
		Collection	Target		Nu.	%	Nu.	%
B	Non-tax Revenue	1,545.240	1,477.928	924.401	67.312	4.55	620.839	67.16
10	Adm. Fees & Charges	72.055	76.776	73.057	(4.721)	(6.15)	(1.002)	(1.37)
10.1	Judiciary fees & charges	11.126	12.264	11.677	(1.138)	(9.28)	(0.551)	(4.72)
10.2	House rent	38.360	40.152	38.244	(1.792)	(4.46)	0.116	0.30
10.3	Hire charges	4.455	7.350	7.002	(2.895)	(39.39)	(2.547)	(36.38)
10.4	Motor vehicle fees & charges	9.471	8.127	7.692	1.344	16.54	1.779	23.13
10.5	Rural life insurance	1.443	1.995	1.897	(0.552)	(27.67)	(0.454)	(23.93)
10.6	Other admn. charges & fees	7.200	6.888	6.545	0.312	4.53	0.655	10.01
11	Capital Revenue	99.124	109.297	88.494	(10.173)	(9.31)	10.630	12.01
11.1	Sale of govt. properties/ assets	81.430	93.954	46.027	(12.524)	(13.33)	35.403	76.92
11.2	Coal mine bid value			13.650	0.000		(13.650)	(100.00)
11.3	Sale of agricultural pdts.	0.047	0.050	0.043	(0.003)	(6.00)	0.004	9.30
11.4	Tender document sales	4.211	1.790	4.488	2.421	135.25	(0.277)	(6.17)
11.5	Dolomite mine bid value			13.65	0.000		(13.650)	
11.6	Other capital revenue	13.436	13.503	10.636	(0.067)	(0.50)	2.800	
12	Revenue From Govt. Dept.	100.048	55.407	41.744	44.640	80.57	58.304	139.67
12.1	Division of roads	0.021	0.221	0.211	(0.200)	(90.48)	(0.190)	(90.05)
12.2	Public works division	2.218	0.756	0.721	1.462	193.39	1.497	207.63
12.3	Municipal revenue	0.363	0.084	0.077	0.279	332.14	0.286	371.43
12.4	Radio spectrum management	2.032	2.173	2.069	(0.141)	(6.51)	(0.037)	(1.79)
12.5	Contractor development board	1.421	2.121	2.019	(0.700)	(33.00)	(0.598)	(29.62)
12.6	Department of civil aviation	0	0		0.000		0.000	
12.7	Animal husbandry	2.997	2.184	2.083	0.813	37.23	0.914	43.88
12.8	Agriculture	0.328	0.7035	0.666	(0.376)	(53.38)	(0.338)	(50.75)
12.9	Forest	0.708	0.756	0.717	(0.048)	(6.35)	(0.009)	(1.26)
12.10	Survey	47.887	13.461	12.816	34.426	255.75	35.071	273.65
12.11	Industrial plot/shed rent	1.984	3.9375	3.749	(1.954)	(49.61)	(1.765)	(47.08)
12.12	Other division of trade & industry	0.353	3.244	3.086	(2.891)	(89.12)	(2.733)	(88.56)
12.13	Passport & visa fees	29.941	18.290	6.418	11.651	63.70	23.523	366.52
12.14	Education	0.846	0.809	0.768	0.037	4.64	0.078	10.16
12.15	Health	2.207	3.160	3.008	(0.954)	(30.17)	(0.801)	(26.63)
12.16	Registration	6.737	3.087	2.939	3.650	118.24	3.798	129.23
12.17	National environment commission	0.005	0.420	0.397	(0.415)	(98.81)	(0.392)	(98.74)
13	Dividends	143.928	146.259	100.284	(2.331)	(1.59)	43.644	43.52
13.1	BNBL	16.198	11.907	11.339	4.291	36.04	4.859	42.85
13.2	Asian reinsurance corporation	1.198	1.302	1.244	(0.104)	(7.99)	(0.046)	(3.70)
13.3	Bhutan telecom	39.832	48.120	40.102	(8.288)	(17.22)	(0.270)	(0.67)
13.4	FDCL	15.000	12.600	12.000	2.400	19.05	3.000	25.00
13.5	BTCL	0.000	0.630	0.597	(0.630)	(100.00)	(0.597)	(100.00)
13.6	BHPCL	71.700	71.700	35.002	0.000	0.00	36.698	104.85
14	Transfer Of Profit	737.050	693.810	359.815	43.240	6.23	377.235	104.84
14.1	RMA	737.050	693.400	314.721	43.650	6.30	422.329	134.19
14.2	Special drawing rights		0.410	0.393	(0.410)		(0.393)	(100.00)
14.3	Transfer from others	0.000		44.701	0.000		(44.701)	
15	Other Non-tax Revenue	3.528	3.450	13.808	0.078	2.26	(10.280)	(74.45)
15.1	Other non-tax revenue	1.300	1.380	10.182	(0.080)	(5.80)	(8.882)	(87.23)
15.2	Security / earnest money	0.158		0.022			0.136	
15.3	Treaty payment 1949.	0.500	0.500	0.500	0.000	0.00	0.000	0.00
15.4	Audit recovery account	1.570	1.570	3.104	0.000	0.00	(1.534)	
16	Interest on loan from corp.	389.507	392.928	247.199	(3.421)	(0.87)	142.308	57.57
	Total Revenue (A+ B)	3,029.397	2,833.854	2,568.630	195.544	6.90	460.767	17.94

ANNEXURE-II REVENUE PERFORMANCE BY REGION : FY 2006-2007

Regional Revenue & Customs Office: Gelephu

(Nu. In million)

Sl. No.	SOURCE OF REVENUE	FY 2006-07		FY 2005-06 Actual	Achievement to Target		Collection compared to 2005-06	
		Collection	Target		Nu.	%	Nu.	%
A	TAX REVENUE	101.462	94.370	88.509	7.092	7.52	12.953	14.63
I	DIRECT TAXES	68.615	63.714	58.541	4.901	7.69	10.074	17.21
1	CORPORATE INCOME TAX	6.497	4.688	4.606	1.809	38.59	1.891	41.06
1.1	AWPL	6.497	4.688	4.465	1.809	38.59	2.032	45.51
1.2	Other corporations/fines			0.141	0.000		(0.141)	(100.00)
1.3	2% Cont. tax				0.000		0.000	
1.4	3% Cont. tax				0.000		0.000	
1.5	TDS on suppliers				0.000		0.000	
2	BUSINESS INCOME TAX	23.102	26.194	23.731	(3.092)	(11.80)	(0.629)	(2.65)
2.1	Business Income Tax	10.662	12.502	10.039	(1.840)	(14.72)	0.623	6.21
2.2	Contractor tax	12.440	13.692	13.692	(1.252)	(9.14)	(1.252)	(9.14)
3	PERSONAL INCOME TAX	8.249	4.988	4.914	3.261	65.38	3.335	67.87
3.1	TDS on personal income tax	7.974	4.749	4.710	3.225	67.91	3.264	69.30
3.1.1	Salary tax	7.273	4.118	4.118	3.155	76.61	3.155	76.61
3.1.2	Rental income	0.475	0.382	0.363	0.093	24.35	0.112	30.85
3.1.3	Interest	0.206	0.203	0.203	0.003	1.48	0.003	1.48
3.1.4	Other sources	0.020	0.046	0.026	(0.026)	(56.52)	(0.006)	(23.08)
3.2	Final personal income tax	0.242	0.214	0.180	0.028	13.08	0.062	34.44
3.3	PIT:Fines & penalties	0.033	0.025	0.024	0.008	32.00	0.009	37.50
4	Other Tax Revenue	30.767	27.844	25.290	2.923	10.50	5.477	21.66
4.1	Motor vehicle tax	8.190	7.576	7.363	0.614	8.10	0.827	11.23
4.2	Business & professional licenses	3.588	3.124	2.787	0.464	14.85	0.801	28.74
4.3	Municipal tax	0.875	0.740	0.740	0.135	18.24	0.135	18.24
4.4	Health contribution	4.573	4.266	4.266	0.307	7.20	0.307	7.20
4.5	Royalties	13.541	12.138	10.134	1.403	11.56	3.407	33.62
4.5.1	Forest products	13.337	11.982	10.122	1.355	11.31	3.215	31.76
4.5.2	Mines & minerals	0.204	0.156	0.012	0.048	30.77	0.192	1,600.00
II	INDIRECT TAXES	32.847	30.656	29.968	2.191	7.15	2.879	9.61
5	SALES TAX	20.222	18.045	17.357	2.177	12.06	2.865	16.51
5.1	Sales tax on goods & commodities	5.307	4.357	4.357	0.950	21.80	0.950	21.80
5.2	Sales tax on petroleum products	10.979	9.545	9.360	1.434	15.02	1.619	17.30
5.3	Sales tax on hotel & restaurants	2.421	2.157	2.157	0.264	12.24	0.264	12.24
5.4	Sales tax on cable tv & cinema	1.515	1.986	1.483	(0.471)	(23.72)	0.032	2.16
6	EXPORT TAX	0	0	0	0.000		0.000	
6.1	Export tax on timbers	0	0	0	0.000		0.000	

