

Highlights of Bihar Tourism Policy- 2023

Policy Period: -28.12.2023 to 27.11.2028

1. Focus Tourist Destinations (FTDs):-

Bihar aims to promote certain regions as tourism destinations and provide holistic experience to tourists. Department of Tourism will prioritize development of tourism infrastructure and facilities at these Focus Tourism Destinations and additional incentives shall be provided for projects at major international tourist destinations i.e. Gaya, Bodhgaya, Nalanda, Rajgir, Vaishali, and Valmiki Tiger Reserve.

2. Eligible Tourism Projects:-

S.NO.	Projects	Minimum Project Cost (Excluding Land Cost)
1.	Development of new Hotels / Resorts / Heritage Hotels (For 4-star and above category Properties)	10.00 Crore
2.	Renovation / Modification / Extension of existing hotels and resorts to 4- star and above category properties.	2.50 Crore
3.	Convention Centre (MICE)	10.00 Crore
4.	Wayside Amenities – New Development	1.50 Crore
5.	Wayside Amenities – Up gradation of existing facilities	75.00 Lakh
6.	Fixed Tented Accommodations / Camping Sites	1.00 Crore
7.	Adventure Tourism Project	5.00 Crore
8.	Eco Tourism Project	5.00 Crore
9.	Wellness Tourism Resort / Centre	10.00 Crore
10.	River / Reservoir / Lake based Tourism Project	1.00 Crore
11.	Theme Park	10.00 Crore
12.	Amusement Park	10.00 Crore
13.	Entertainment Zones	10.00 Crore
14.	Golf Course Units	10.00 Crore
15.	Caravan Tourism	1.00 Crore
16.	High end Tourist Buses and Vans	1.00 Crore
17.	Thematic / Concept based Restaurants (Fly dining Restaurants, Flotels, Floating Restaurants)	5.00 Crore
18.	Rural Tourism Project / Tourist Village / Cultural Village / Farm Stay	1.00 Crore

3. Incentives:-

I. Guiding Principles of Incentives :-

- The Policy shall provide Capital / Interest Subsidy and incentives for eligible Tourism Projects.
- In the approved project cost considered for capital subsidy / Interest subvention calculation under this policy, the cost of land shall not be considered as part of the total project cost.
- The land development cost would be capped at 2.5% of the total approved project cost.
- The projects eligible for incentives under this policy shall not be permitted to avail benefits under Bihar Industrial Investment Promotion Policy 2016 or any other state government policy / scheme.

II. Fiscal Incentives :-

Subsidy Under this policy:-

Project Category based on approved project cost	Admissible Subsidy(As a Percentage of Approved Project Cost)	Max. Limit of Subsidy
Approved Project cost up to Rs. 10.00 Crore	30%	Rs. 3 Crore
Approved Project cost up to Rs. 50.00 Crore	25%	Rs.10 Crore
Approved Project Cost above Rs. 50.00 Crore	25%	Rs.25 Crore

4. Subsidy Routes:-

The subsidy under this policy can be availed by the investors through one of the following two routes:-

I. Capital Subsidy:-

The subsidy would be reimbursed in the following installments:-

- 50% on start of commercial operation (COD)
- 25% on completion of two years of commercial operation.
- 25% on completion of five years of commercial operation.

OR

II. Interest Subvention:-

Rate of interest for interest subvention will be 10% or actual rate of interest on term loan, whichever is lower to be reimbursed annually starting from commercial operation date (COD) and shall be available for a maximum period of 5 years from COD.

Note: Either Capital subsidy or Interest subvention can be availed

5. Additional Subsidy under this Policy:-

Additional 5% capital subsidy OR Interest subvention over and above the maximum limit laid down for all project categories shall be applicable in the following two cases.

- I. **Project at major international tourist destinations** i.e. Gaya, Bodhgaya, Nalanda, Rajgir, Vaishali and Valmiki Tiger Reserve.
- II. **Special Incentive Package:** - Projects New Tourism Projects owned and managed by SC and ST Candidates / Extremely Backward Caste / Differently abled persons / War Widows / Acid attack victims / Third gender entrepreneur / Women entrepreneur (With minimum equity participation of 51% in the entity).

