

THE KHYBER PAKHTUNKHWA FINANCE ACT, 2014.
(KHYBER PAKHTUNKHWA ACT NO. XXV OF 2014)

CONTENTS

PREAMBLE

SECTIONS

1. Short title, extent and commencement.
2. Amendment of Act No. II of 1899.
3. Amendment of W.P. Act No. V of 1958.
4. Amendment of W.P. Ord. No. VIII of 1969.
5. Amendment of Khyber Pakhtunkhwa Act No. IV of 1990.
6. Amendment of Khyber Pakhtunkhwa Act No. I of 1995.
7. Amendment of Khyber Pakhtunkhwa Act No. I of 1996.
8. Amendment of Khyber Pakhtunkhwa Ordinance No. IV of 2000.
9. Amendment of Khyber Pakhtunkhwa Act No. VIII of 2010.
10. Amendment of Khyber Pakhtunkhwa Act No. XXI of 2013.

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(KHYBER PAKHTUNKHWA ACT NO. XXV OF 2014)

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AN

ACT

to levy, continue, revise and exempt certain taxes, fees, cess and duty in the Province of the Khyber Pakhtunkhwa.

WHEREAS it is expedient to levy, continue, revise and exempt certain taxes, fees, cess and duty in the Province of the Khyber Pakhtunkhwa;

It is hereby enacted as follows:

1. Short title, extent and commencement.---(1) This Act may be called the Khyber Pakhtunkhwa Finance Act, 2014.

(2) It shall extend to whole of the Province of the Khyber Pakhtunkhwa.

(3) It shall come into force on the first day of July, 2014.

2. Amendment of Act No. II of 1899.---In the Stamp Act, 1899 (Act No. II of 1899), in Schedule-I,-

(a) against Article No. 4, in column No. 3, for the word “Thirty”, the word “Sixty” shall be substituted;

(b) against Article No. 6(A), in column No. 3, for the figures “100” and “200”, the figures “200” and “400” shall respectively be substituted;

(c) against Article No. 8-A, in column No. 3,-

(i) for the words “One hundred & fifty rupees”, occurring for the second time, the words “One thousand rupees” shall be substituted; and

(ii) for the words “One thousand & five hundred”, the words “Two thousand and five hundred” shall be substituted;

(d) against Article No. 12, in column No. 2 and 3, for the existing entries, the following shall be substituted, in the respective columns, namely:

2.	3.
<p>“AWARD,-</p> <p>(i) that is to say, any decision in writing by an arbitrator or umpire, not being an award directing a partition, on a reference made otherwise than by an order of the Court in the course of a suit; and</p> <p>(ii) directing partition.</p>	<p>The same duty as on a Bond (No. 15), for the amount or value of the property to which the award relates as set forth in such award.</p> <p>Rs. 50.00 for every kanal or part thereof.”;</p>

- (e) against Article No. 48,-
- (i) in column No. 2, the existing clause (ee) shall be deleted; and
- (ii) in column No. 3,-
- (a) for the words “Two hundred rupees” and “Two hundred & fifty rupees”, the words “Three hundred rupees” shall respectively be substituted;
- (b) for the words “Seven hundred & fifty rupees”, the words “Nine hundred rupees” shall be substituted; and
- (c) the words “One thousand rupees” shall be deleted.

3. Amendment of W.P. Act No. V of 1958.---In the West Pakistan Urban Immoveable Property Tax Act, 1958 (W.P. Act No. V of 1958),-

- (i) for the existing Schedule-I, the Schedule specified in Appendix-I to this Act shall be substituted;
- (ii) in Schedule-II,-
- (a) after entry at S.No. 7, the following new entry shall be inserted, namely;

“7(A). Service Station of vehicles, irrespective of operating in addition to other service such as filling station or otherwise shall be charged at flat rate of Rs.10,000 per annum.”;

- (b) in entry at S.No. 9, the words and slash “or for the establishment of mobile phone towers/ antennas” shall be deleted; and
- (c) after entry at S.No. 9, as so amended, the following new entry shall be added, namely:

“10. Buildings and Lands used for erection of Mobile Phone Towers shall be assessed and taxed at the rates:

- (i) Provincial Headquarter Rs.40,000 per annum;
- (ii) Divisional Headquarter and respective sub-urban areas Rs.30,000 per annum; and
- (iii) District Headquarter and respective sub-urban areas Rs.20,000 per annum.”.

