

THE WEST PAKISTAN FINANCE ACT, 1965.

(WEST PAKISTAN ACT NO. I OF 1965.)

(1st July, 1965.)

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² Omitted vide Khyber Pakhtunkhwa Adaptation of Laws Order, 1975.

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¹ Repealed vide Khyber Pakhtunkhwa Act No. VI of 1972.

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(1st July, 1965.)

[First published, after having received the assent of the Governor of West Pakistan, in the Gazette of West Pakistan (Extraordinary), dated the 1st July, 1965.]

**AN
ACT**

to continue, levy and abolish taxes and duties in West Pakistan.

WHEREAS, it is expedient to continue, levy and abolish certain taxes and duties in the Province of West Pakistan; Preamble.

It is hereby enacted as follows:—

1. (1) This Act may be called the West Pakistan Finance Act, 1965. Short title, commencement and extent.
- (2) It shall come into force on and from the 1st day of July, 1965.
- (3) It shall extend, unless otherwise specified hereinafter, to the whole of the ¹[Province of the Khyber Pakhtunkhwa], except the Tribal Areas.
2. In this Act, unless there is anything repugnant in the subject or context— Definitions.
 - (a) “Government” means the Government of ²[Khyber Pakhtunkhwa];
 - (b) “Collector” means the Collector of the District and includes any officer appointed under any law for the time being in force relating to land-revenue, to discharge the duties of a Collector;
 - (c) “prescribed” means prescribed by rules made under this Act.

¹ Substituted vide Khyber Pakhtunkhwa Act, No. IV of 2011.

² Substituted vide Khyber Pakhtunkhwa Act, No. IV of 2011.

3. (1) There shall be levied and collected from every owner of land which is assessed to agricultural income-tax in the districts of Bannu, Dera Ismail Khan, Hazara, Mardan, Kohat, Peshawar, ¹[.....] on the land-revenue payable in the agricultural year 1964-65, and additional amount of agricultural income-tax by way of surcharge at the rates specified in the First Schedule.

Surcharge on Agricultural Income tax in certain districts.

Explanation for purposes of this section 'agricultural year' means the agricultural year as defined in the Punjab Land Revenue Act, 1887.

(2) The provisions of the ²[Khyber Pakhtunkhwa] Agricultural Income tax Act, 1948, ³[.....] shall, so far as may be apply to the assessment, collection and recovery of the surcharge imposed under this section.

⁴[4

5. There shall be levied and collected a tax on cinemas payable by the owner or management thereof at the following rates for the financial year 1965-66:—

Tax on cinemas.

- | | |
|----------------------------------------------------------------|----------------------|
| (i) In the case of a cinema classed as a first class cinema. | One thousand rupees. |
| (ii) In the case of a cinema classed as a second class cinema. | Five hundred rupees. |
| (iii) In the case of a cinema classed as a third class cinema. | One hundred rupees. |

6. There shall be levied and collected in any area in which a tax is imposed on motor vehicles by or under any enactment, a surcharge on such tax at the following rates for the financial year 1965-66:—

Tax on motor vehicles.

- | | |
|------------------------------------------------------------------------------------|---------------------|
| (i) Motor vehicles used for the transport or carriage of goods and materials. | Twenty-five rupees. |
| (ii) Motor vehicles plying for hire and licensed to carry more than eight persons. | Fifty rupees. |

⁵[7-8

¹ Omitted vide Khyber Pakhtunkhwa Adaptation of Laws Order, 1975.

² Substituted vide Khyber Pakhtunkhwa Act, No. IV of 2011.

³ Omitted vide Khyber Pakhtunkhwa Adaptation of Laws Order, 1975.

⁴ Omitted vide Khyber Pakhtunkhwa Adaptation of Laws Order, 1975.

⁵ Omitted vide Khyber Pakhtunkhwa Adaptation of Laws Order, 1975.

9. Until the 30th day of June, 1966, there shall be levied and paid on railway fares and freights a tax according to the scale set out in the Third Schedule.

Tax on railway fares and freights.

10. ¹[(1) Notwithstanding anything contained in the Stamp Act, 1899 (II of 1899), every instruments of conveyance as defined in clause (10) of section 2 of that Act, and not being a transfer charged or exempted under Article 62 of Schedule I to that Act, may be charged with additional Stamp Duty under this Act, at such rates as Government may, by Notification in the official Gazette, specify.]

