

**THE ¹[KHYBER PAKHTUNKHWA]
FINANCE ACT, 1997.**

(²[KHYBER PAKHTUNKHWA] ACT NO. III OF 1997)

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¹Substituted vide Khyber Pakhtunkhwa Act No. IV of 2011

²Substituted vide Khyber Pakhtunkhwa Act No. IV of 2011

³Deleted vide Khyber Pakhtunkhwa Act No. I of 1998

⁴Substituted vide Khyber Pakhtunkhwa Act No. IV of 2011

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THE ¹[KHYBER PAKHTUNKHWA]
FINANCE ACT, 1997.

(²[KHYBER PAKHTUNKHWA] ACT NO. III OF 1997)

*[First published after having received the assent of the Governor of the
³[Khyber Pakhtunkhwa] in the Gazette of ⁴[Khyber Pakhtunkhwa]
(Extraordinary), dated 7th July, 1997].*

AN
ACT

*to continue, levy and revise rates of certain taxes, duties and fees in the
⁵[Khyber Pakhtunkhwa.]*

WHEREAS, it is expedient to continue, levy and revise rates of certain duties and fees in the ⁶[Khyber Pakhtunkhwa];

It is hereby enacted as follows:—

1. Short title, extent and commencement.—(1) This Act may be called the ⁷[Khyber Pakhtunkhwa] Finance Act, 1997.

(2) It shall extend to whole of the ⁸[Province of the Khyber Pakhtunkhwa].

(3) Section 6 shall come into force on such day as Government may by Notification in the Official Gazette, specify and the remaining provisions of this Act shall come into force on the 1st day of July, 1997.

2. Definitions:—In this Act, unless the context otherwise requires,-

- (a) "Government" means the Government of the ⁹[Khyber Pakhtunkhwa];
- (b) "prescribed" means prescribed by rules made under this Act;
- (c) "Schedule" means a Schedule to this Act; and
- (d) "section" means a section of this Act.

¹Substituted vide Khyber Pakhtunkhwa Act No. IV of 2011

²Substituted vide Khyber Pakhtunkhwa Act No. IV of 2011

³Substituted vide Khyber Pakhtunkhwa Act No. IV of 2011

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⁷Substituted vide Khyber Pakhtunkhwa Act No. IV of 2011

⁸Substituted vide Khyber Pakhtunkhwa Act No. IV of 2011

⁹Substituted vide Khyber Pakhtunkhwa Act No. IV of 2011

3. **Amendment of Act II of 1899.** - In the Stamp Act, 1899 (Act II of 1899),-

(1) in section 27A, in sub-section (1), after the word "concerned" occurring at the end, the words and commas "or as the Provincial Government may, from time to time, by notification in the official Gazette, determine" shall be added;

(2) in Schedule 1 ,-

(a) in Article 1 ,-

(i) in clause (a), for the words "one rupee" the words "Two rupees" shall be substituted;

(ii) in clause (b), for the word "two" the word "three" shall be substituted;

(iii) in clause (c), for the word "five" the word "six" shall be substituted;

(b) in Article 4, for the word "Ten" the word "Fifteen" shall be substituted;

(c) after Article 8 the following new Article shall be inserted, namely:-

"8-A Applications made on plain paper-

(i) for redressal of grievances	---	Two rupees
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(ii) For arms licenses of non-prohibited bore	---	Ten rupees
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(iii) for arms licenses of prohibited bore	---	Forty rupees
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(iv) for Form X and XII prescribed under the Arms Rules	---	One thousand rupees.”;
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(d) in Article 17, for the word "Twenty" the word "Thirty" shall be substituted:

(e) in Article 18,-

- (i) in clause (a), for the words "Fifty paisa" the words "One rupee" shall be substituted;
 - (ii) in clause (b), for the words "One rupee" the words "Two rupees" shall be substituted;
- (f) in Article 23, for the word "four", wherever occurring, the word "Three" shall be substituted;
- (g) in Article 33,-
- (i) in clause (a),-
 - (a) in sub-clause (i), for the words "Two rupees" the words "One rupee" shall be substituted;
 - (b) in sub-clause (ii), for the word "Five" the word "Two" shall be substituted;
 - (ii) in clause (b), for the word "Six" the word "Three" shall be substituted;
- (h) in Article 37, for the word "Ten" the word "Fifty" shall be substituted;
- (i) in Article 41, for clause (a) the following shall be substituted, namely:-
- "(a) When the loan is repayable not more than three months from the date of the instrument,-
 - (i) For every sum secured One rupee. not exceeding Rs. 200.00
 - (ii) For every Rs. 200.00 or One rupee."; part thereof secured in excess of Rs. 200.00
- (j) in Article 48,-
- (i) in clause (a), for the words "One hundred" the words "One hundred and fifty" shall be substituted;
 - (ii) in clause (b), for the words "One hundred" the words "One hundred and fifty" shall be substituted;