4. Amendment of W.P. Ord. No. VIII of 1969.---In the West Pakistan Shops and Establishment Ordinance, 1969 (W.P. Ord. No. VIII of 1969), in section 24,-

- (a) in sub-section (2), for the words and figures “Rs. 75.00”, “Rs.100.00”, “Rs.125.00”, and “Rs.150.00”, the words and figures “Rs.200.00”, “Rs.500.00”, “Rs.1000.00” and “Rs.2000.00” shall respectively be substituted; and
- (b) in sub-section (6), in clauses (a), (b), (c) and (d), for the words and figures “Rs. 25.00”, “Rs. 50.00”, “Rs.75.00” and “Rs. 100.00”, the words and figures “Rs.200.00”, “Rs. 500.00”, “Rs. 1000.00” and “Rs.2000.00” shall respectively be substituted.

5. Amendment of Khyber Pakhtunkhwa Act No. IV of 1990.---In the Khyber Pakhtunkhwa Finance Act 1990 (Khyber Pakhtunkhwa Act No. IV of 1990), in section 7, for the existing Table, the Table specified in Appendix-II to this Act shall be substituted.

6. Amendment of Khyber Pakhtunkhwa Act No. I of 1995.---In the Khyber Pakhtunkhwa Finance Act 1995 (Khyber Pakhtunkhwa Act No I of 1995), in section 6, in sub-section (8), for the words “Five thousand” and “Two thousand”, the words “Six thousand” and “Two thousand and five hundred” shall respectively be substituted.

7. Amendment of Khyber Pakhtunkhwa Act No. I of 1996.---In the Khyber Pakhtunkhwa Finance Act 1996 (Khyber Pakhtunkhwa Act No. I of 1996), in section 11, in sub-section (1), for clauses (a), (b) and (c), the following shall respectively be substituted, namely:

- | | | | |
|------|---|-------|----------------------------|
| “(a) | for virginia (flu-curd, barley and dark-air-cured) | | Rs. 5.00 per kilogram; |
| (b) | for white patta/rustica tobacco including khaka and the roth made of main stalk (dandi) and stem of tobacco | | Rs. 2.50 per kilogram; and |
| (c) | for snuff/naswar | | Rs. 2.00 per kilogram.”. |

8. Amendment of Khyber Pakhtunkhwa Ordinance No. IV of 2000.---In the Khyber Pakhtunkhwa Land Tax and Agriculture Income Tax Ordinance, 2000 (Khyber Pakhtunkhwa Ordinance No. IV of 2000), for the existing First Schedule and Second Schedule, the Schedules specified in Appendix-III to this Act shall be substituted.

9. Amendment of Khyber Pakhtunkhwa Act No. VIII of 2010.---In Khyber Pakhtunkhwa Finance Act, 2010 (Act No. VIII of 2010), in section 2, in sub-section (2), for clause (c) the following shall be substituted, namely:

- “(c) Commercial Immoveable property including residential flats situated in Plazas or Multi-story buildings of any size situated in an urban area:

S.No.	Description of property.	Rate of Tax.
(i)	Where the value of the immovable property is recorded.	2% of the recorded value of the immovable property provided that the amount of tax per Sq-ft of constructed area for floor indicated below shall not be less than: Rs.8/ per Sq-ft for basement Rs.10/ per Sq-ft for ground floor Rs.8/ per Sq-ft for 1 st floor Rs.7.5/ per Sq-ft for 2 nd floor Rs.7/ per Sq-ft for 3 rd floor and above.
(ii)	Where the value of the immovable property is not recorded.	The amount of tax per Sq-ft of constructed area for floor indicated below shall be: Rs.8/ per Sq-ft for basement Rs.10/ per Sq-ft for ground floor Rs.8/ per Sq-ft for 1 st floor Rs.7.5/ per Sq-ft for 2 nd floor Rs.7/ per Sq-ft for 3 rd floor and above.”.

10. Amendment of Khyber Pakhtunkhwa Act No. XXI of 2013.---In the Khyber Pakhtunkhwa Finance Act, 2013 (Khyber Pakhtunkhwa Act No. XXI of 2013), in the First Schedule,-

- (a) after the existing entries against Classification No. 9802.5000, the following new Classification No. and Description shall be inserted, in the respective columns, namely:

“9802.6000	Advertisements on poles.
9802.7000	Advertisements on billboards.
9802.8000	Sale of Space for Advertisement services.”;

- (b) after the existing entries against Classification No. 9802.9000, the following new Classification No. and Description shall be inserted, in the respective columns, namely:

“9802.9010 TV, Radio & Production Services.

