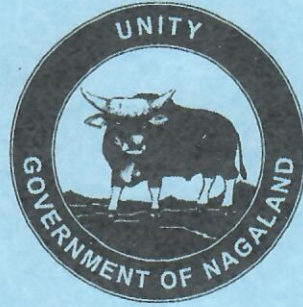




सत्यमेव जयते



GOVERNMENT OF NAGALAND

**The Nagaland
Fiscal Responsibility and Budget
Management (Amendment) Bill, 2021**

GOVERNMENT OF NAGALAND

**The Nagaland
Fiscal Responsibility and Budget
Management (Amendment) Bill, 2021**

The Nagaland Fiscal Responsibility and Budget Management (Amendment) Bill, 2021

A Bill to further amend the Nagaland Fiscal Responsibility and Budget Management Act, 2005 (Act No.7 of 2005)

Be it enacted by the Nagaland Legislative Assembly in the Seventy Second year of the Republic of India as follows :-

1. Short Title and Commencement –

- i. This Act may be called the Nagaland Fiscal Responsibility and Budget Management (Amendment) Act, 2021.
- ii. It shall come into force with immediate effect.

2. Amendment of Section 9 :-

In Section 9 sub-section (2) clause ii) of the Nagaland Fiscal Responsibility and Budget Management Act, 2005 after clause ii) the following proviso shall be inserted, namely :-

“Provided further that the fiscal deficit for the following financial years shall be as mentioned below :

2020-21	-	5 percent
2021-22	-	4 percent
2022-23	-	3.5 percent
2023-24 onwards	-	3 percent

of Gross State Domestic Product (GSDP)”.

“Further that during the year 2019-20, the fiscal deficit is relaxed by a maximum of 2 percent above the prescribed limit of 3 percent of GSDP”.

FINANCIAL MEMORANDUM

The Nagaland Fiscal Responsibility and Budget Management (Amendment) Bill, 2021, if enacted and brought into operation in the State, shall not involve any additional expenditure from the Consolidated Fund of the State.

(NEIPHIU RIO)
Chief Minister
In-Charge Finance

STATEMENT OF OBJECTS AND REASONS

Sub-clause (ii) of Clause (2) of Section 9 of the Nagaland Fiscal Responsibility and Budget Management Act, 2005 provided for bringing down the fiscal deficit to 3 percent of projected Gross State Domestic Product (GSDP). In view of the serious negative impact of the resources of both the Central and State Governments due to the unprecedented COVID-19 pandemic, the Central Government has decided to provide additional Borrowing Limit of up to 2 percent of GSDP for the year 2020-21. The Fifteenth Finance Commission in their report have recommended fiscal deficit of 4 percent for 2021-22; 3.5 percent for 2022-23 and 3 percent thereafter for the State Governments. Hence, the proposed amendment.

During 2019-20, in view of the adverse economic condition in the country, the revenue receipts had reduced leading to increased fiscal deficit in the State. Hence, the proposed relaxation by 2 percent for 2019-20.

(NEIPHIU RIO)
Chief Minister
In-Charge Finance