- (iii) in clause (c), for the word "Two" the word "three" shall be substituted; and
- (iv) in clause (d), for the word "Two" the word "Three" shall be substituted;
- (k) in Article 62, in clause (a), the full-stop appearing at the end of the entry under the heading "Proper Stamp Duty" shall be replaced by a colon and thereafter the following proviso shall be added, namely:

"Provided that the duty shall be 0.10 per cent of the face value of shares subject to a minimum of one rupee in respect of shares transferred to the Central Depository Company and that in the case of new issue including right shares and bonus shares in respect of the companies listed in Karachi, Lahore and Islamabad Stock Exchanges, the rate of duty shall be 0.25 per cent."

4. Amendment of W. P. Act V of 1958. - In the West Pakistan Urban Immovable Property Tax Act, 1958 (W. P. Act V of 1958),-

- (1) in section 2, after clause (g), the following new clause shall be inserted, namely:

"(ga) "Schedule" means the Schedule to this Act;"

- (2) in section 3, for sub-section (2) the following shall be substituted, namely;

"(2) There shall be levied, charged and paid a tax on the buildings and lands in rating areas at such rates and in respect of such buildings and lands as specified in the Schedule:

Provided that different rates may be prescribed for different categories of buildings and lands including building and lands located in different areas:

Provided further that Government may, by notification, for reasons to be recorded, remit in whole or in part, the payment of the tax by any class of person in respect of any category of property.";

- (3) for section 4 the following shall be substituted, namely:

"4. Exemptions.- The tax shall not be leviable in respect of the following properties, namely:

- (a) buildings and lands, other than those leased in perpetuity, vesting in the Federal Government;
- (b) buildings and lands, other than those leased in perpetuity, vesting in Government and not administered by a local authority, or owned or administered by a local authority when used exclusively for public purposes and not used or intended to be used for purposes of profit;
- (c) buildings and lands the area whereof does not exceed three marlas;
- (d) public parks, playgrounds and libraries;
- (e) buildings and lands or portions thereof used exclusively for public worship or public charity including mosques, churches, dharamsalas, gurdwaras, orphanages, alms houses, drinking water fountains, infirmaries for the treatment and care of animals and public burial or burning grounds or other places for the disposal of the dead:

Provided that the following buildings and lands or portions thereof shall not be deemed to be used exclusively for public worship or for public charity within the meaning of this section, namely:—

- (i) buildings in or land on which any trade or business is carried on unless the rent derived from such buildings or land is applied exclusively to religious purposes or such public charitable institutions as may be prescribed;
 - (ii) buildings or land in respect of which rent is derived, and such rent is not applied exclusively to religious purposes or to public charitable institutions; and
 - (f) buildings and lands belonging to widows and minor orphans who are not assessed to income tax.";
- (4) in section 7,-
- (a) in sub-section (1), for the words "five years," the words "three years" shall be substituted; and
 - (b) after sub-section (2) the following new sub-section shall be added, namely:

"(3) After every three years the tax shall be increased at the rate of fifteen per cent of the tax last assessed and a new valuation list shall accordingly be prepared."; and

(5) the Schedule specified in Schedule I shall be added at the end.

5. Amendment of West Pakistan Act X of 1958.- In the West Pakistan Entertainment Duty Act, 1958 (W.P. Act X of 1958), in section 4, for the word "seventy-five" the word "sixty-five" shall be substituted.

6. Amendment of West Pakistan Act XXXII of 1958.- In the West Pakistan Motor Vehicles Taxation Act, 1958 (W.P. Act XXXII of 1958), in the First Schedule, in the entries at serial No. 3, for the figures "3500", "4000" and "6000", appearing against clauses (g), (h) and (i), the figures "4000", "5000" and "8000" shall respectively be substituted.

7. Amendment in West Pakistan Act 1 of 1965.- In the West Pakistan Finance Act, 1965 (W.P. Act 1 of 1965), in section 12,-

(a) in sub-section (1), for clause (v) the following clauses shall be substituted, namely:

“(v) Where such daily charges Rs. 100.00 per lodging unit per in hotel exceed Rs. 999.00 but do day. not exceed Rs. 1999.00

(vi) Where such daily charges Rs. 200.00 per lodging unit per in a hotel exceed Rs. day. 1999.00 but do not exceed Rs. 2999.00

(vi) Where such daily charges Rs. 300.00 per lodging unit per in a hotel exceed Rs. day.”; and 2999.00

(b) in sub-section(3), for the word "fifty" the word "sixty" shall be substituted.