ANNEXURE-II REVENUE PERFORMANCE BY REGION : FY 2006-2007

(Nu. In million)

Sl. No.	SOURCE OF REVENUE	FY 2006-07		FY 2005-06 Actual	Achievement to Target		Collection compared to 2005-06	
		Collection	Target		Nu.	%	Nu.	%
7	EXCISE DUTY	12.625	12.611	12.611	0.014	0.11	0.014	0.11
7.1	Distillery products	12.625	12.611	12.611	0.014	0.11	0.014	0.11
B	NON -TAX REVENUE	56.188	41.330	37.142	14.858	35.95	19.046	51.28
8	ADMINISTRATIVE FEES AND CHARGES	27.198	26.352	24.765	0.846	3.21	2.433	9.82
8.1	Judiciary fees & charges	0.561	0.794	0.794	(0.233)	(29.35)	(0.233)	(29.35)
8.2	House rent	5.803	6.017	5.429	(0.214)	(3.56)	0.374	6.89
8.3	Hire charges	8.496	8.314	7.852	0.182	2.19	0.644	8.20
8.4	Rural life insurance	4.175	3.455	3.160	0.720	20.84	1.015	32.12
8.5	Motor vehicle fees & charges	1.515	1.601	1.360	(0.086)	(5.37)	0.155	11.40
8.6	Deport surcharge on petroleum products	5.174	4.724	4.724	0.450	9.53	0.450	9.53
8.7	Other admn. charges & fees	1.474	1.447	1.446	0.027	1.87	0.028	1.94
9	CAPITAL REVENUE	2.551	6.324	4.029	(3.773)	(59.66)	(1.478)	(36.68)
9.1	Sale of govt. properties/ assets	0.270		1.462	0.270		(1.192)	(81.53)
9.2	Sale of agricultural products	1.110	5.101	1.344		0.00	(0.234)	(17.41)
9.3	Tender document sales	1.171	1.223	1.223	(0.052)	(4.25)	(0.052)	(4.25)
10	REVENUE FROM GOVT./DEPT./AGENCY	26.419	8.574	8.140	17.845	208.13	18.279	224.56
10.1	Municipal revenue	2.292	1.920	1.920	0.372	19.37	0.372	19.37
10.2	Animal husbandry	2.047		1.824	2.047		0.223	12.23
10.3	Agriculture	0.002	3.240	0.015	(3.238)	(99.94)	(0.013)	(86.67)
10.4	Forest	1.053		0.741	1.053		0.312	42.11
10.5	Survey	14.440		0.661	14.440		13.779	2,084.57
10.6	Industrial plot/shed rent	0.327	0.801	0.387	(0.474)	(59.18)	(0.060)	(15.50)
10.7	Other division of trade & industry	0.000		0.054	0.000		(0.054)	(100.00)
10.8	Education	0.339	0.383	0.308	(0.044)	(11.49)	0.031	10.06
10.9	Health	1.315	1.127	1.127	0.188	16.68	0.188	16.68
10.10	Registration	4.604	1.103	1.103	3.501	317.41	3.501	317.41
11	OTHER NON -TAX REVENUE	0.020	0.080	0.208	(0.060)	(75.00)	(0.188)	(90.38)
11.1	Vehicle instalment loan recovery	0.007	0.070	0.040	(0.063)	(90.00)	(0.033)	(82.50)
11.2	Security / earnest money	0.012		0.023			(0.011)	
11.3	Other outstanding/dues recovery	0.001	0.010	0.145	(0.009)	(90.00)	(0.144)	(99.31)
TOTAL (A+B)		157.650	135.700	125.651	21.950	16.18	31.999	25.47

ANNEXURE-II REVENUE PERFORMANCE BY REGION : FY 2006-2007

Regional Revenue & Customs Office: Samtse

(Nu. In million)

Sl. No.	SOURCE OF REVENUE	FY 2006-07		FY 2005-06 Actual	Achievement to Target		Collection compared to 2005-06	
		Collection	Target		Nu.	%	Nu.	%
A	TAX REVENUE	264.515	213.582	207.246	50.933	23.85	57.269	27.63
I	Direct Tax	180.507	141.917	138.632	38.590	27.19	41.875	30.21
1	Corporate Income Tax	144.062	108.103	106.997	35.959	33.26	37.065	34.64
1.1	PCAL	98.872	83.430	83.33	15.442	18.51	15.542	18.65
1.2	BFPL	2.721	3.048	2.948	(0.327)	(10.73)	(0.227)	(7.70)
1.3	AWP	8.545	4.601	4.501	3.944	85.72	4.044	89.85
1.4	Yangzom Cement	0.329	0.132	0.032	0.197	149.24	0.297	928.13
1.5	Lhaki Cement	7.080	4.333	4.233	2.747	63.40	2.847	67.26
1.6	Bhutan Polymer	3.315	3.100	2.927	0.215	6.94	0.388	13.26
1.7	2% Cont.tax	5.050	7.583	3.106	(2.533)	(33.40)	1.944	62.59
1.8	3% Cont.tax	8.850		3.967			4.883	123.09
1.9	TDS on suppliers	1.992		0.232			1.760	758.62
1.10	Other corporations/fines	7.308	1.876	1.721	5.432	289.55	5.587	324.64
2	Business Income Tax	12.220	19.214	18.931	(6.994)	(36.40)	(6.711)	(35.45)
2.1	Business Income Tax	7.248	9.787	9.733	(2.539)	(25.94)	(2.485)	(25.53)
2.2	Contractor tax	4.972	9.427	9.198	(4.455)	(47.26)	(4.226)	(45.94)
3	Personal Income Tax	13.062	7.340	7.155	5.722	77.96	5.907	82.56
3.1	TDS on personal income tax	12.380	6.816	6.739	5.564	81.63	5.641	83.71
3.1.	Salary tax	6.007	3.307	3.43	2.700	81.64	2.577	75.13
3.1.	Rental income	0.210	0.235	0.185	(0.025)	(10.64)	0.025	13.51
3.1.	Interest	1.223	0.453	0.403	0.770	169.98	0.820	203.47
3.1.	Dividend	4.940	2.821	2.721	2.119	75.12	2.219	81.55
3.2	Final personal income tax	0.525	0.497	0.397	0.028	5.63	0.128	32.24
3.3	PIT:Fines & penalties	0.157	0.027	0.019	0.130	481.48	0.138	726.32
4	Other Tax Revenue	11.163	7.260	5.549	3.903	53.76	5.614	101.17
4.1	Municipal tax	1.354	1.166	1.215	0.188	16.12	0.139	11.44
4.2	Health contribution	2.476	2.289	2.203	0.187	8.17	0.273	12.39
4.3	Royalties	7.333	3.805	2.131	3.528	92.72	5.202	244.11
4.3.	Royalty on forestry products	7.333	3.805	2.121	3.528	92.72	5.212	245.73
4.3.	Royalty on mines & minerals	0.000		0.010	0.000		(0.010)	
II	Indirect Tax	84.008	71.665	68.614	12.343	17.22	15.394	22.44
5	Sales Tax	49.964	43.730	42.414	6.234	14.26	7.550	17.80
5.1	Sales tax on goods & commodities	36.630	38.326	32.254	(1.696)	(4.43)	4.376	13.57
5.2	Sales tax on petroleum products	7.984	4.517	4.317	3.467	76.75	3.667	84.94
5.3	Sales tax on cable tv & cinema	0.759	0.887	0.694	(0.128)	(14.43)	0.065	9.37
5.4	Sales tax on hotels & restaurants	0.000		0.001	0.000		(0.001)	
5.5	Sales tax on beer, aerated water &	4.591		5.148	4.591		(0.557)	

ANNEURE- II REVENUE PERFORMANCE BY REGION : FY 2006-2007

(Nu. In million)

