



in the preparation of this budget. I am also thankful to the business leaders, industrialists, distinguished economists, members of the press, NGO representatives, civil society, honourable members of parliament and to my cabinet colleagues for their valuable comments and suggestions.

Mr. Speaker,

86. Our never-ending pursuit to build a society free of hunger and poverty shall continue. We want to pursue this objective through massive employment generation and ensuring health care and nutrition for all. In spite of our resource constraints we are determined to accelerate our onward march. Alongside the government, people belonging to all strata of the society and all shades of opinion must come forward and put in their best endeavours in materializing the hopes of this nation. This people-government partnership shall not only remain confined to the formulation of plan, this should also be expanded to the implementation of the plan. "The engagement is not just for policy planning. It is importantly an engagement for results, for inclusion, for imaginative solutions, and ultimately an engagement to unlock the potentials of the nation."

Mr. Speaker,

87. In every crisis and disaster we, as a nation have left an indelible mark of our courage and determination, our patience and resilience. There are few parallels in history of the sacrifice that we have made in securing our independence and the progress that we have achieved over the past few decades. We have many achievements, but our problems are no less formidable. Yet we dream of a Sonar Bangla for our future generation where people will live in peace and harmony, where there will be equitable distribution of resources, where people will direct all their sincere endeavor to the attainment of a self-reliant nation. Let all of us come forward with all our spirited efforts, intense patriotism and deep commitment to unlock the potentials of our nation. Let us build a poverty-free, exploitation-free, developed and prosperous Bangladesh. Let us secure our due place on the world stage as a proud nation.

Allah Hafez
Bangladesh-Zindabad

Annexure- "A-1"

Financial Year 2006-2007

Income tax rate for individual category of assesses

Sl.no.	Proposed Slab	Proposed Rate
(a)	On first Tk. 1,20,000/- of total income	Nil.
(b)	On next Tk. 2,50,000/- of total income	10%
(c)	On next Tk. 3,00,000/- of total income	15%
(d)	On next Tk. 3,50,000/- of total income	20%
(e)	On the balance of total income	25%

Minimum tax payable Tk. 1,800/-

Annexure- "A-2"

Rates of taxes to be collected from brick manufacturer at the time of issuance of permission or renewal of license:

Sl.	Particulars	Amount of tax due (Taka)
1.	For one section brick field	7,500/-
2.	For one and half section brick field	10,000/-
3.	For two section brick field	15,000/-

Annexure- "A-3"

List of eligible sectors for tax holiday

1.	Textile;
2.	High Value Readymade Garments;
3.	Pharmaceuticals;
4.	Melamine;
5.	Plastic products;
6.	Ceramics & sanitary ware;
7.	Steel from iron ore;
8.	Fertilizer;
9.	Insecticide & pesticide;
10.	Computer hardware;
11.	Residential hotel having facility of three star or more;
12.	Petro-chemicals;
13.	Basic raw materials of drugs, chemicals & pharmaceuticals;
14.	Agricultural machine;
15.	Ship building;
16.	Boilers & compressors;
17.	Textile machinery; and
18.	Physical infrastructure:
(a)	Sea or river port;
(b)	Container terminals, internal container depot (ICD), container freight station (CFS);
(c)	LNG terminal and transmission line;
(d)	CNG terminal and transmission line;
(e)	Gas pipeline;
(f)	Flyover;
(g)	Large water treatment plant & supply through pipe line;
(h)	Waste treatment plant; and
(i)	Export processing zone.

Annex- 'C'

Proposals for Value Added Tax (Local Stage) on the Budget 2005-06

01.	Amendments in the Value Added Tax Act, 1991
(1)	Inclusion of 'Local VAT office' and 'Divisional Officer' of the Large Tax-payers' Unit (LTU) in the definition of 'Local VAT Office' and 'Divisional Officer' in clause (Antosta Ja) and clause (Ra) of Section 2.
(2)	Insertion of a new sub-section 1ka under section 13 to fix the rate of duty drawback on certain goods by the government in the official gazette.
(3)	Reduction of minimum penalty from taka 25 thousand to taka 10 thousand for minor offences under sub-section (1) of section 37.
(4)	Insertion of 'Service' in clause (Triple Nio) of sub-section (2) under section 37.
(5)	Insertion of provision regarding request from a VAT officer to another VAT officer in the recovery of the government dues.

2. Amendments in the Value Added Tax Act, 1991

(1)	Inclusion of 'Superintendent' of the Large Tax Payer Unit (LTU) in the definition of 'Superintendent' in clause (Nio) of rule 2.
(2)	Clause (Ka) of proviso under sub-rule (1) of rule 17Ka has been amended to extend the time limit from thirty days to ninety days for bringing the goods back to the factory, in cases where the goods are damaged or unfit for consumption or when there is a material change in the nature of supply.