9802.9020 Broadcasting Services.”;

- (c) for the existing entry in Description column against Classification No. 9814.2000, the following shall be substituted, namely:

“Contracting services rendered by the contractors of buildings, electro-mechanical works, turn-key projects and similar other works, excluding individual house construction contracts.”;

- (d) after the existing entries against Classification No. 9815.6000, the following new Classification No. and Description shall be inserted, in the respective columns, namely:

“9815.7000 Cosmetic and Plastic Surgery Services.”;

- (e) after the existing entries against Classification No. 9819.8000, the following new Classification No. and Description shall be inserted, in the respective columns, namely:

“9819.8700 Video Tape and Production Services.”;

- (f) after the existing entries against Classification No. 9819.9500, the following new Classification No. and Description shall be inserted, in the respective columns, namely:

“9819.9600 Copy Right Services.;

9819.9800 Sound Record Service.”;

- (g) after the existing entries against Classification No. 9820.4000, the following new Classification No. and Description shall be inserted, in the respective columns, namely:

“9820.5000 Services provided by motor vehicle workshops, mechanic shops, air conditioning fitting service and cleaning centres.”;
and

- (h) after the existing entries against Classification No. 9868.0000, the following new Classification No. and Description shall be added, in the respective columns, namely:

“9869.0000	Container terminal services.
9870.0000	Manpower recruitment and labour supply services.
9871.0000	Port operating services.
9872.0000	Public Bonded Warehouse.
9873.0000	Services provided in respect of mining of minerals, oil and gas including related surveys and allied activities.
9874.0000	Event Management Services.”.

Appendix-I
[Section 3]

“Schedule-I
[See Section 3(2)]

PART ‘A’

S No	category	Rate of tax for areas of Provincial HQ as notified by the Govt: (per annum) @Rs.			Rate of tax at Divisional HQ (per annum) @Rs.		Rate of tax in suburban areas of Div: HQ (per annum) @Rs.		Rate of tax at Distt: HQs (per annum) @Rs.		Rate of tax at district other than district HQs (per annum) @Rs.	
		3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.
		A	B	C	Town-ships	Other than townships	Town-ships	Other than townships	Town-ships	Other than townships	Town-ships	Other than townships
1.	Upto 5 marlas (other than self occupied)	1000	900	750	900	750	500	325	400	300	200	150
2.	Exceeding 5 marlas but not exceeding 10 marlas	1700	1600	1500	1600	1500	900	750	800	750	600	500
3.	Exceeding 10 marlas but not exceeding 15 marlas	2200	2100	2000	2100	2000	1100	1000	1100	1000	600	500
4.	Exceeding 15 marlas but not exceeding 18 marlas	3300	3200	3000	3200	3000	1700	1500	1700	1500	900	750

5.	Exceeding 18 marlas but not exceeding 20 marlas	10000	9000	8000	9000	8000	5000	3000	4000	2000	1500	1000
6.	Exceeding 20 marlas but not exceeding 30 marlas	15000	14000	12000	14000	10000	8000	6000	5000	3000	3000	2000
7.	Exceeding 30 marlas but not exceeding 40 marlas	20000	18000	16000	18000	16000	14000	12000	10000	8000	6000	4000
8.	Exceeding 40 marlas	30000	25000	20000	25000	20000	15000	12000	10000	8000	6000	4000

PART 'B'

Building acquired for the use by Government, Semi-Government, Non Government Organizations, Development Financial Institutions, private commercial organizations, guest houses, hostels or by Banks shall be assessed and taxed twenty percent of the actual annual rent. In case building other than those exempted under section 4 of the Act, which are owned and occupied by such organizations, tax shall be levied on the assessed annual rental value of such buildings on the rate prescribed hereinbefore.

PART 'C'

Tax on properties let out on rent, lease or other arrangement and not in use of their registered owners will be double of the above, except for the category-1 (upto 5 marlas).

Explanation: Categorization of area in Provincial Headquarter into Category "A", "B" or "C" shall be by way of notification by the Local Government & Rural Development Department, to be notified from time to time. In Divisional and District Headquarters, Townships are approved Townships and include those areas, which are declared so by Local Government & Rural Development Department from time to time."