Sl. No.	SOURCE OF REVENUE	FY 2006-07		FY 2005-06 Actual	Achievement to Target		Collection compared to 2005-06	
		Collection	Target		Nu.	%	Nu.	%
6	Export Tax	0.000	0.076	0.030	(0.076)	(100.00)	(0.030)	(100.00)
6.1	Timber	0.000	0.018	0.029	(0.018)	(100.00)	(0.029)	(100.00)
6.2	Stone & boulder	0.000	0.058	0.001	(0.058)	(100.00)	(0.001)	(100.00)
7	Excise Duty	33.910	27.859	26.170	6.051	21.72	7.740	29.58
7.1	Distillery products	33.910	27.859	26.170	6.051	21.72	7.740	29.58
8	Import Duty	0.134	0.000	0.000	0.134		0.134	
8.1	Goods & commodities	0.134			0.134		0.134	
B	NON-TAX REVENUE	89.959	68.477	62.113	21.482	31.37	27.846	44.83
8	Adm. Fees & Charges	11.118	12.534	10.003	(1.416)	(11.30)	1.115	11.15
8.1	Judiciary fees & charges	0.301	0.202	0.540	0.099	49.01	(0.239)	(44.26)
8.2	House rent	2.765	2.990	2.681	(0.225)	(7.53)	0.084	3.13
	Hire charges	0.001						
8.3	Deport surcharge on petroleum products	5.654	6.338	4.993	(0.684)	(10.79)	0.661	13.24
8.4	Rural life insurance	1.362		1.347	1.362		0.015	
8.5	Other admn. charges & fees	1.035	3.004	0.442	(1.969)	(65.55)	0.593	134.16
9	Capital Revenue	0.391	0.653	0.172	(0.262)	(40.12)	0.219	127.33
9.1	Tender documents	0.340	0.270	0.143	0.070	25.93	0.197	137.76
9.2	Other capital revenue	0.051	0.383	0.029	(0.332)	(86.68)	0.022	75.86
10	Rev. from Govt. Dept.	5.841	4.475	3.489	1.366	30.53	2.352	67.41
10.1	Municipal revenue	0.342	0.223	0.191	0.119	53.36	0.151	79.06
10.2	Animal husbandry	2.349	2.200	2.164	0.149	6.77	0.185	8.55
10.3	Forest	1.092	0.715	0.806	0.377		0.286	
10.4	Education	0.381	0.094	0.075	0.287	305.32	0.306	408.00
10.5	Health	0.046	0.043	0.049	0.003	6.98	(0.003)	(6.12)
10.6	Registration	1.631	1.200	0.204	0.431	35.92	1.427	699.51
11	Dividend	72.576	50.371	48.371	22.205	44.08	24.205	50.04
11.1	PCAL	72.556	50.371	48.371	22.185	44.04	24.185	50.00
11.2	BFPL	0.020						
12	Other Non-tax Revenue	0.033	0.444	0.078	(0.411)	(92.57)	(0.045)	(57.69)
12.1	Security / earnest money	0.022	0.420	0.046	(0.398)	(94.76)	(0.024)	(52.17)
12.2	Other o/s dues and recoveries	0.000		0.015	0.000		(0.015)	
12.3	Recovery of vehicle instalment	0.011	0.024	0.017	(0.013)	(54.17)	(0.006)	(35.29)
Total (A+B)		354.474	282.059	269.359	72.415	25.67	85.115	31.60

ANNEXURE-II REVENUE PERFORMANCE BY REGION : FY 2006-2007

Regional Revenue & Customs Office: Samdrup Jongkhar

(Nu. In million)

SI. No.	SOURCE OF REVENUE	FY 2006-07		FY 2005-06 Actual	Achievement to Target		Collection compared to 2005-06	
		Collection	Target		Nu.	%	Nu.	%
A	TAX REVENUE	207.019	188.934	179.655	18.085	9.57	27.364	15.23
I	Direct Tax	155.094	141.973	133.600	13.121	9.24	21.494	16.09
1	Corporat Income Tax	37.470	35.339	29.612	2.131	6.03	7.858	26.54
1.1	AWPL	0.340	0.339	0.518	0.001	0.29	(0.178)	(34.36)
1.2	DSCL	19.807	17.000	15.212	2.807	16.51	4.595	30.21
1.3	EBCCL	17.323	18.000	13.882	(0.677)	(3.76)	3.441	24.79
1.5	2% Cont. Tax				0.000		0.000	
1.6	3% Cont. Tax				0.000		0.000	
1.7	Other corporations/fines				0.000		0.000	
2	Business Income Tax	35.325	38.791	37.886	(3.466)	(8.94)	(2.561)	(6.76)
2.1	Business IncomeTax	15.543	15.483	15.032	0.060	0.39	0.511	3.40
2.2	Contractor tax	19.782	23.308	22.854	(3.526)	(15.13)	(3.072)	(13.44)
3	Personal Income Tax	18.133	11.955	11.464	6.178	51.68	6.669	58.17
3.1	TDS on personal income tax	16.489	11.106	10.624	5.383	48.47	5.865	55.21
3.1.	Salary tax	12.343	7.654	7.206	4.689	61.26	5.137	71.29
3.1.	Rental income	0.881	0.755	0.748	0.126	16.69	0.133	17.78
3.1.	Interest	1.562	1.774	1.755	(0.212)	(11.95)	(0.193)	(11.00)
3.1.	Dividend	1.629	0.855	0.847	0.774	90.53	0.782	92.33
3.1.	Other sources	0.074	0.068	0.068	0.006	8.82	0.006	8.82
3.2	FinalPIT	1.385	0.772	0.764	0.613	79.40	0.621	81.28
3.3	PIT:Fines & penalties	0.259	0.077	0.076	0.182	236.36	0.183	240.79
4	Other Tax Revenue	64.166	55.888	54.638	8.278	14.81	9.528	17.44
4.1	Motor vehicle tax	10.889	10.269	9.780	0.620	6.04	1.109	11.34
4.2	Business & professional licenses	4.486	4.366	4.323	0.120	2.74	0.163	3.77
4.3	Municipal tax	4.611	3.185	3.153	1.426	44.79	1.458	46.24
4.4	Health contribution	7.340	6.235	6.173	1.105	17.73	1.167	18.90
4.5	Royalties	36.840	31.833	31.209	5.007	15.73	5.631	18.04
4.5.	Forest products	11.838	6.639	6.509	5.199	78.31	5.329	81.87
4.5.	Mines & minerals	25.002	25.194	24.700	(0.192)	(0.76)	0.302	1.22
II	Indirect Tax	51.925	46.961	46.055	4.964	10.57	5.870	12.75
5	Sales Tax	33.953	29.544	28.786	4.409	14.92	5.167	17.95
5.1	Sales tax on goods & commodities	13.723	9.905	9.712	3.818	38.55	4.011	41.30
5.2	Sales tax on petroleum products	17.766	16.774	16.285	0.992	5.91	1.481	9.09
5.3	Sales tax on hotel & restaurants	0.670	0.462	0.449	0.208	45.02	0.221	49.22
5.4	Sales tax on cable tv & cinema	1.188	0.931	0.897	0.257	27.60	0.291	32.44
5.5	Sales tax on beer, aerated water & alcoholic drinks	0.606	1.472	1.443	(0.866)	(58.83)	(0.837)	(58.00)

ANNEXURE-II REVENUE PERFORMANCE BY REGION : FY 2006-2007

(Nu. In million)