Note: Additional subsidy shall be allowed only any one of the above two categories

6. Other Fiscal Incentives:-

- a. **Land Conversion Charges:** - 100% reimbursement on land conversion charges.
- b. **Stamp Duty / Registration:** - One time 100% reimbursement of stamp duty and registration fee in lease/ sale / transfer of land for setting up a tourist project.
- c. **Reimbursement of SGST:** -Reimbursement of 80%of SGST with a maximum limit of 100% of the approved project cost. The reimbursement shall be made up to 5 years from the date of commercial operation (COD).
- d. **Reimbursement of Electricity Duty:** -New Tourism units will be eligible for 100% reimbursement of electricity duty paid for 5 years from the date of commercial operation.
- e. **Reimbursement to Hotel / Resort / Tour Operator for providing employment to tourist guides:** - 5% of the monthly remuneration paid to tourist guide shall be reimbursed to the empaneled Hotel / Resort / Tour Operator. Such reimbursement shall be subject to upper limit of Rs. 5000 per guide per month for each tourist guide.
- f. **Green Certification:** -Reimbursement of 50% of the certification fee paid, up to Rs.10 Lakh to tourism units obtaining green building certificate from accredited agencies like Indian Green Building Council (IGBC) / Green Rating Integrated Habitat Association (GRIHA) / Leadership in energy and environmental design (LEED) or any such international accreditation / Certification as identified and notified by the Department of Tourism from time to time.

g. MICE Incentives:-

Cost of organizing events in Bihar –GST Reimbursement towards cost of organizing Meetings, Exhibitions, Conference and Events in Bihar shall be available up to 50% of the event cost or Rs.2 lakh per event with a limit of 3 events per organizer per year.

h. Incentive for empaneled Tour operators:-

Interest subsidy on office set up in Bihar to empaneled Tour operators- Interest subsidy will be given on loan taken by Tour operators empaneled with Bihar Tourism. Maximum amount of interest subsidy is 50% of the total interest paid in the first year of the loan term and capped at Rs. 10 lakh.

7. Implementation Mechanism:-

Project Clearance and disbursement:-

The Proposals submitted under this Policy shall be processed as per Bihar Industrial Investment Promotion Act, 2016 and any amendment thereof. As per the act, the proposal shall be subject to clearance from SIPB, and based on approved project cost, shall be placed before competent authority for final approval on disbursement.

Stages of Project Clearance & Disbursement:-

I. Stage 1 Clearance:-

All the applications shall be routed through state SIPB portal for stage 1 clearance wherein the proposed project will be examined for feasibility and issuance of necessary approval to the investor.

Department of Tourism shall examine all the investment proposals and those worth up to Rs. 5 Crore, shall be placed before the SIPB Secretariat which would be presided by the administrative secretary of Department of Tourism.

Whereas investment proposal more than Rs. 5 Crore, shall be placed before the SIPB for a decision.

NOTE: - *This clearance must be obtained by investor before COD.*

II. Financial Incentive Clearance:-

- Financial Incentive Clearance refers to the clearance requested / accorded to an investor for availing financial incentives. The quantum of incentives to be given shall be decided at this stage as per the policy. This clearance must be obtained by investor any time after commercial operation but before the policy end date through a fresh application.
- Financial Incentive Clearance for investment of Rs. 5 Crore and less shall be approved by the ACS / Principal Secretary / Secretary, Department of Tourism, whereas the application for investment more than Rs. 5 crore shall be placed before the SIPB and the SIPB shall recommend the quantum of incentive applicable to the investment proposal.

- The competent authority to accord final approval on Incentives shall be as

follows:-

Eligible Investment Size	Competent Authority
Up to Rs. 5 Crore	ACS/ Principal Secretary/ Secretary, Department of Tourism
More than Rs. 5 Crore and up to a limit of Rs. 15 Crore	Minister, Department of Tourism
More than Rs. 15 Crore and up to a limit of Rs. 30 Crore	Jointly by the Minister, Department of Tourism and Minister, Department of Finance
More than Rs. 30 Crore	State Government

- **Financial Incentive Disbursement:-**

Fiscal Incentive	Competent Authority
Up to Rs. 5 lacs	Special Secretary, Department of Tourism
More than Rs. 5 lacs	ACS/ Principal Secretary/ Secretary, Department of Tourism

1. Expenditure incurred on following shall be considered eligible for capital subsidy / Interest Subvention :-

- Land development charges
- Land registration charges
- Building construction (boundary wall, landscaping and any other project specific construction)
- Plant and Machinery
- Project Equipment
- Interior Furnishing
- Electrical Installation
- Furniture and Fixtures
- Kitchen Equipment
- Sewage treatment plant (STP), Effluent treatment plant (ETP), Air treatment plant (ATP)
- Generator and AC plant / AC unit
- Sanitary fittings
- Others, as notified by Department of Tourism

2. Expenditure incurred on following shall not be considered eligible for capital investment subsidy:-

- Cost of land
- Working capital
- Goodwill
- Manpower cost
- .Commissioning fees
- Royalty
- Pre-operative expenses
- Second hand plant and machinery, furniture, fixture, electrical installation etc.