3. Value Added Tax related other S.R.O.'s

(1)	Exempted from VAT:
a)	Exemption on Iron Ore, Petroleum Bitumen, Magnesium Sulphates (Fertilizer), Zinc Sulphates (Fertilizer), Disodium Tetraborate (Fertilizer), Waste Paper, Infusion Set with or without IV fluid bag at the import stage.
b)	100% export oriented industries have been enjoying VAT exemption to the extent of 80% on gas and electricity and 60% on WASA bills. The exemption will be extended to the 100% deemed exporters and the industries within EPZ. They have been also exempted from VAT payable on the services rendered by Insurance, C&F Agent, Freight Forwarders, Shipping Agent and Port Services both at the import and export stage.
c)	Introduction of exemption on Rice, Chemical Fertilizer and Insecticides, Fungicides, Pesticides, Anti-sprouting products, Plant growth regulator and disinfectants to be used in agriculture, at the trade level.
d)	Introduction of Duty drawback at the rate of 80% on gas, electricity and 60% on WASA bills at the production level for 100% export industries and Drawback @ 100% on Insurance, C&F Agent and 60% on Telephone both at the import and export stage.

Annexure- "B-1"

List of H.S.Codes where proposal of reduction of Custom Duty is Made

Sl.No.	H.S.Code	Description	Existing Rate	Proposed Rate
1.	1302.20.00	Pectic substances	15%	7.5%
2.	2501.00.24	Salt in bulk	25%	7.5%
3.	2501.00.91	Denatured salt (coloured)	25%	15%
4.	2513.20.00	Emery natural abrasives	15%	7.5%
5.	2519.90.00	Other carbonates	15%	7.5%
6.	2709.00.00	Crude Petroleum oils	25%	7.5%
7.	2710.11.11	Refined Oil	25%	15%
8.	2710.11.19	Refined Oil	25%	15%
9.	2710.11.20	Refined Oil	25%	15%
10.	2710.11.31	Refined Oil	25%	15%
11.	2710.11.32	Refined Oil	25%	15%
12.	2710.11.41	Refined Oil	25%	15%
13.	2710.11.42	Refined Oil	25%	15%
14.	2710.11.43	Refined Oil	25%	15%
15.	2710.11.49	Refined Oil	25%	15%
16.	2710.11.61	Refined Oil	25%	15%
17.	2710.11.62	Refined Oil	25%	15%
18.	2710.19.11	Refined Oil	25%	15%
19.	2827.31.00	Magnesium chloride	15%	7.5%
20.	3814.00.00	Organic composite solvents	25%	15%
21.	3824.90.90	Other chloroparafin wax	25%	15%
22.	3926.90.80	Cot and Apron	25%	15%
23.	4823.20.00	Filter paper and paperboard	15%	7.5%
24.	5202.99.10	Cotton Waste	7.5%	0%
25.	7217.30.00	Wire of other base metals	25%	15%
26.	7225.19.00	Other silicon-electrical steel	15%	7.5%
27.	7803.00.10	Hollowbars	15%	7.5%
28.	7803.00.90	Other bar	15%	7.5%
29.	8407.34.91	Bus or Truck CNG engine	25%	15%
30.	8408.20.31	Bus or truck CNG engine	25%	15%
31.	8517.30.10	Telephonic machinery	15%	7.5%
32.	8517.30.90	Telephonic machinery	15%	7.5%
33.	8525.20.23	Cellular/Mobile telephone	1500 Tk.	300 Tk.
34.	8540.11.10	CRT for TV	25%	15%
35.	8544.11.00	Winding wire of copper	25%	15%
36.	9608.99.10	Ball points for ball point pen	15%	7.5%

Annexure- "B-3"

List of H.S.Codes where proposal of reduction of Supplementary Duty is Made

Sl.No.	H.S.Code	Description	Existing Rate	Proposed Rate
1.	1702.40.00	Glucose and glucose syrup, containing in the dry state at least 20% but less than 50% by weight of fructose, excluding invert sugar	15%	0%
2.	2515.20.00	Ecausine and other calcareous monumental or building stone; alabaster	15%	0%
3.	2710.11.11	Refined Oil	15%	0%
4.	2710.11.19	Refined Oil	15%	0%
5.	2710.11.20	Refined Oil	15%	0%
6.	2710.11.31	Refined Oil	15%	0%
7.	2710.11.32	Refined Oil	15%	0%
8.	2710.11.41	Refined Oil	15%	0%
9.	2710.11.42	Refined Oil	15%	0%
10.	2710.11.43	Refined Oil	15%	0%
11.	2710.11.49	Refined Oil	15%	0%
12.	2710.11.61	Refined Oil	15%	0%
13.	2710.11.62	Refined Oil	15%	0%
14.	2710.19.11	Refined Oil	15%	0%
15.	6110.12.00	Of kashmir (cashmere) goats	15%	0%
16.	6110.19.00	Other fine animal hair	15%	0%