Sl. No.	SOURCE OF REVENUE	FY 2006-07		FY 2005-06 Actual	Achievement to Target		Collection compared to 2005-06	
		Collection	Target		Nu.	%	Nu.	%
6	Export Tax	0.000	0.000	0.025	0.000		(0.025)	(100.00)
6.1	Timber	0.000	0.000	0.025	0.000		(0.025)	(100.00)
7	Excise Duty	17.972	17.417	17.244	0.555	3.19	0.728	4.22
7.1	Distillery products	17.972	17.417	17.244	0.555	3.19	0.728	4.22
B	NON-TAX REVENUE	118.738	117.427	109.032	1.311	1.12	9.706	8.90
8	Adm. Fees & Charges	30.117	29.950	29.363	0.167	0.56	0.754	2.57
8.1	Judiciary fees & charges	1.452	1.175	1.152	0.277	23.57	0.300	26.04
8.2	House rent	8.778	8.782	8.610	(0.004)	(0.05)	0.168	1.95
8.3	Hire charges	0.549	0.356	0.349	0.193	54.21	0.200	57.31
8.4	Motor vehicle fees & charges	1.397	1.286	1.261	0.111	8.63	0.136	10.79
8.5	Deport surcharge on petroleum products	8.011	7.914	7.759	0.097	1.23	0.252	3.25
8.6	Rural life insurance	5.963	6.008	5.891	(0.045)	(0.75)	0.072	1.22
8.7	Other admn. charges & fees	3.967	4.429	4.341	(0.462)	(10.43)	(0.374)	(8.62)
9	Capital Revenue	71.057	71.088	62.476	(0.031)	(0.04)	8.581	13.73
9.1	Sale of govt. properties & assets	0.990	2.556	0.591	(1.566)	(61.27)	0.399	67.51
9.2	Sale of agricultural products	0.145	0.486	0.475	(0.341)	(70.16)	(0.330)	(69.47)
9.3	Coal mine bid value	36.470	36.470	36.470	0.000	0.00	0.000	0.00
9.4	Tender document sale	1.875	0.000	1.915	1.875		(0.040)	(2.09)
9.5	Gypsum mine bid value	31.577	31.576	23.025	0.001	0.00	8.552	37.14
10	Rev. from Govt. Dept.	13.756	12.587	13.192	1.169	9.29	0.564	4.28
10.1	Municipal revenue	4.305	4.374	4.288	(0.069)	(1.58)	0.017	0.40
10.2	Animal husbandry	1.758		1.355	1.758		0.403	29.74
10.3	Agriculture	0.023	2.606	0.035	(2.583)	(99.12)	(0.012)	(34.29)
10.4	Forest	1.352		1.165	1.352		0.187	
10.5	Survey	1.149	0.578	1.426	0.571	98.79	(0.277)	(19.42)
10.6	Industrial plot/shed rental	0.566	0.302	0.288	0.264	87.42	0.278	96.53
10.7	Education	0.678	0.630	0.618	0.048	7.62	0.060	9.71
10.8	Health	0.944	0.895	0.878	0.049	5.47	0.066	7.52
10.9	Registration	2.981	3.202	3.139	(0.221)	(6.90)	(0.158)	(5.03)
11	Other Non-tax Revenue	3.808	3.802	4.001	0.006	0.16	(0.193)	(4.82)
11.1	Security / earnest money	0.006		0.152	0.006		(0.146)	(96.05)
11.2	Recovery of vehicle instalment	3.802	3.802	3.849	0.000	0.00	(0.047)	(1.22)
11.3	Recovery of outstanding loans, Vehicle loan etc.	0.000			0.000		0.000	
Total (A+B)		325.757	306.361	288.687	19.396	6.33	37.070	12.84

ANNEXURE III DETAILS OF DZONGKHAG REVENUE BY REGION: FY 2006-2007

I THIMPHU REGION		(Nu. In million)				
Source of Revenue		Thimphu	Punakha	Wangdue Phodrang	Gasa	Total
(A) TAX REVENUE (I+II)		1,467.074	1.612	14.839	0.632	1,484.157
I Direct Tax		1,021.797	1.612	14.839	0.632	1,038.880
1 Corporate Income Tax		296.811	0.000	0.000	0.000	296.811
2 Business Income Tax		168.640	0.019	1.300	0.211	170.170
3 PIT		82.194	0.136	2.070	0.122	84.522
4 Other Tax Revenue		474.152	1.457	11.469	0.299	487.377
4.1 Motor Vehicle Tax		46.616	0.300	0.000	0.000	46.916
4.2 Business & Prof. Licenses		29.477	0.000	0.000	0.000	29.477
4.3 Municipal Taxes		0.003	0.244	0.081	0.000	0.328
4.4 Foreign Travel Tax(Airport Tax)		0.000	0.000	0.000	0.000	0.000
4.5 Health contribution		20.351	0.006	1.083	0.058	21.498
4.6 Royalties		377.705	0.907	10.305	0.241	389.158
II Indirect Tax		445.277	0.000	0.000	0.000	445.277
5 Sales Tax		32.453	0.000	0.000	0.000	32.453
6 Export Tax		0.000	0.000	0.000	0.000	0.000
7 Excise Duty		402.966	0.000	0.000	0.000	402.966
7.1 Excise Duty collection		23.564	0.000	0.000	0.000	23.564
7.2 Duty refund from GOI		379.402	0.000	0.000	0.000	379.402
8 Import Duty		1.488	0.000	0.000	0.000	1.488
9 Other Indirect Tax-Revenue		8.370	0.000	0.000	0.000	8.370
9.1 Sale of revenue stamp		8.370	0.000	0.000	0.000	8.370
(B) NON-TAX REVENUE		1,539.214	1.703	4.037	0.286	1,545.240
10 Adm. Fees & charges		68.751	0.587	2.533	0.184	72.055
11 Capital Revenue		98.868	0.119	0.137	0.000	99.124
12 Revenue from Govt. Deptts		97.666	0.970	1.310	0.102	100.048
13 Dividends		143.928	0.000	0.000	0.000	143.928
14 Transfer of profit		737.050	0.000	0.000	0.000	737.050
15 Other Non-tax Revenue		3.444	0.027	0.057	0.000	3.528
16 Interest receipts from corporation		389.507	0.000	0.000	0.000	389.507
Total Tax & Non-tax Revenue		3,006.288	3.315	18.876	0.918	3,029.397
% of Dzongkhag Revenue to Total National Revenue		29.63	0.03	0.19	0.01	29.85

ANNEXURE III DETAILS OF DZONGKHAG REVENUE BY REGION: FY 2006-2007

II SAMDRUP JONGKHAR REGION		(Nu. In million)						
	Source of Revenue	Samdrup Jongkhar	Trashigang	Mongar	Pema Gatshel	Lhuntse	Tashi Yangtse	Total
(A)	TAX REVENUE (I+II)	169.134	10.701	22.306	0.981	1.369	2.529	207.020
I	Direct Tax	121.779	6.383	22.054	0.981	1.369	2.529	155.095
1	Corporate income tax	37.470	0.000	0.000	0.000	0.000	0.000	37.470
2	Business Income Tax	25.237	0.320	9.279		0.136	0.353	35.325
3	Personal income tax	10.362	2.239	4.713	0.049	0.103	0.667	18.133
4	Other tax revenue	48.710	3.824	8.062	0.932	1.130	1.509	64.167
4.1	Motor vehicle tax	10.889	0.000	0.000	0.000	0.000	0.000	10.889
4.2	Business & professional licenses	2.223	0.000	2.263	0.000	0.000	0.000	4.486
4.3	Municipal tax	2.092	0.682	0.995	0.007	0.398	0.438	4.612
4.4	Health contribution	3.342	0.777	1.914	0.627	0.183	0.497	7.340
4.5	Royalties	30.164	2.365	2.890	0.298	0.549	0.574	36.840
II	Indirect Tax	47.355	4.318	0.252	0.000	0.000	0.000	51.925
5	Sales tax	33.356	0.345	0.252	0.000	0.000	0.000	33.953
6	Export tax	0.000	0.000	0.000	0.000	0.000	0.000	0.000
7	Excise duty	13.999	3.973	0.000	0.000	0.000	0.000	17.972
8	Import duty	0.000	0.000	0.000	0.000	0.000	0.000	0.000
(B)	NON-TAX REVENUE	95.240	10.216	6.839	2.330	1.545	2.567	118.737
10	Adm.fees & charges	17.856	4.380	3.983	1.307	0.955	1.636	30.117
11	Capital revenue	68.963	0.408	0.630	0.190	0.194	0.672	71.057
12	Revenue from government dept.	8.421	1.626	2.226	0.827	0.396	0.259	13.755
13	Dividends	0.000	0.000	0.000	0.000	0.000	0.000	0.000
14	Transfer of profit	0.000	0.000	0.000	0.000	0.000	0.000	0.000
15	Other non-tax revenue	0.000	3.802	0.000	0.006	0.000	0.000	3.808
	Total Tax & Non-tax Revenue	264.374	20.917	29.145	3.311	2.914	5.096	325.757
	% of Dzongkhag Revenue	2.61	0.21	0.29	0.03	0.03	0.05	3.21