Levy of additional stamp duty.

(2) The additional Stamp Duty ²["if any, specified under"] in sub-section (1) shall be chargeable in respect of every instrument of—

- (a) Certificate of sale under Article 18 (c) in respect of each property put up as a (separate lot and sold) granted to the purchaser of any property sold-by public auction by a Civil or Revenue Court, or a Collector or other Revenue Officer, where the purchase money exceeds Rs. 25.00.
- (b) Exchange of property (Article 31);
- (c) Further Charge on a mortgaged property under Article 32 (a) and (b) (1), where at the time of execution of the instrument of Further Charge possession of the property is given or agreed to be given under such instrument;
- (d) Gift (Article 33), not being a Settlement or Will or Transfer under Article 62;
- (e) Lease including an under lease or sub-lease and any agreement to let or sublet under Article 35 (b) and (c), other than where by such lease the rent is fixed and no premium is paid or delivered;
- (f) Mortgage Deed under Article 40 (a), not being an Agreement relating to deposit of Title Deeds, Pawan or Pledge under Article 6, Bottomry Bond under Article 16, Mortgage of a Crop under Article 91, Respondentia Bond under Article 56, or Security Bond under Article 57, when possession of the

¹ Substituted vide Khyber Pakhtunkhwa Act No. VI of 1992.

² Substituted vide Khyber Pakhtunkhwa Act No. VI of 1992.

property or any part or the property comprised in such deed is given by the mortgagor or agreed to be given;

- (g) Settlement under Article 58-A (ii), not being a settlement made for a religious or charitable purpose;
- (h) Transfer of Lease under Article 63 by way of assignment and not by way of under lease.

Explanation—Reference to an Article under this sub-section shall be construed as a reference to the respective Article of Schedule I to the Stamp Act, 1899.

(3) The amount of value of the consideration of the instruments mentioned in sub-section (2) shall be determined in accordance with the provisions of the Stamp Act, 1809.

11. (1) With effect from 1st July, 1965, the Schedule to the West Pakistan Motor Vehicles Taxation Act, 1958, shall have effect subject to the modifications specified in the Fourth Schedule. Enhanced tax on Motor vehicles.

¹[(2).....]

12. ²[(1) There shall be levied and collected every year a tax on hotels, payable by the owner or management thereof, at the following rates; Tax on Hotel.

- | | |
|-----------------------------------------------------------------------------------------------------|---------------------------------------|
| (i) Where daily charges per lodging unit in a hotel exceeds Rs. 100.00 but do not exceed Rs. 199.00 | Rs. 5.00 per lodging unit per day. |
| (ii) Where such daily charges in a hotel exceeds Rs. 199.00 unit but do not exceed Rs. 399.00 | Rs. 10.00 per lodging unit per day. |
| (iii) Where such daily charges in a hotel exceeds Rs. 399.00 but do not exceed Rs. 599.00 | Rs. 60.00 per lodging unit per day. |
| (iv) Where such daily charges hi a hotel exceeds Rs. 999.00 | Rs. 100.00 per lodging unit per day.] |

¹ Omitted vide Khyber Pakhtunkhwa Adaptation of Laws Order, 1975.

² Substituted vide Khyber Pakhtunkhwa Act No. 2 of 1995.

(2) Notwithstanding anything contained in sub-section (1)—

- (a) the assessment on a hotel at a hill station shall be made at half the rate applicable to ¹[it,] and
- (b) no tax shall be levied on any hotel where the maximum daily charge for a single lodging unit ²[.....] does not exceed Rs. ³[24.00].

⁴**[Explanation].**— In this sub-section, “maximum daily charge for a single lodging unit” includes charges in respect of fans, air-conditioning light, heat, telephone, bedding and all other payments connected with the lodging unit, except the portion, if any directly attributable to supply of foodstuff.]

(3) The tax levied under sub-section (1) shall be worked out and assessed on the basis of the ⁵[fifty percent] total number of lodging units available in the hotel, irrespective of the fact whether a lodging unit is actually occupied or not.

(4) The tax shall be paid in one or more installment in the manner fixed by Government.

⁶[(5).....]

