

Difference Between Money Bill and Finance Bill

In the Indian legislature, for any bill to become an act, it must be passed by both houses of the Parliament- Lok Sabha and the Rajya Sabha. Money Bills and Financial Bills are among the many essential proposals brought before the Parliament for discussion to be passed as statutes. A bill with various provisions related to financial matters is known as a financial bill. There are three types of financial bills in the parliament-Money bill, Finance bill category A, and Finance bill Category B. These are also known as Finance Bill 1 and Finance Bill 2. In this post, we learn more about these two bills, along with the key **Difference Between Money Bill and Finance Bill**. The article will prove helpful during the preparation of both Polity and Economy for the UPSC Exam

Money Bill and Finance Bill

Money bills deal with financial issues such as taxation, government spending, etc., whereas the Finance Bill is a part of the Union Budget and contains important changes suggested by the Finance Minister to be made in the country's taxation system.

The difference between the Finance Bill and the Money Bill is discussed here.

Money Bill

Money bills are the bills concerned with only the provisions dealing with all or any of the matters prescribed in Article 110 (1). It encompasses various matters relating to the regulation of government borrowing, levying, abrogation/ regulation of taxes, the protection of the consolidated/contingency fund, appropriation of money from the consolidated fund of India, and so on.

Financial Bill

A financial bill is any bill that contains various matters relating to the revenue and expenditure of the country. It encompasses matters including the imposition of new taxes, government spending/ borrowings, revenues, etc. The Union Budget is enacted as a finance bill annually since it deals with these issues.

Differences Between Money Bill and Finance Bill

Here are some of the fundamental Difference Between Money Bill and Finance Bill:

Money Bill	Finance Bill
A money bill solely deals with the matters prescribed in Article 110 clause 1 of the Constitution	A finance bill is a bill that is proposed in the Parliament and contains provisions relating to revenue and expenses

A money bill can be introduced in the Lok Sabha only	A finance bill of category 1 can be introduced in the Lok Sabha, and category B can be presented in either House of Parliament
A money bill is like a government bill	A finance bill is a form of the ordinary bill
A money bill needs to have approval from the President of the Central Government	The recommendation of the President is mandatory in the case of the finance bill
Money bills can be passed with or without the recommendation of the Rajya Sabha	The finance bill cannot be enacted without the recommendation of both the Lok Sabha and the Rajya Sabha
There is no provision regarding a joint sitting in case of money bills	The finance bill has certain provisions concerning the joint sitting of the Lok Sabha and the Rajya Sabha

Money Bill vs Finance Bill

Apart from the major differences discussed about the Money Bill and Finance Bill, here are some of the other important points that should not be missed.

- A Money Bill has no provision for joint sitting, whereas, in Finance Bill, there are provisions for combined sittings of both houses of the Parliament.

In Money Bill, the Rajya Sabha's power is limited. Whereas, in Financial Bill, both the houses have equal powers.