ANNEXURE III DETAILS OF DZONGKHAG REVENUE BY REGION: FY 2006-2007

III GELEPHU REGION		(Nu. In million)						
Source of Revenue		Sarpang	Bumthang	Tsirang	Trongsa	Dagana	Zhemgang	Total
(A)	TAX REVENUE (I+II)	83.884	6.276	1.010	4.240	0.590	5.461	101.461
I	Direct Tax	51.037	6.276	1.010	4.240	0.590	5.461	68.614
1	Corporate Income Tax	6.497	0.000	0.000	0.000	0.000	0.000	6.497
2	Business Income Tax	20.561	0.164	0.317	0.197	0.037	1.826	23.102
3	Personal Income Tax	5.927	0.361	0.147	0.247	0.064	1.503	8.249
4	Other tax revenue	18.052	5.751	0.546	3.796	0.489	2.132	30.766
4.1	Motor vehicle tax	8.190	0.000	0.000	0.000	0.000	0.000	8.190
4.2	Business & professional licenses	2.183	0.000	0.000	1.405	0.000	0.000	3.588
4.3	Municipal tax	0.532	0.000	0.128	0.106	0.093	0.016	0.875
4.4	Health contribution	3.225	0.295	0.091	0.198	0.055	0.708	4.572
4.5	Royalties	3.922	5.456	0.327	2.087	0.341	1.408	13.541
II	Indirect Tax	32.847	0.000	0.000	0.000	0.000	0.000	32.847
5	Sales tax	20.222	0.000	0.000	0.000	0.000	0.000	20.222
6	Export tax	0.000	0.000	0.000	0.000	0.000	0.000	0.000
7	Excise duty	12.625	0.000	0.000	0.000	0.000	0.000	12.625
8	Import duty	0.000	0.000	0.000	0.000	0.000	0.000	0.000
(B)	NON-TAX REVENUE	22.258	12.142	15.740	1.282	1.497	3.27	56.189
9	Adm.fees & charges	12.533	9.842	1.884	0.616	0.778	1.545	27.198
10	Capital revenue	1.828	0.150	0.150	0.135	0.091	0.197	2.551
11	Revenue from government dept.	7.876	2.150	13.706	0.531	0.628	1.528	26.419
12	Other non-tax revenue	0.021	0.000	0.000	0.000	0.000	0.000	0.021
Total Tax & Non-tax Revenue		106.142	18.418	16.750	5.522	2.087	8.731	157.650
% of Dzongkhag Revenue to								
Total National Revenue		1.05	0.18	0.17	0.05	0.02	0.09	1.55

ANNEXURE III DETAILS OF DZONGKHAG REVENUE BY REGION: FY 2006-2007

IV. PHUENTSHOLING REGION		(Nu. In million)	
	Source of Revenue	Chukha	Total
(A)	TAX REVENUE (I+II)	2,181.07	2,181.07
I	Direct Tax	1,347.177	1,347.177
1	Corporate Income Tax	1,082.100	1,082.100
2	Business Income Tax	116.047	116.047
3	PIT	51.349	51.349
4	Other Tax Revenue	97.681	97.681
4.1	Motor Vehicle Tax	27.278	27.278
4.2	Business & Prof. Licenses	8.077	8.077
4.3	Municipal Taxes	6.023	6.023
4.4	Health contribution	10.058	10.058
4.5	Royalties	46.245	46.245
II	Indirect Tax	833.890	833.890
5	Sales Tax	643.987	643.987
6	Export Tax	0.012	0.012
7	Excise Duty	51.920	51.920
8	Import Duty	137.971	137.971
B	NON-TAX REVENUE	3,988.329	3,988.329
9	Adm.Fees & charges	86.604	86.604
10	Capital Revenue	0.846	0.846
11	Revenue from Govt.Deptts	49.598	49.598
12	Dividends	1,908.660	1,908.660
13	Transfer of profit	1,941.700	1,941.700
14	Other Non-Tax Revenue	0.921	0.921
	Total Tax & Non-tax Revenue	6,169.396	6,169.396
	% of Dzongkhag Revenue to		
	Total National Revenue	60.80	60.80

V. SAMTSE REGION (Nu. In million)	
	Total
264.515	264.515
180.507	180.507
144.062	144.062
12.220	12.220
13.062	13.062
11.163	11.163
0.000	0.000
0.000	0.000
1.354	1.354
2.476	2.476
7.333	7.333
84.008	84.008
49.964	49.964
0.000	0.000
33.910	33.910
0.134	0.134
89.959	89.959
11.118	11.118
0.391	0.391
5.841	5.841
72.576	72.576
0.000	0.000
0.033	0.033
354.474	354.474
3.49	3.49

ANNEXURE III DETAILS OF DZONGKHAG REVENUE BY REGION: FY 2006-2007

V PARO REGION

(Nu. In million)

Source of Revenue		Paro	Haa	Total
(A)	TAX REVENUE (I+II)	90.54	0.990	91.530
I	Direct Tax	51.022	0.990	52.012
1	Business Income Tax	11.212	0.083	11.295
2	Personal Income Tax	11.704	0.152	11.856
3	Other tax revenue	28.106	0.755	28.861
3.1	Municipal tax	0.593	0.042	0.635
3.2	Foreign travel tax (Airport tax)	19.230	0.000	19.230
3.3	Health contribution	3.065	0.409	3.474
3.4	Royalties	5.218	0.304	5.522
II	Indirect Tax	39.518	0.000	39.518
4	Sales tax	28.975	0.000	28.975
5	Import duty	10.543	0.000	10.543
6	Other Indirect tax revenue	0.000	0.000	0.000
(B)	NON-TAX REVENUE	17.611	1.676	19.287
7	Adm.fees & charges	10.599	0.703	11.302
8	Capital revenue	1.407	0.151	1.558
9	Revenue from government departments	5.571	0.822	6.393
10	Other non-tax revenue	0.034	0.000	0.034
Total Tax & Non-tax Revenue (A+B)		108.151	2.666	110.817
% of Dzongkhag Revenue to Total National Revenue		1.07	0.03	1.09

ANNEXURE IV SECTORAL REVENUE PERFORMANCE: FY 2006-07

	Sector	FY 2005-06	%of Total Revenue	FY 2006-07	%of Total Revenue	(Nu) (+) or (-)	% (+) or (-)
1	Electricity	2,214.263	31.75	4,603.570	45.37	2,389.307	107.91
	CHPCL	2,092.682	30.01	2,688.850	26.50	596.168	28.49
	BHPCL	121.581	1.74	114.720	1.13	(6.861)	(5.64)
	THPA	0.000	0.00	1800.000	17.74	1,800.000	
2	Trade	2,276.451	32.64	2,032.607	20.03	(243.844)	(10.71)
	FCBL	0.950	0.01	4.347	0.04	3.397	357.58
	Sales tax & Depot surcharge	742.442	10.65	854.390	8.42	111.948	15.08
	Excise duty	879.543	12.61	519.393	5.12	(360.150)	(40.95)
	STCBL	3.272	0.05	4.921	0.05	1.649	50.40
	CIT & BIT(Trading)	463.593	6.65	453.792	4.47	(9.801)	(2.11)
	Business licenses	25.630	0.37	45.628	0.45	19.998	78.03
	Import duty	161.021	2.31	150.136	1.48	(10.885)	(6.76)
3	Service (3.1 to 3.9)	1,431.393	20.52	1,808.689	17.82	377.296	26.36
3.1	Transportation	102.081	1.46	111.677	1.10	9.596	9.40
	Motor vehicle tax/ fees and charge	102.081	1.46	111.677	1.10	9.596	9.40
3.2	Communications	136.295	1.95	167.994	1.66	31.699	23.26
	Revenue stamps	4.748	0.07	8.370	0.08	3.622	76.28
	Radio spectrum management unit	2.069	0.03	2.032	0.02	(0.037)	(1.79)
	Bhutan Telecom	129.478	1.86	157.592	1.55	28.114	21.71
3.3	DOT	314.439	4.51	364.831	3.60	50.392	16.03
3.4	Municipals (City corporations)	8.709	0.12	13.826	0.14	5.117	58.76
3.5	Education	2.073	0.03	2.530	0.02	0.457	22.05
3.6	Health	5.757	0.08	5.574	0.05	(0.183)	(3.18)
3.7	Department of Lottery	143.453	2.06	141.700	1.40	(1.753)	(1.22)
3.8	BIT & CIT(service)	10.083	0.14	14.233	0.14	4.150	41.16
3.9	Others	708.503	10.16	986.324	9.72	277.821	39.21
4	Primary	136.615	1.96	201.126	1.98	64.511	47.22
	Agriculture	9.015	0.24	12.715	0.13	3.700	41.04
	(Agriculture & Animal Husbandary Divisions)						
	Mining (Royalties)	54.336	0.78	71.362	0.70	17.026	31.33
	Forestry (Royalties , FDCL & other Receipts)	73.264	1.05	117.049	1.15	43.785	59.76
5	Finance	509.449	7.30	1,006.903	9.92	497.454	97.65
	RICBL	39.667	0.57	42.120	0.42	2.453	6.18
	BoBL	76.909	1.10	124.040	1.22	47.131	61.28
	RMA	315.114	4.52	737.050	7.26	421.936	133.90
	BNBL	76.515	1.10	102.495	1.01	25.980	33.95
	Others	1.244	0.02	1.198	0.01	(0.046)	(3.70)
6	Manufacturing	267.856	3.84	307.425	3.03	39.569	14.77
	AWPL	13.437	0.19	19.050	0.19	5.613	41.77
	BBPL	30.905	0.44	25.180	0.25	(5.725)	(18.52)
	PCAL	131.701	1.89	171.428	1.69	39.727	30.16
	BCCL	24.383	0.35	5.734	0.06	(18.649)	(76.48)
	Lhaki Cement	4.233	0.06	7.080	0.07	2.847	67.26
	BFPL	2.948	0.04	2.741	0.03	(0.207)	(7.02)
	Yangzom Cement	0.032	0.00	0.329	0.00	0.297	928.13
	BFAL	18.323	0.26	23.026	0.23	4.703	25.67
	Bhutan Polymer Co.ltd	2.927	0.04	3.315	0.03	0.388	13.26
	Others	38.967	0.56	49.542	0.49	10.575	27.14
	Total Revenue *	6,836.027	98.02	9,960.320	98.16	3,124.293	45.70