¹[8. Deleted.]

9. Amendment of West Pakistan Finance Ordinance. 1969.- In the West Pakistan Finance Ordinance, 1969 (W.P. Ord. VII of 1969), in section 8, in sub-section (1), for the words "Ten paisa" appearing against clause (i), the words "One

¹Deleted vide Khyber Pakhtunkhwa Act No. I of 1998.

rupee" shall be substituted.

10. Amendment of West Pakistan Shops and Establishment Ordinance, 1969. In the West Pakistan Shops and Establishment Ordinance, 1969 (W.P. Ord. VIII of 1969),-

- (i) in section 24,-
 - (a) in sub-section (2), for the words and figures "Rs. 2.00", "Rs. 3.00", "Rs. 5.00", and "Rs. 10.00" the words and figures "Rs. 75.00", "Rs. 100.00", "Rs.125.00", and "Rs. 150.00" shall respectively be substituted; and
 - (b) after sub-section (5), the following new sub-section shall be added, namely:

"(6) Each registration under this section is subject to renewal annually on payment of a fee at the following rates, namely:

 - (a) Rs. 25.00 where the number of workers in an establishment does not exceed five;
 - (b) Rs. 50.00 where the number of workers in an establishment exceeds five but does not exceed ten;
 - (c) Rs.75.00 where the number of workers in an establishment exceeds ten but does not exceed twenty; and
 - (d) Rs. 100.00 where the number of workers in an establishment exceeds twenty."; and
- (ii) in section 27, in sub-section (1), for the word "fifty" and the words "two hundred and fifty" the words "one thousand" and the words "two thousand" shall respectively be substituted.

11. Amendment of ¹[Khyber Pakhtunkhwa], Ordinance IX of 1980. In the ²[Khyber Pakhtunkhwa] Finance Ordinance, 1980 (³[Khyber Pakhtunkhwa] Ord. IX of 1980), in the Second Schedule, in the entry at serial number 10, for the word "half, occurring in clause (i) of the proviso, the word "one" shall be substituted.

¹Substituted vide Khyber Pakhtunkhwa Act No. IV of 2011

²Substituted vide Khyber Pakhtunkhwa Act No. IV of 2011

³Substituted vide Khyber Pakhtunkhwa Act No. IV of 2011

12. Amendment of ¹[Khyber Pakhtunkhwa] Ord. V of 1982.- In the ²[Khyber Pakhtunkhwa] Finance Ordinance, 1982 (³[Khyber Pakhtunkhwa] Ord. V of 1982), in section 4, for sub-section (1) the following shall be substituted, namely:

"4. Sugarcane Development Cess.- (1) There shall be levied and collected a cess, called the Sugarcane Development cess, on Gur at the rate of ten rupees per bag."

13. Amendment of ⁴[Khyber Pakhtunkhwa] Act IV of 1990.- In the ⁵[Khyber Pakhtunkhwa] Finance Act, 1990 (⁶[Khyber Pakhtunkhwa] Act IV of 1990), in section 7, in sub-section (1), for the existing Table, the Table specified in Schedule II shall be substituted.

14. Amendment of ⁷[Khyber Pakhtunkhwa] Act I of 1994.- In the ⁸[Khyber Pakhtunkhwa] Finance Act, 1994 (⁹[Khyber Pakhtunkhwa] Act 1 of 1994), 1994),

- (1) in section 2,-
 - (i) in clause (f), the word "and" shall be added at the end; and
 - (ii) clauses (g) and (h) shall be deleted;
- (2) in section 3,-
 - (i) in sub-section (1), the words "specified in the Schedule or", occurring after the word "rates", shall be deleted; and
 - (ii) in sub-section (2), the comma and the words", and shall be assessed on the basis of land expressed in terms of produce index unit" shall be deleted; and
- (3) the Schedule shall be deleted.