(6) The assessment and collection of the tax ⁶[and] the assessment of the total number of lodging units ⁷[.....] shall be made by such agency and in such manner as may be prescribed; and the assessing authority may for this purpose—

- (a) require the owner or the management of a hotel to produce any book of accounts, document or other papers in his possession or power which are believed to contain information relating to the hotel; and
- (b) enter, and by written order authorise, an officer Subordinate to him to enter, any hotel.

¹ Substituted vide Khyber Pakhtunkhwa Act No. 1 of 1985.

² Omitted vide W. P. Ord. No. XLVI of 1969.

³ Substituted vide Khyber Pakhtunkhwa Act No. 1 of 1985.

⁴ Added vide W. P. Ord. No. XLVI of 1969.

⁵ Substituted vide Khyber Pakhtunkhwa Act No. 1 of 1985.

⁶ Omitted vide Khyber Pakhtunkhwa Act No. 1 of 1985.

⁷ Omitted vide Khyber Pakhtunkhwa Act No. 1 of 1985.

(7) Government may, by a general or special order exempt any hotel or any class of hotels from the payment of the whole or any part of the tax payable under this section.

(8) Section 10 of the West Pakistan Finance Act, 1964, is hereby repealed.

Explanation.—In this section, unless there is anything repugnant in the subject or context—

- (a) “hotel” means an establishment where lodging with board or other service is provided for a monetary consideration but shall not include—
 - i. any home or hostel maintained exclusively for aged or sick persons, or, as the case may be, for students, by or under the control of a charitable, medical or educational institution;
 - ii. any rest house, mess or other premises belonging to or in the possession of the Central or a Provincial Government, where lodging, board or other service is provided for Government officials or members of the Defense Forces;
- (b) “lodger” means a person who is in possession or enjoyment of a residential accommodation provided by a hotel;
- (c) “lodging unit” means a bed or other sleeping accommodation which is, or is intended to be, provided to a lodger staying overnight in a room for lodging; and
- (d) “room for lodging” means a room, part of a room or a suite of rooms in a hotel of which is normally let as a unit of residential accommodation and shall include a room of a part of a room or a suite of rooms provided free of charge to any person other than a regular employee of the hotel.

13. (1) For sub-section (1) of section 16 of the West Pakistan Finance Act, 1963, the following sub-section shall be substituted, namely:—

Amendment of
W.P Act No. IX
of 1963.

“(1) A capital gains tax shall be levied on any profits or gains arising from the sale, exchange or transfer of immovable property effected after the thirtieth day of June, 1963, within—

- (a) urban areas specified by Government under section 3 of the West Pakistan Urban Immovable Property Tax Act, 1958; and
- (b) such other urban areas as may be specified by Government under sub-section (1-A):

Provided that the tax in respect of property in the urban areas specified by Government under clause (a) or clause (b) on or after the first day of July, 1963, shall be levied on the profits or gains arising from the sale, exchange or transfer of the property effected after the date such areas are so specified as urban areas;

Provided further that the tax shall not be levied on the transfer of immovable property- in consequence of the distribution of immovable property on the total or partial partition of a Hindu undivided family or the distribution of such property on the dissolution of a firm or other association of persons or on the liquidation of a company or under a deed of gift, bequest, will or transfer on irrevocable trust.

(1-A) Government may, by notification in the Official Gazette, specify any built up areas, including land situated within or adjoining such area, to be an urban area for the purposes of this section.

Explanation.—For the purposes of this section, “built-up area” shall mean land which is occupied as the site of a building of enclosure and is not used for an agricultural purpose or purposes subservient to agriculture”.

14. If the person who is responsible for the payment of the toll of tax under section 5, ¹[.....] or section 12, or for the collection and payment of a toll or tax under section 7, fails to pay the toll or tax, as the case may be, he shall be liable to pay a penalty not exceeding the amount of the toll or tax payable.

Penalty.

15. No suit shall lie in any Civil Court to set aside or modify any assessment of tax or toll made under this Act and the rules made thereunder.

Bar of suits in Civil Court.

16. Where any tax or surcharge imposed by this Act is by way of an addition to or a surcharge on any existing tax imposed by or under an enactment in force in ²[Khyber Pakhtunkhwa] the procedure provided in such enactment for the assessment collection and recovery of such tax, shall, so far as applicable, apply to the assessment collection and recovery of the additional tax or surcharge.