Appendix-II
[See section 5]

“TABLE

S.No.	Description of Tax payers.	Rates of Tax (per annum).
1.	2.	3.
1.	(i) All persons engaged in any profession, trade, calling or employment, other than those specifically mentioned hereinafter, in the Khyber Pakhtunkhwa Province, whose monthly income or earning:	
	(a) when exceeds Rs.6000 but not exceeds Rs.10000;	Exempted
	(b) when exceeds Rs.10000 but not exceeds Rs.20000;	Rs.330
	(c) when exceeds Rs.20000 but not exceeds Rs.50000;	Rs.435
	(d) when exceeds Rs.50000 but not exceeds Rs.100000;	Rs.600
	(e) when exceeds Rs.100000 but not exceeds Rs.200000; and	Rs.800
	(f) when exceeds Rs.200000 but not exceeds Rs.500000.	Rs.1000
	(ii) Employees of Federal and Provincial Government drawing pay in Basic Scales:	
	(a) BS-01 to 04;	Exempted
	(b) BS 05 to 12;	Rs.100
	(c) BS 13-16;	Rs.200
	(d) BS-17;	Rs.300
	(e) BS-18;	Rs.500
	(f) BS-19; and	Rs.1000
	(g) BS-20 and above.	Rs.2000

2.	<p>All limited companies, Modarbas, Mutual Funds and any other body corporate with paid up capital and reserves in the preceding year, whichever is more:</p>	
	<p>(a) when not exceeding Rs.10 million;</p> <p>(b) when exceeding Rs.10 million but not exceeding 25 million;</p> <p>(c) when exceeding Rs.25 million but not exceeding 50 million;</p> <p>(d) when exceeding Rs.50 million but not exceeding 100 million;</p> <p>(e) when exceeding Rs.100 million but not exceeding 200 million; and</p> <p>(f) when exceeding Rs.200 million.</p>	<p>Rs.18000</p> <p>Rs.27000</p> <p>Rs.36000</p> <p>Rs.90000</p> <p>Rs.100000</p> <p>Rs.100000</p>
	<p>Explanation.---The paid up capital in case of foreign banks shall be the minimum paid up capital as determined by the State Bank of Pakistan:</p>	
3.	<p>Persons, other than companies, owning factories, commercial establishments, private education institutions and private hospitals, having the following commercial establishment:</p>	
	<p>(a) any commercial establishment/factories having 10 or more employees which have not been otherwise explicitly given in this table;</p> <p>(b) private clinics & hospitals having upto 10 employees;</p> <p>(c) private clinics, hospitals having employees more than 10 but not more than 50;</p> <p>(d) private clinics & hospitals having more than 50 employees;</p> <p>(e) private medical colleges;</p> <p>(f) private engineering institutes having degree programs;</p>	<p>Rs.10000</p> <p>Rs.10000</p> <p>Rs.50000</p> <p>Rs.100000</p> <p>Rs.100000</p> <p>Rs.100000</p>
	<p>(g) private business education institutes:</p>	

	(i) having upto 100 students;	Rs.70000
	(ii) exceeding 100 students.	Rs.100000
	(h) private law colleges;	Rs.100000
	(i) private education institutions including professional and technical institutions other than specified at e,f, g & h charging monthly fee not exceeding Rs.1000 per student;	Rs.5000
	(j) private education institutions including professional and technical institutions other than specified at e,f, g & h charging monthly fee exceeding Rs.1000 but not exceeding Rs.2000 per student.	Rs.7000
	(k) private education institutions including professional and technical institutions other than specified at e,f, g & h charging monthly fee exceeding Rs.2000 but not exceeding Rs.5000 per student;	Rs. 20000
	(l) private education institutions including professional and technical institutions other than specified at e, f, g & h charging monthly fee exceeding Rs.5000 per student.	Rs.100000
4.	Holders of import or export license, assessed to income tax in the preceding year with annual turnover:	
	(a) when not exceeding Rs.50000;	Rs.4000
	(b) when exceeding Rs.50000.	Rs.5000
5.	Clearing agents licensed or approved as custom house agents.	Rs.10000
6.	Travel Agents:	
	(a) IATA travel agents approved;	Rs.15000
	(b) Non-IATA approved;	Rs.8000
	(c) Hajj and tour operator.	Rs.15000
7.	Restaurants/Guest Houses liable to sales tax.	Rs.15000