* Figures are based on Gross Collections

ANNEXURE V STATEMENT OF ACTUAL COLLECTION AND REVENUE TARGET FOR FY 2006-07

Source of Revenue		Target	Actual	(+ or -)Nu.	(+ or -) %
(A)	TAX REVENUE (I+II)	4,073.718	4,266.911	193.193	4.74
I	Direct Tax	2,618.802	2,829.030	210.228	8.03
1	Corporate Income Tax	1,486.311	1,566.940	80.629	5.42
2	Business Income Tax	344.498	367.656	23.158	6.72
3	Personal Income Tax	140.142	174.462	34.320	24.49
4	Other Tax Revenue	647.851	719.972	72.121	11.13
4.1	Motor Vehicle Tax	94.810	93.273	(1.537)	(1.62)
4.2	Business & Prof.Licenses	26.700	45.628	18.928	70.89
4.3	Foreign Travel Tax(Airport)	22.736	19.230	(3.506)	(15.42)
4.4	Municipal Tax	7.639	13.808	6.169	80.77
4.5	Health contribution	48.302	49.419	1.117	2.31
4.6	Royalties	447.664	498.614	50.950	11.38
II	Indirect Tax	1,454.916	1,437.881	(17.035)	(1.17)
5	Sales Tax	777.944	765.544	(12.400)	(1.59)
6	Export Tax	0.102	0.012	(0.090)	(88.24)
7	Excise Duty	515.415	519.393	3.978	0.77
7.1	Excise Duty collection	136.665	139.991	3.326	2.43
7.2	Excise Duty Refund from GOI	378.750	379.402	0.652	0.17
8	Import Duty	156.467	144.690	(11.777)	(7.53)
9	Other indirect tax revenue	4.988	8.242	3.254	65.24
(B)	NON-TAX REVENUE	5,545.208	5,815.249	270.041	4.87
10	Adm.Fees & charges	226.279	214.726	(11.553)	(5.11)
11	Capital Revenue	199.579	175.258	(24.321)	(12.19)
12	Revenue from Govt.Deptts	111.194	225.700	114.506	102.98
13	Dividends	2,012.090	2,123.164	111.074	5.52
14	Transfer of profit	2,593.810	2678.75	84.940	3.27
15	Other non-tax revenue	9.329	8.144	(1.185)	(12.70)
16	Interest on loan from corp.	392.928	389.507	(3.421)	(0.87)
Total (A+B)		9,618.926	10,082.160	463.234	4.82



MGW.
TARE.

30,480 KGS
67,200 LBS
2,290 KGS
5,050 LBS

NET.
CU. CAP.

28.190 KGS
62.150 LBS
33.2 CU.M
1.170 CU.FT

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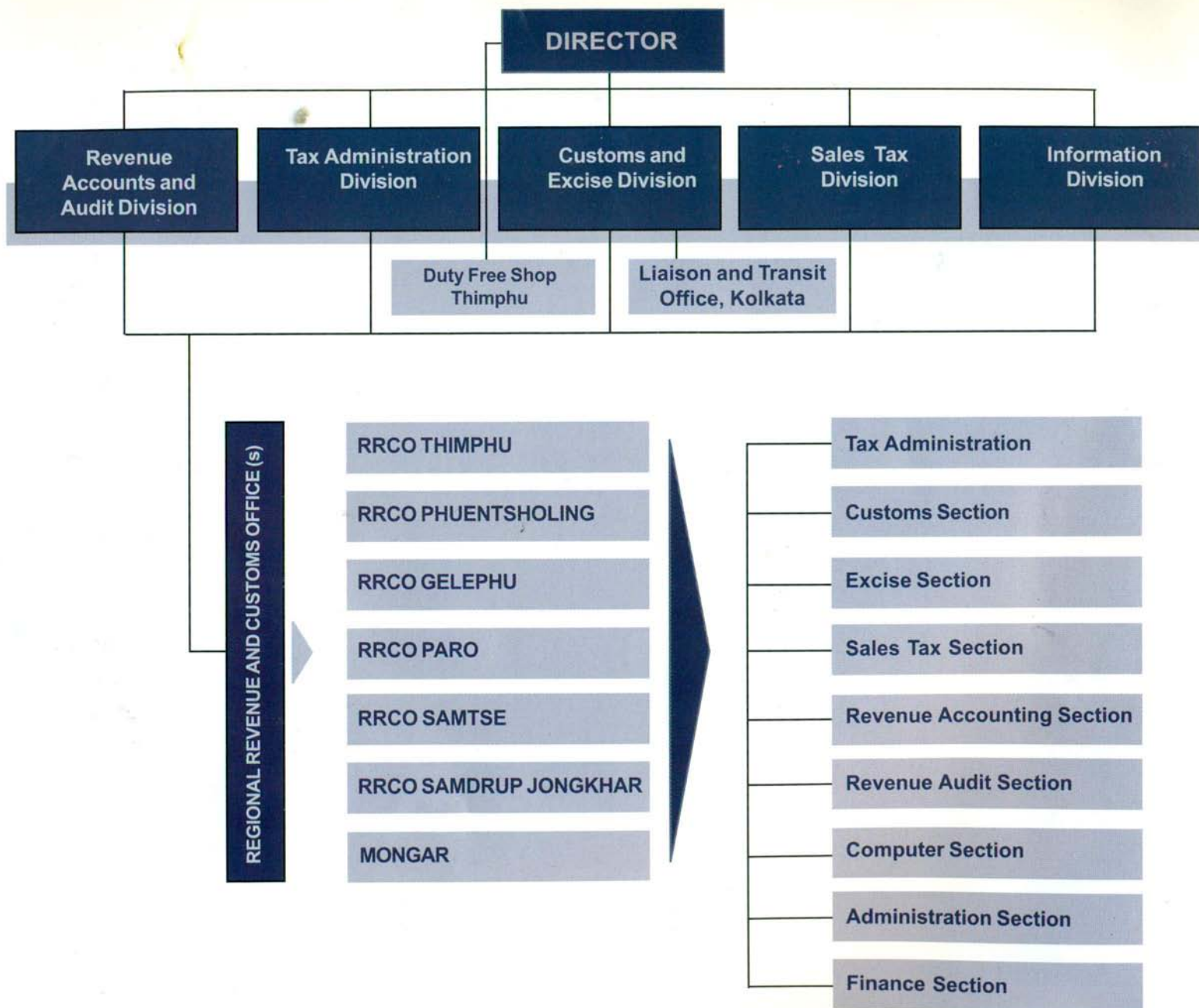
Performance Indicators

PART C

The performance indicators have been developed to measure the performance of various activities in the department with the objectives of improving delivery of services, and promoting efficiency and professionalism



ORGANISATION CHART



STAFF STRENGTH

The staff strength of the department as of 1 July 2007 stands at 531 comprising of 139 officers and 392 inspectors including support staff

Performance Indicators

1. Revenue vis-à-vis Recurrent Expenditure

The fiscal policy of RGoB requires that domestic revenue should cover the recurrent expenditure of the royal government. On this front, despite the rapid growth in recurrent expenditure due to increasing development activities and policy reforms, revenue has been able to keep pace with the growth in recurrent expenditure. During the year, domestic revenue has not just met the recurrent expenditure but has exceeded the revenue expenditure by Nu.2,445.935 million. The recurrent expenditure recorded for the year is Nu.7,636.225³ million and the domestic revenue is Nu.10, 082.16 million.