Application of existing laws.

¹ Omitted vide Khyber Pakhtunkhwa Adaptation of Laws Order, 1975.

² Substituted vide Khyber Pakhtunkhwa Act, No. IV of 2011.

17. Government may, by notification in the official Gazette, make such omissions from, additions to, adaptations and modification of any 3[Provincial] Act as may be necessary for the purpose of the levy and collection of any tax imposed by this Act. Power to amend or vary an Act.

18. (1) Government may make rules for carrying in to effect the purposes of this Act. Power to make rules.

(2) Without prejudice to the generality of the foregoing provision, such rules may provide for all or any of the following matters, namely:—

- (i) the procedure for the assessment, collection and payment of any tax or toll levied under this Act;
- (ii) the classification of hotels for the purposes of section 12;
- (iii) any other matter incidental thereto.

(3) Any rules made or deemed to have been made under the corresponding provisions of the West Pakistan Finance Act, 1964, shall, so far as may be, be continued and be deemed to have been a made under this Act.

FIRST SCHEDULE*(See Section-3)****Surcharge***

Where the total land revenue payable does not exceed Rs. 349.	..	Nil
Where the total land revenue payable exceeds Rs. 340 but does not exceed Rs. 499.	..	Rupees twelve.
Where the total land revenue payable exceeds Rs.499 but does not exceed Rs. 749.	..	Rupees twenty four.
Where the total land revenue payable exceeds Rs. 749, but does not exceed Rs. 999.	..	Rupees fifty.
Where the total land revenue payable exceeds Rs. 999, but does not exceed Rs. 1,999.	..	Rupees one hundred.
Where the total land revenue payable exceeds Rs. 1,999 but does not exceed Rs. 4,999.	..	Rupees two hundred and fifty.
Where the total land revenue payable exceeds Rs. 4,999 but does not exceed Rs. 9,999.	..	Rupees five hundred.
Where the total land revenue payable exceeds Rs. 9,999.	..	Rupees one thousand.

SECOND SCHEDULE*(See section - 4)*

Slab of total land-revenue.	..	Amount of tax in respect of each slab.
Up to Rs. 450.	..	Nil.
More than Rs. 450 but not more than Rs. 1,250.	..	One-fourth of the land revenue.
More than Rs. 1,250 but not more than Rs. 3,500.	..	One half of the land revenue.
More than Rs. 3,500 but not more than Rs. 9,000.	..	Equal to land revenue.
More than Rs. 9,000.	..	One and a half of the land revenue.

THIRD SCHEDULE*(See section 7 and 9)***PART—I.***Freight (goods)*

Where the freight on any consignment does not exceed Rs. 3.	Nil.
Where the freight on any consignment exceeds Rs.3 but does not exceed Rs. 10.	Six paisa.
Where the freight on any consignment exceeds Rs. 10, but does not exceed Rs. 25.	Twelve paisa.
Where the freight, on any consignment exceeds Rs.25. but does not exceed Rs. 50.	Twenty-five paisa.
Where the freight on any consignment exceeds Rs. 50 but does not exceed Rs. 75.	Fifty paisa.
Where the freight on any consignment exceeds Rs. 75 but they not exceed Rs.100.	One rupee.
Where the freight on any consignment exceeds Rs. 100 but does not exceed Rs. 150.	Two rupees.
Where the freight on any consignment exceeds Rs. 150 but does not exceed Rs. 225.	Three rupees.
Where the freight on any consignment exceeds Rs. 225 but does not exceed Rs. 300.	Four rupees.
Where the freight on any consignment exceeds Rs. 300.	Four rupees plus one rupee for every hundred rupees in excess of three hundred rupees of freight.

PART—II.

<i>Fares [passengers)</i>	..	<i>Amount of tax</i>
On a first class ticket	..	50 Paisa.
On a second class ticket	..	25 paisa.
On an inter class ticket	..	12 paisa.
On a third class or deck ticket	..	6 paisa.

Provided that no tax shall be levied where the fare does not' exceed Rs. 3.

¹[FOURTH SCHEDULE]

¹ Repealed vide Khyber Pakhtunkhwa Act No. VI of 1972.