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²Substituted vide Khyber Pakhtunkhwa Act No. IV of 2011

³Substituted vide Khyber Pakhtunkhwa Act No. IV of 2011

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⁸Substituted vide Khyber Pakhtunkhwa Act No. IV of 2011

⁹Substituted vide Khyber Pakhtunkhwa Act No. IV of 2011

15. Amendment of ¹[Khyber Pakhtunkhwa] Act I of 1995.- In the ²[Khyber ²[Khyber Pakhtunkhwa] Finance Act, 1995 (³[Khyber Pakhtunkhwa] Act 1 of 1995), 1995), in section 7,-

- (a) in sub-section (i), for the existing marginal heading the following shall be substituted, namely:

"Registration of Visual Cassettes Trade and Video Games Centres.";

- (b) for sub-section (2) the following shall be substituted, namely:

"(2) The registration fee for visual cassettes shops shall be charged at the rate of three thousand rupees per annum to be renewed annually on payment of the same fee; provided that the renewal fee in case of shops having less than five hundred cassettes shall be one thousand rupees.";

- (c) for sub-section (3), the following shall be substituted, namely:-

"(3) Government may, by notification in the official Gazette, require the registration of video»games centres from such date and on payment of such registration and renewal fees as may be specified in the notification."; and

- (d) in sub-section (4), the words "leviable in his case", occurring at the end, shall be deleted.

16. Amendment of ⁴[Khyber Pakhtunkhwa] Act I of 1996.-In the ⁵[Khyber ⁵[Khyber Pakhtunkhwa] Finance Act, 1996 (⁶[Khyber Pakhtunkhwa] Act 1 of 1996), for section 11 the following shall be substituted;

"11.Tobacco Development Cess:- There shall be levied and collected a development cess on tobacco at the rate as Government may, from time to time, by notification in the Official Gazette, specify. The cess shall be collected at the District Council exit points of the Districts of Haripur, Mansehra, Abbottabad, Nowshera, Kohat, Lakki Marwat and D.I. Khan by the concerned District Councils and credited into Government Treasury."

17. Application of existing laws:-Where any tax, fee or cess imposed by this Act is by way of an addition to any existing tax, fee or cess imposed by any other enactment, the procedure provided in such enactment and the rules framed thereunder for the assessment, collection and recovery of such tax, fee or cess shall, so far as applicable, apply to the assessment, collection and recovery of the additional tax, fee or cess.

¹Substituted vide Khyber Pakhtunkhwa Act No. IV of 2011

²Substituted vide Khyber Pakhtunkhwa Act No. IV of 2011

³Substituted vide Khyber Pakhtunkhwa Act No. IV of 2011

⁴Substituted vide Khyber Pakhtunkhwa Act No. IV of 2011

⁵Substituted vide Khyber Pakhtunkhwa Act No. IV of 2011

⁶Substituted vide Khyber Pakhtunkhwa Act No. IV of 2011

18. Bar of suit in Civil Court:-No suit shall lie in any Civil Court to set aside or modify any assessment, levy or collection of a tax, fee, duty or cess made under this Act and the rules thereunder.

19. Power to make rules:-Government may make rules for carrying into effect the provisions of this Act, and such rules may, among other matters, prescribe the procedure for the assessment, collection and payment of any tax, fee or cess levied, or imposition of any penalty under this Act, in so far as such procedure is not provided for in this Act.

SCHEDULE—I*{See Section
4(2)}***"SCHEDU
LE***[See section 3 (2)]***PART-I
RESIDENTIAL
BUILDINGS**

S.No.	Category	Rate of tax at Provincial and Divisional Headquarters for old city and new extended area	Rate of tax in suburban areas (other than areas covered by column 3) of the Provincial and Divisional Headquarters	Rate of tax at District Headquarters for old city and extended area not covered by column No. 4	Rate of tax at District Headquarters (other than areas covered by column 5) of the District Headquarters
1	2	3	4	5	6
1.	Exceeding 3 Marlas but not exceeding 5 Marlas.	Rs. 750 Per Annum	Rs. 325 Per Annum	Rs. 300 Per Annum	Rs. 150 per Annum
2.	Exceeding 5 Marlas but not exceeding 10 Marlas.	Rs. 1500 Per Annum	Rs. 750 Per Annum	Rs. 750 Per Annum	Rs. 500 Per Annum
3.	Exceeding 10 Marlas but not exceeding 15 Marlas.	Rs. 2000 Per Annum	Rs. 1000 Per Annum	Rs. 1000 Per Annum	Rs. 500 Per Annum
4.	Exceeding 15 Marlas but not exceeding 20 Marlas.	Rs. 3000 Per Annum	Rs. 1500 Per Annum	Rs. 1500 Per Annum	Rs. 750 Per Annum
5.	Exceeding 20 Marlas	Rs. 3000 Per Annum for the first 20 Marlas plus Rs. 200 Per additional Marlas.	Rs. 1500 Per Annum for the first 20 Marlas plus Rs. 100 Per additional Marlas.	Rs. 1500 Per Annum for the first 20 Marlas plus Rs. 50 Per additional Marlas.	Rs. 750 Per Annum for the first 20 Marlas plus Rs. 50 Per additional Marlas.

