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LAW ON AMENDMENTS TO THE LAW ON THE BUDGET SYSTEM OF REPUBLIKA SRPSKA

“Official Gazette of Republika Srpska”, 117/07

[NOTE: The Law on Budget System of Republika Srpska was published in the “Official Gazette of Republika Srpska”, 96/03.](#)

LAW ON AMENDMENTS TO THE LAW ON THE BUDGET SYSTEM OF REPUBLIKA SRPSKA

Article 1

In the Law on the Budget System of Republika Srpska (“Official Gazette of Republika Srpska”, No. 96/03, 14/04, 67/05, 34/06 and 128/06), Article 7 shall be amended to read:

“Article 7

1. Revenues from indirect taxes paid from the Single Account of Indirect Taxation Authority, in accordance with the Law on Payments into the Single Account and Distribution of Revenues;

2. Profit Tax;

3. Personal Income Tax:

- Tax on income from royalties, patents and technical improvements;
- Tax on income from capital; and
- Tax on income from capital proceeds;

4. Taxes on use, possession and carrying of assets:

- Tax on use of motor vehicles;
- Tax on use of boats, floating objects and yachts;
- Tax on use of airplanes and flying objects; and
- Tax on possession and carrying of weapons;

5. Tax on organization of lottery and gambling games;

6. Fees and duties:

- administrative fees at the level of Republika;
- court fees at the level of Republika;
- special fees at the level of Republika; and
- other fees at the level of Republika;

7. Charges:

- Concession charges for use of natural and other resources of general interest, except the concession charges pursuant to the Law on Mining;
- Charges, i.e. resources for environmental protection; and
- Charges for use of natural and other resources of general interest;

8. Fines, except those from Article 9, sub-paragraph 2 of this Law;

9. Revenues from illegally gained property and profits;

10. Other revenues as follows:

- Revenues from donations and revenues earned by budget beneficiaries through their regular or supplementary activities that are not contrary to the law that regulates their activities, in the percentage defined by the Budget Execution Law; and
- Other revenues of the Republika budget.

Article 2

Article 8 shall be amended to read:

“Article 8

1. Revenues from the indirect taxes paid to the budget of Republika Srpska from the Single Account of Indirect Taxation Authority, after the allocated part of funds for servicing external debt of Republika Srpska, which shall be divided as follows:

- | | |
|--|--------|
| - Budget of Republika Srpska | 72.0%; |
| - Budgets of municipalities and towns | 24.0%; |
| - Budget of the “JP Putevi Republike Srpske” | 4.0%. |

2. Tax on citizens' income:

- Tax on income from independent activity and
- Tax on personal income, which, after separating the part of funds for reserves in the level of 10% for the return on the grounds of decrease of the tax basis, shall be divided between the Republika budget and municipal or town budget in proportion 75:25.

3. Charge on changed use of farming land, shared by the Republika budget and municipal or town budgets in proportion 30:70.

4. Charge on use of mineral raw materials, shared by the Republika budget and municipal or town budgets in proportion 30:70.

5. Special water charges:

- Charges for catchments of surface and underground waters;
- Charges for generation of electric energy generated through use of hydro-energy;
- Charges for extraction of materials from water flows, that shall be shared by the Republika budget and municipal or town budgets in proportion 70:30; and
- Charges for the protection of waters that shall be shared by the Republika budget and municipal or town budgets and Fund for Protection of Environment in proportion 55:30:15;

6. Confiscated property and proceeds obtained by sale of confiscated objects, falling under jurisdiction of the Republika market inspection, shared between the Republika budget and municipal or town budgets in proportion 70:30.”

Article 3

In Article 8a, new paragraphs 1 and 2 shall be added to read:

“Individual participation of municipalities and towns in distribution of revenues referred to in Article 8, item 1 shall be done on the basis of a formula, in accordance with the following criteria:

- 75% on the basis of the number of population of a municipality or town;
- 15% on the basis of the size of the area of a municipality or town; and
- 10% on the basis of the number of secondary school students.

Funds remitted to the municipalities and towns shall be considered general transfer and the municipalities and towns shall spend them in accordance with their budgets.”

Current paragraphs 1 and 2 shall become paragraphs 3 and 4, respectively.

Article 4

Article 9 shall be amended to read:

“Article 9

The revenues that belong to the municipal budget shall be the following:

1. Property tax;
2. Fines imposed in minor offence procedures for offences regulated by municipal enactments;
3. Municipal administrative fees;
4. Communal fees;
5. Special water charges – charges for protection from water;
6. Municipal fees for use of natural and other resources of general interest;
7. Tax on income from games of chance;
8. Other revenues:
 - Revenues from donations and revenues earned by budget beneficiaries through their regular or supplementary activities that are not contrary to the law that regulates their activities, in the percentage defined by the Budget Execution Law; and
 - Other municipal revenues.”

Article 5

In Chapter “V – BORROWING, DEBT AND REPAYMENT”, the title of the section “Borrowing, debt and repayment of debt of the Republika budget” shall be amended to read: “Borrowing, debt, reporting on debt and repayment of debt of the Republika budget”.

Article 6

In Article 50, after the paragraph 1, new paragraph 2 shall be added to read:

“The Ministry shall submit the reports on internal and external debt for the previous year to the Government and to the Assembly not later than 30th June of the current fiscal year.”

Article 7

The Legislative Committee of the Republika Srpska National Assembly is hereby authorized to determine the consolidated text of the Law on the Budget System of Republika Srpska within 30 days from the day of its entry into force.

Article 8

This Law shall enter into force on the day following the day of its publishing in the “Official Gazette of Republika Srpska”, and shall be applied from 1st January 2008.