

Finance Bill

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Finance Bill Latest News

Finance Bill Debate in Lok Sabha

About the Finance Bill

- The **Finance Bill** is a crucial part of the **Union Budget** and is introduced every year to:
 - Implement the government's fiscal proposals.
 - **Authorise taxation, expenditure, and revenue adjustments** for the upcoming financial year.
- **Article 110(a) of the Constitution** mandates that the Finance Bill be presented with the **Budget**.
- Accompanied by a **Memorandum explaining tax provisions**.

Types of Financial Bills

Type	Features
Financial Bill (I) - Article 117(1)	- Contains provisions similar to a Money Bill, but includes other legislative provisions. - Can only originate in the Lok Sabha on the President's recommendation. - Follows the same procedure as an Ordinary Bill in all respects except introduction.
Financial Bill (II) - Article 117(3)	- Does not contain Money Bill provisions but affects Consolidated Fund of India expenditure. - Can be introduced in either House of Parliament but requires the President's recommendation.

What is a Money Bill?

- **Definition (Article 110):** A Bill is a **Money Bill** if it contains provisions related to:
 - Taxation.
 - Borrowing of money by the government.
 - Expenditure from or receipt to the Consolidated Fund of India.
- The **Speaker of Lok Sabha** certifies whether a Bill is a Money Bill.
- **Rajya Sabha** cannot amend or reject a Money Bill, only give recommendations, which Lok Sabha may ignore.

Differences Between Money Bill & Finance Bill

Feature	Money Bill	Finance Bill
Definition	Only contains provisions related to taxation, borrowing, and expenditure.	Includes taxation and other financial matters .
Introduction	Only in the Lok Sabha , with the President's recommendation.	Finance Bill (I): Only in Lok Sabha . Finance Bill (II): Either House .
Rajya Sabha Role	Can only make recommendations , which Lok Sabha may reject .	Can suggest amendments and reject the Bill .
Joint Sitting	Not allowed .	Allowed if there is a deadlock.

Finance Bill FAQs

Q1. What is the Finance Bill?

Ans. The Finance Bill is a crucial piece of legislation introduced in Parliament every year along with the Union Budget. It includes provisions related to taxation, government expenditure, and financial regulations.

Q2. Can the Rajya Sabha reject the Finance Bill?

Ans. No, if the Finance Bill is a Money Bill, Rajya Sabha cannot reject or amend it. It can only recommend changes, which Lok Sabha may accept or reject. However, if it is a Finance Bill Category II, Rajya Sabha has more power.

Q3. What is the constitutional provision for the Finance Bill?

Ans. The Finance Bill is governed by Article 110 (for Money Bills) and Article 117 (for other Finance Bills) of the Indian Constitution.

Q4. What is the significance of the Finance Bill?

Ans. It determines the tax structure, government spending, and economic policies for the financial year. It plays a key role in economic governance and fiscal policy implementation.

Source: TH

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