**PART-II
COMMERCIAL
BUILDINGS**

S.No.	Category	Rate of Tax for Provincial Headquarters	Rate of Tax for Divisional Headquarters (other than Peshawar)	Rate of Tax for District Headquarters (other than these covered by column 4)
1	2	3	4	5
1.	Ground/First Floor	Rs. 7 Per Sqft	Rs. 4 Per Sqft	Rs. 2 Per Sqft
2.	Basement/Upper Stories	Rs. 3 Per Sqft	Rs. 2 Per Sqft	Rs. 1 Per Sqft

**PART-III
OFFICES**

Building acquired for use as offices by Government or Semi-Government Organizations or by Banks and Development Financial Institutions and lands shall be assessed for the purpose of tax on the basis of 20 percent of the annual value of such buildings or lands.

**PART-IV
PETROL PUMPS**

- | | | |
|------|-----------------------------------------|---------------------|
| (i) | Petrol Pumps with Convenience Stores | Rs. 10000 Per Annum |
| (ii) | Petrol Pumps without Convenience Stores | Rs. 5000 Per Annum |

**PART-V
INDUSTRIAL BUILDINGS**

Industrial Buildings within the limits of Urban areas shall be assessed for the purpose of this tax at the rate of one rupee per square foot".

SCHEDULE—II

"TABLE

Sr. No.	Description of persons	Rate of Tax per annum
(1)	(2)	(3)
1.	Persons engaged in a profession, trade, calling or employment, other than Doctors, either wholly or part time, within the Province whose monthly income or earning -	
	(a) when exceeds Rs. 3000.00 but does not exceed Rs. 5000.00;	Rs. 100.00
	(ii) when exceeds Rs. 5000.00 but does not exceed Rs. 10,000.00; and	Rs. 150.00
	(iii) when exceeds Rs. 10,000.00.	Rs. 200.00
2.	Companies registered under the Companies Ordinance, 1984, with paid up capital -	
	(a) exceeding Rs. 0.2 million but not exceeding rupees one million;	Rs. 1000.00
	(b) exceeding rupees one million but not exceeding Rs. 2.5 million;	Rs. 3000.00
	(c) exceeding Rs. 2.5 million but not exceeding Rs. 10.000 million;	Rs. 6000.00
	(d) exceeding Rs. 10.000 million but not exceeding Rs. 50.000 million;	Rs. 10000.00
	(e) exceeding Rs. 50.000 million but not exceeding Rs. 100.000 million;	Rs. 25000.00
	(f) exceeding Rs. 100.000 million;	Rs. 50000.00
3.	Person other than Companies owning factories and commercial establishment with ten or more employees.	Rs. 750.00
4.	Persons holding licenses under the Import and Export Control Act, 1950. who during the preceding financial year have imported/exported goods of the value-	
	(a) not exceeding Rupees 50,000/-	Rs. 1000.00

(b) exceeding rupees 50,000/-	Rs. 1500.00
5. Clearing Agents, licensed or approved as Custom House Agents.	Rs. 1000.00
6. Travel Agents	
(a) IATA	Rs. 5000.00
(b) Non IATA	RS. 2000-00
7. Contractors/Suppliers/Consultants, including private limited companies, who, during the preceding financial year, supplied to the Federal or any Provincial Government or any local authority goods, commodities or rendered service of the value-	
(a) exceeding Rs. 10,000 but not exceeding Rs. 1.000 million;	Rs. 1000.00
(b) exceeding Rs. 1.000 million but not exceeding Rs. 2.500 million;	Rs. 2500.00
(c) exceeding Rs. 2.500 million.	Rs. 5000.00
8. Restaurants and Marriage Halls assessable to income tax.	Rs. 1000.00
9. Advertising Agencies.	Rs. 2000.00
10. Doctors-	
(a) Professors, Specialists, Consultants, Associate Professors and Assistant Professors who are FRCS, MRCP, FCPS or equivalent degree holders.	Rs. 10000.00
(b) Medical Practitioner with MBBS/MD/BDS	Rs. 1000.00
(c) Medical Practitioner with LSMF or equivalent qualification, Hakeems and Homeopaths.	Rs. 500.00
11. Clinical Laboratories:-	
(a) Located at Peshawar and Abbottabad.	Rs. 5000.00
(b) Located at other places.	Rs. 1000.00
12. Schedule Banks/Development Financial Institutions/ Leasing Companies/Modaraba Companies not being a Company under the Companies Ordinance, 1984.	Rs. 5000.00