2. Revenue, Recurrent Expenditure and Tax Ratio

Table 1 (in Million Ngultrum)

Source of Revenue	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007
Tax Revenue	2,192.17	2,675.56	2,928.30	2,689.90	3,382.37	4,124.68	4,266.91
Non-tax Revenue	2,479.35	2,424.47	1,776.06	2,365.30	2,683.73	2,778.23	5,815.25
Total Revenue	4,671.52	5,100.03	4,785.26	5,055.20	6,066.10	6,902.91	10,082.16
Current Expenditure	4,435.62	4,467.89	4,580.91	5,149.23	6,170.61	6,672.383	7,636.225
GDP ⁴	20,794	22,648	24,679	26,412	28,143	30,029	35,301
Revenue as % of current expenditure	105.32	114.15	104.46	98.17	98.31	103.45	132.03
Tax as % of GDP	10.54	10.37	9.61	10.10	10.41	11.22	11.01
Non-tax as % of GDP	11.92	10.71	7.20	8.96	9.50	9.25	16.47
Total Revenue as % GDP	22.47	22.52	19.39	19.14	21.48	22.99	28.56

3. Cost of Collection

The cost of collection, as in any tax system, is a measure of efficiency and effectiveness of the tax administration efforts. Taking into account all the resources allocated in collecting revenue, the costs incurred by the government for collecting 1 Ngultrum was recorded at 2 Chetrum for direct tax revenue, 4.7 Chetrum for indirect tax revenue, and 0.9 Chetrum for non-tax revenue. Compared to the previous year, the actual cost of collection for both direct and indirect tax has decreased, whereas the cost of collection for non-tax revenue has increased.

Table 2 Cost of Collection Details

	1998	1999	2000	2001	2002	2003	2004	2005
Direct Taxes	0.018	0.019	0.020	0.017	0.019	0.017	0.020	0.018
Indirect Taxes	0.053	0.054	0.065	0.059	0.045	0.050	0.054	0.047
Non-tax Revenue	0.005	0.006	0.007	0.007	0.008	0.008	0.008	0.009
Overall Cost of Collection	0.017	0.019	0.021	0.019	0.019	0.019	0.020	0.021

Cost of collection shown in Ngultrums (for every one Ngultrum Collected)

The overall cost of collection, that is taking into account all the taxes collected by the department as a whole, had actually gone up by 1 Chetrum for every 1 Ngultrum in the year 2006. However, the trend has been relatively consistent over the years, as can be noted in the figure given below.

³ Source Department of Public Accounts

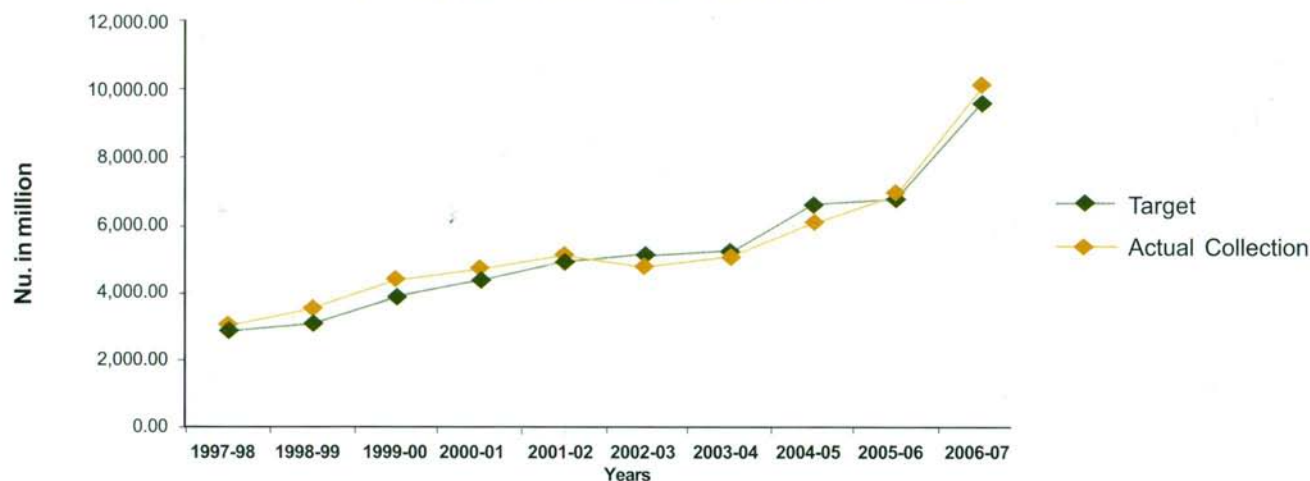
4. Revenue Audit and Investigation

Revenue audit of 31 agencies was conducted in the year 2006-2007 and a total recovery of Nu.1.302 million has been made. Out of the total recoveries made, outstanding deposits constituted 98% or Nu.1.277million and fines & penalties amounted to 2% or Nu.0.025 million.

5. Revenue Forecasting

Revenue forecasting is carried out for the whole five year plan period before the launching of the plan and the annual revenue target is revised based on the actual collections made in the preceding years. The accuracy of the forecasting is largely dependent on the information provided by the revenue agencies. The department's ability to forecast has improved over the years as can be observed in figure 3. However, the accuracy of forecasting is affected by the unpredictable nature of certain sources of revenue, unforeseen policy reforms, inadequate information and other external factors.

Fig.1 Target Versus Actual Collection – Trends



6. Tax Assessment

The Income Tax Act mandates every return to go through a desk assessment (DA) within 90 days of the filing of return and a field assessment (FA) once every two income years. The performance of RRCOs vis-à-vis targets and achievements in DA and FA is given below:

Table 3: Assessment Status 2006

THIMPHU	PHUENTSHOLING	SAMTSE	GELEPHU	SAMDRUP JONKHAR	PARO	OVERALL	
Overall Coverage							
DA Finalized	98%	96%	99%	98%	100%	97%	98%
DA Pending	180	144	15	40	13	41	433
FA Finalized	129%	92%	68%	81%	39%	100%	84%
FA Pending	19	10	10	21	48	0	70
Tax Officer to Taxpayer Ratio	427	209	167	368	423	236	317

The overall coverage under DA and FA for all three types of taxes (BIT, PIT and CIT) at the national level was 98% and 84% respectively. In terms of manpower availability, the ratio of assessing officer to taxpayer for the year was 1:317, that is, one assessing officer for every 317 taxpayers posting an increase of 35% over the previous year.

7. Assessment Efforts

Additional revenue raised or collected purely through the assessment efforts of the RRCOs is taken as a yardstick to measure the effectiveness and efficiency of the division as well as the individual RRCO concerned. The larger units continued to outperform smaller regions; RRCO Thimphu posted an additional tax collection of Nu.32.6 million followed by RRCO Phuentsholing with an additional collection of Nu.27.7 million.

The overall assessment effort was recorded at 5%, suggesting that 5% of the total revenue is actually collected through the administrative and assessment efforts of the division while the other 95% is through the voluntary declaration by taxpayers and TDS collections by withholding agencies.

The additional tax collected from BIT was the highest compared to the additional tax collection under PIT and CIT, owing to poor compliance with the rules and also non maintenance of proper books of accounts in the BIT sector.

Figure 2 Assessment Efforts

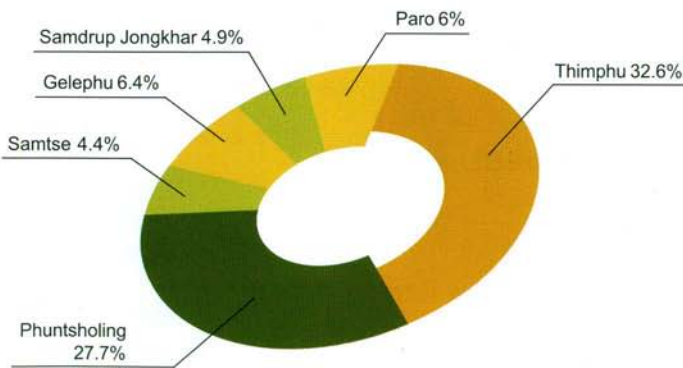
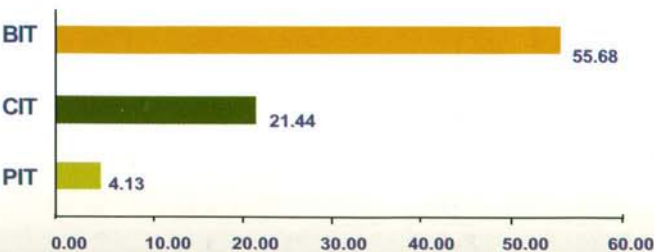


Figure 3 Assessment Effort by Tax Category



8. Seizure Trend for the Period 2005-2006

Bhutan Customs Administration's primary goal is to 'promote honest and transparent environment, ensure efficient assessment and collection of duties and taxes and facilitate legitimate trade and commerce'. In doing so, the Customs and Excise Division has adopted risk management tools and intercepted and made significant seizures over the years.