8.	Professional Caterers.	Rs.15000
9.	Wedding Halls/Lawns (irrespective of their nomenclature).	Rs.30000
10.	Advertisement Agencies.	Rs.10000
11.	Doctors:	
	(a) Specialists;	Rs.20000
	(b) Non Specialists including Medical Practitioners, Hakeem's, Homeopaths etc.;	Rs.2000
	(c) Dentists.	Rs.15000
12.	Diagnostic and Therapeutic Centers, including pathological and chemical laboratories:	
	(a) located at Divisional Headquarters;	Rs.15000
	(b) located at other places.	Rs.3600
13.	Contractors, Suppliers and Consultants who, during preceding financial year supplied to the Federal or any Provincial Government or any local authority in the District, Goods, Commodities, or rendered service of the value:	
	(a) when exceeding Rs.10,000 but not exceeding Rs. 0.5 million;	Rs.4000
	(b) when exceeding Rs.0.5 million but not exceeding Rs.1 million;	Rs.5000
	(c) when exceeding Rs.1.50 million but not exceeding Rs.2.500 million;	Rs.7000
	(d) when exceeding Rs.2.500 million but not exceeding Rs.10 million;	Rs.18000
	(e) when exceeding Rs.10 million but not exceeding Rs.25 million;	Rs.25000
	(f) when exceeding Rs.25 million but not exceeding Rs.50 million;	Rs.30000
	(g) when exceeding Rs.50 million.	Rs. 100000

14.	Petrol/Diesel/CNG filling stations.	Rs. 8000
15.	All establishments, including video shops, real estate shops/agencies, card dealers, and net cafes assessed or not assessed to income tax in the preceding financial year.	Rs. 3000
16.	Chartered Accountants with an independent audit practice and excluding those who are employed in companies not owned by them.	Rs.15000
17.	Vehicles Service Stations.	Rs.5000
18.	Transporters/Transport companies:	
	(a) within provincial headquarters limit;	Rs.3000
	(b) Others.	Rs.2000
19.	Member of Stock Exchange.	Rs.5000
20.	Money Changer:	
	(i) within Provincial Headquarter's limits; and	Rs.10000
	(ii) Others.	Rs.5000
21.	Health Fitness Centers/Gymnasium:	
	(i) within Provincial Headquarter's limits; and	Rs.2000
	(ii) Others.	Rs.1000
22.	Jewelers.	Rs.1000
23.	Departmental Stores.	Rs.1000
24.	Electronic goods Stores.	Rs.1000
25.	Cable Operators.	Rs.1000
26.	Printing Presses.	Rs.1000
27.	Pesticides Dealers.	Rs.1000
28.	Tobacco Whole Sellers.	Rs.2000".

Appendix-III
[Section 8(b)]

“The First Schedule
(See Section 3)

Rates of Land Tax

S.No.	Kind/Area of Land	Per acre rate
1.	2.	3.
1.	Slab of total cultivated land, computed as Irrigated land, by treating one irrigated Acre as equal to two un-irrigated acres, excluding orchards: (i) Not exceeding 5 acres; (ii) exceeding 5 acres but not exceeding 12 ^{1/2} acres; and (iii) exceeding 12 ^{1/2} acres.	Exempted Rs.225 Rs.340
2.	Orchard.	Rs.900

The Second Schedule
(See section 6)

Rates of Agricultural Income Tax

In the case of every owner, the agriculture income tax shall be charged on the agriculture income:

1.	Where income is not more than Rs.400,000/-	No tax
2.	Where total taxable income exceeds Rs.400,000/- but does not exceed Rs.550,000/-.	5% of amount exceeding Rs.400,000/-.
3.	Where total taxable income exceeds Rs.550,000/- but does not exceed Rs.750,000/-.	Rs.7500/- plus 7.5% on amount exceeding Rs.550,000/-.
4.	Where total taxable income exceeds Rs.750,000/- but does not exceed Rs.950,000/-.	Rs.22,500/- plus 10% on amount exceeding Rs.750,000/-.
5.	Where total taxable income exceeds Rs.950,000/- but does not exceed Rs.1,100,000/-.	Rs.42,500/- plus 15% on amount exceeding Rs.950,000/-.
6.	Where total taxable income exceeds Rs.1,100,000/-.	Rs.65,000/- plus 17.5% on amount exceeding Rs.1,100,000/-.