

SPECIFIC FEW SUGGESTIONS ON BIHAR FOR UNION BUDGET 2018-19

Bihar is second largest state of the country in terms of population, but it is far behind from many western and northern states on many fronts. This year is a dream year for the Bihar, as after a long waiting period, it has witnessed Governments both at state and center who is working for the development of the state and has paid special attention towards its overall development. In the dynamic leadership of honorable prime minister, Bihar has very long list of expectations in the forthcoming budget.

1. **Manufacturing Sector** : This is a known fact that Bihar is lacking behind on this front and in spite of tireless effort of Hon. Chief Minister, no major investment in this sector could be made by big corporates or multinationals. Now, keeping in view the population of the state, it is responsibility of the Govt. to create more and more job opportunities to the youths of the state and undoubtedly, manufacturing sector comes first in the list when we come to job creation. To attract, more capital investment, following are the major demand in the forthcoming budget:
 - Tax Holiday of at least for first five years.
 - Capital Investment Subsidy by way of deduction from direct tax liability based on the total capital investment made by the unit except land cost.
 - Capital Investment Subsidy by way of deduction from indirect tax liability (CGST) based on the total capital investment made by the unit except land cost.
 - For the growth of Rural area, Capital Investment Subsidy Rate should be made attractive. It will not only stop migration of youth from their own place but will also reduce increasing population and traffic load on the metro cities.

2. **Education Sector**: Bihari talent has always been discussed at various levels and it is a matter of proud for the state that at every senior offices in Govt. offices, there is a Bihari IAS. Sir, this itself shows that state is full of talented young brains who are forced to migrate to other places as basic facilities such as recognized teaching universities, institutions are less in numbers and demand is quite high for admission in such institutions. Therefore youths are forced to migrate to other places, which is not only expensive due to increased cost of living but they are otherwise trapped in the net of private coaching centers. Sir this is high time to think about improvement of infrastructures of education sectors and in addition to the other benefits as may be provided to this sector by the central, we demand following facilities in the forthcoming budget :

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- Complete Tax Holiday for first 10 Years.
- Capital Investment Subsidy by way of deduction from direct/indirect tax liability, wherever applicable, based on the total capital investment made by these recognized institutions.
- Special Tax deductions to teaching staffs of these recognized institutions, who reside in the state for teaching the students of these institutions.
- Research plays key role in the development of a nation, our Hon. Prime Minister has also said on several occasions regarding importance of researches. But in our country, we do not focus much on this sector. There are many areas which require more and more researches particularly in the area of medical, engineering, social engineering, poverty elimination, public money spending, book keeping and accounting in Govt. Sector and many more. We demand that the state should be allotted first Exclusive Research University of the country, as it will not only attract youths of the state but will also be helpful in driving one step ahead the intelligent brains of the state.
- We are thankful to the Govt. for setting up one IIT in the state and demand one unit of IIM in the state as well.

3. **Healthcare Sector** : We are thankful to the Government for setting up a unit of AIIMS in the State Capital and expect that further steps will be taken by the Government to expand its facilities and making it comparable to the AIIMS, New Delhi. Sir, per capita income of people of the State is much below the national average and standard of living of the common mass of the state is also not good due to therefore, they are more prone to infectious and communicable diseases which spreads rapidly as the density of population is quite high. People are forced to go outside the state in case of such diseases, as facilities in the state is very poor particularly if it comes to handling emergencies. Keeping in view the requirement of the common man of the state, we have huge expectations from the Govt. on this front, few such expectations are as under :

- Increasing facilities at the AIIMS, Patna.
- Setting up/ Upgradation of Primary Health Centers at Panchayat Levels with minimum prescribed facilities.
- Setting up/Upgradation of Emergency Health Centers at Block Levels with minimum prescribed facilities.
- Setting up of smaller units like AIIMS at the District Level.
- Promote private investment in this area, by way of several tax incentives.
- Special Tax Incentives to Doctors/Nursing Staffs working in these institutions in the state.

4. **Tourism Sector** : Bihar is blessed with many great names at different places, Mahatma Gandhi with Champaran, Guru Gobind Singh ji with Patna Saheb, Gautam Buddha with Bodhgaya and other places of Buddha Circuit, Mahavir with Vaishali and other places of Jain Circuit, Shershah with Sasaram, Sufi Sant with Maner, SamratAshoka, Chanakya, Aryabhata, Dr. Rajendra Prasad and many more. Pioneer educational institution like Nalanda University, Vikramshila University are proud of the state. There is very wide scope of tourism development in the state as it is blessed with golden history and we are quite hopeful that promoting this sector with special incentives and improvement on infrastructure outlay will not only encourage youth of the Bihar by creating more and more job opportunities in this area but will also be helpful in growth of retail business in the state with increased no. of tourists. For improvement of tourism in the state, in additions to other benefits as may be provided by the Government, our expectation and demand in the forthcoming budget are as under :

- Promote setting up Hotel Industry, as there is not even a single five star category hotel in the state, by way of Direct and Indirect Tax Holidays for at least five years.
- Improve infrastructure of LoknayakJaiprakashNarain in the shortest possible span of time.
- Speed up the work at proposed International Airport at Bihta.
- Open up Gaya Airport for commercial operation.
- Start flying from Muzaffarpur, Purnea and other possible places of the state.
- Building Bridges, roads covering tourist destinations as emergency plan.

5. Apart from above sector specific expectations, we expect few other facilities for overall growth of trade and commerce in the state :

- Compliance of GST is being difficult and costly for many small business houses due to lack of infrastructure facilities, poor internet connectivity, lack of availability of knowledgeable consultants etc. particularly in the rural and/or sub-urban areas. We expect more support from the Government to make people tax compliant in the state, few of them are listed as below :
 - Concept of **GST Mitra** should be introduced at Panchayats, Blocks and District Levels having at least one such “Mitra” at every Panchayat, at least “Two” at Block levels and at least “Five” at district level. This may be done on the PPP mode with a small financial support from the Government.
 - Full Accounting software for traders should be developed and given to every registered taxable person free of cost. Software should be designed in such manner that mere uploading of data will be sufficient and fulfil the requirement of furnishing returns.
 - These small businesses may be incentivized by way of small cash back to their account for timely compliance of GST. Previously State VAT was also allowing rebate to such tax payers but this was restricted to 0.5% for all tax payers with maximum ceiling of Rs. 50000/- per year. We request reintroduction of this concept with cash back of at least 5% of tax paid by such tax payers with maximum ceiling of Rs. 1 Lakh per tax payer.