FIGURE 4 shows the comparative trends (number and value) of seizures made by the six regional offices for the period 2005-06. In year 2005, the total number of cases reported by the regions was 461 amounting to value of Nu. 1.68 million. During 2006, the total number of cases reduced to 249, but the value was drastically increased to Nu.6.63 million. There was a decline in number of cases by approximately 46%. However, in terms of value of the seizures, there was an increase of 295% or Nu.4.95 million. This was due to several reasons, firstly the seizures in the year 2006 were of low volume and high value, for example seizure of tobacco products by the Customs Office, Paro International Airport. The other reason was due to the application of risk management and profiling system by the regional offices.

9. Overall Volume of Trade

The overall trade volume indicates the nature and the health of country's economy, and the engagement of Customs in trading activities and it's role in trade facilitation during the period. The overall imports⁵ recorded for the year was Nu. 19,011.00 million which increased by 12% from Nu. 17,035.08 million in the previous year. And the overall exports⁶ recorded for the year was Nu. 18,771.00 million which increased by about 65% from Nu. 11,386.17 million in 2005.

Figure 4 Year Wise Number of Seizure Cases and Value

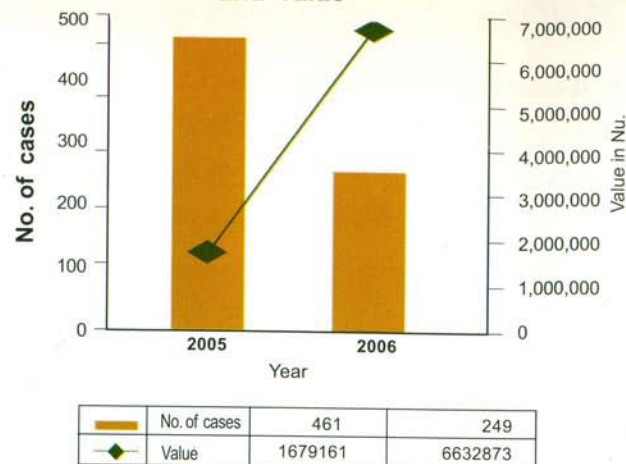
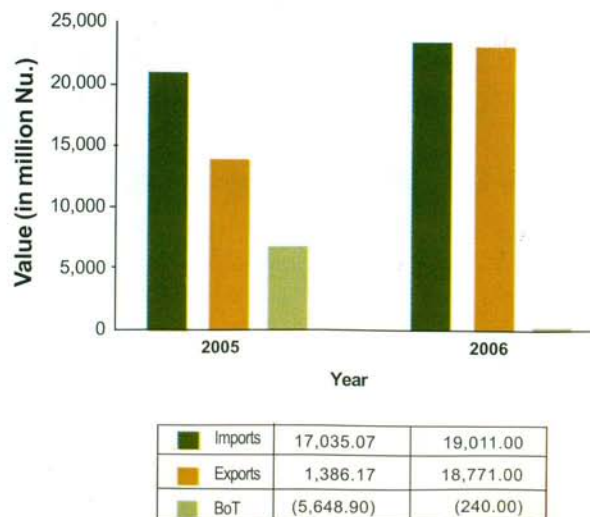


Figure 5 Overall Balance of Trade



⁵ Overall imports include imports from India and imports from third countries including import of electricity from India during the period.

⁶ Over all exports includes exports to India and third countries including export of electricity to India during the period.

10. Trade Volume per Staff

The volume of trade per number of staff reflects how vigorously the Division's staff are engaged in trading activities during the period. It is computed by dividing the overall volume of trade⁷ by the total number of staff at the operational level. This can be shown as three values: the value of exports per number of staff, the value of imports per number of staff, and the combined value of both imports and exports per number of staff. A high level of trade volume per number of staff indicates that there was vigorous engagement of staff in the trading activities during the period.

The total trade volume per number of staff increased by about 25% from Nu. 127.26 million in 2005 to Nu. 158.88 million in 2006 (Figure 6), indicating that the workload is increasing every year thereby demanding that Customs be more dynamic and to adopt modern Customs techniques.

11. Customs Declarations per Staff

The number of Customs declarations per staff for the period varied from region to region depending on the volume of trade taking place in the region. Phuentsholing region recorded highest number of declaration per staff as the maximum trade flow; both from India and third country was from the region. However, number of declaration per staff in Paro and Thimphu region recorded a decline due to increased in the number of staff while at the same time the increase in trade transaction was very insignificant during the period. Table 4 shows comparison of Customs declaration per staff in RRCOs in 2005 and 2006.

12. Sales Tax

The Sales Tax Division was created in January 2006. The division has a total staff strength of 22 who monitor, assess and collect Sales Tax at the point of sale from 30 beer dealers, 35 cable TV operators, 6 cinema operators (excluding the 32 Bhutanese film producers), 9 cement agents, 2 aerated water companies and 135 hotels/restaurants during the year. The division issued 1,164 Sales Tax exemption certificates amounting to Nu. 163 million, and 363 Sales Tax refunds amounting to Nu. 43.166 million during the year.

The Sales Tax collection at the point of sale volume per staff reflects the vigorous engagement of the Division's staff in monitoring, assessing and collection. It is computed by dividing the overall Sales Tax collection at the point of sale by the total number of staff at the operational level. The Sales Tax collection per staff increased by about 2.4% from Nu. 13.89 million to Nu. 14.22 million indicating that the workload is increasing every year thereby demanding more dynamism and adequate manpower. This Sales Tax collection volume per staff is exclusive of Sales Tax collected from cement as it has been clubbed under Sales Tax on goods and commodities.

Figure 6 Overall Trade Volume per Staff

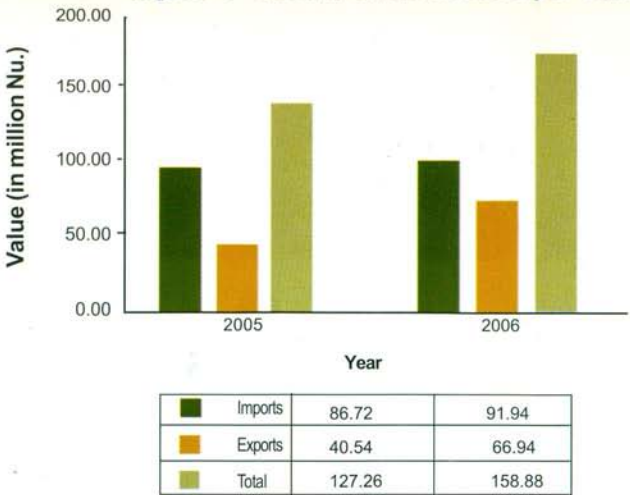


Table 4 Comparative Customs Declaration per Staff

RRCOs	Years		% +/-
	2005	2006	
Gelephu	385	393	2%
Paro	130	123	(5%)
Phuentsholing	2,224	2,371	7%
Samdrup Jongkhar	943	1,115	18%
Samtse	1,613	1,724	7%
Thimphu	445	411	(8%)

Abbreviations

AWPL	Army Welfare Project Limited
BoBL	Bank of Bhutan Limited
BHPCL	Basochu Hydro Power Corporation Limited
BFAL	Bhutan Ferro Alloys Limited
BIT	Business Income Tax
BNBL	Bhutan National Bank Limited
BCCL	Bhutan Carbide and Chemicals Limited
CIT	Corporate Income Tax
CHPCL	Chhukha Hydro Power Corporation Limited
DRC	Department of Revenue and Customs
DSCL	Druk Satair Company Limited
DoL	Department of Lottery
DoT	Department of Tourism
DoFS	Department of Forestry Service
DA	Desk Assessment
EBCCL	Eastern Bhutan Coal Company Limited
FY	Fiscal Year
FCBL	Food Corporation of Bhutan Limited
FDCL	Forestry Department Corporation Limited
FA	Field Assessment
Nu.	Ngultrum
PIT	Personal Income Tax
PCAL	Penden Cement Authority Limited
RGoB	Royal Government of Bhutan
RICBL	Royal Insurance Corporation of Bhutan Limited
RSTA	Road Safety and Transport Authority
RMA	Royal Monetary Authority
STCBL	State Trading Corporation of Bhutan Limited
TDS	Tax Deducted at Source
THPA	Tala Hydro Power Authority

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