

**THE KHYBER PAKHTUNKHWA FINANCE ACT, 2017.**  
**(KHYBER PAKHTUNKHWA ACT NO. XXVI OF 2017)**

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**THE KHYBER PAKHTUNKHWA FINANCE ACT, 2017.**

**(KHYBER PAKHTUNKHWA ACT NO. XXVI OF 2017)**

*[First published after having received the assent of the Governor of the Khyber Pakhtunkhwa in the Gazette of Khyber Pakhtunkhwa (Extraordinary), dated the 23<sup>rd</sup> June, 2017].*

**AN**

**ACT**

*to levy, continue and revise certain taxes  
in the Province of the Khyber Pakhtunkhwa*

**Preamble.**-WHEREAS it is expedient to levy, continue and revise certain taxes 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, 2017.

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

(3) It shall come into force on the first day of July, 2017.

**2. Amendment of West Pakistan 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-I specified in Appendix-I to this Act shall be substituted; and

(ii) in Schedule-II,-

(a) at S.No.7 for the figures "15000" and "7500", the figures "22,500" and "11,250" shall respectively be substituted; and

(b) at S.No.7A, for the figures "15000", the figures "20,000" shall be substituted.

**3. 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.

**4. Amendments in the Khyber Pakhtunkhwa Act No. XXI of 2013.**---In the Khyber Pakhtunkhwa Finance Act, 2013 (Khyber Pakhtunkhwa Act No. XXI of 2013), in First Schedule, after existing entry "9803.3000", the following new entry shall be added, namely:

“9803.4000

Ride hailing services”.

**Appendix-I**  
**See section 2**

**“Schedule-I**  
**(See section 3(2))**

**Part ‘ A’**

S#	Category	Rate of tax for areas of Provincial headquarter as notified by the Government (per annum) (Rs)			Rate of tax at Divisional headquarters (per annum) (Rs)		Rate of tax in suburban areas of Divisional Headquarters (per annum) (Rs)		Rate of tax at District Headquarters (per annum) (Rs)		Rate of tax at District other than District Headquarters (per annum) (Rs)	
		A	B	C	Town ships	Other than Town ships	Town ships	Other than Town ships	Town ships	Other than Town ships	Town ships	Other than Town ships
1	Up to 5 Marlas (other than self occupied)	1500	1300	1100	1300	1100	800	500	600	500	400	300
2	Exceeding 5 Marlas but not exceeding 10 Marlas	2500	2400	2200	2400	2200	1400	1100	1200	1100	900	700

<b>3</b>	Exceeding 10 Marlas but not exceeding 15 Marlas	3300	3100	3000	3100	3000	1600	1500	1600	1500	900	800
<b>4</b>	Exceeding 15 Marlas but not exceeding 18 Marlas	4800	4700	4500	4700	4500	2500	2300	2500	2300	1300	1000
<b>5</b>	Exceeding 18 Marlas but not exceeding 20 Marlas	15,000	13,500	12,000	13,500	12,000	7,500	4,500	6,000	3,000	2,250	1,500
<b>6</b>	Exceeding 20 Marlas but not exceeding 30 Marlas	22,500	21,000	18,000	21,000	15,000	12,000	9,000	7500	4500	4500	3000
<b>7</b>	Exceeding 30 Marlas but not exceeding 40 Marlas	30000	27000	24000	27000	24000	21000	18000	15000	12000	9000	6000
<b>8</b>	Exceeding 40 Marlas	45000	37500	30000	37500	30000	22500	18000	15000	12000	9000	6000

**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 (4))**  
**“TABLE**

S#	Description of Tax payers	Proposed rates (Rs)
1	<b>(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</b>	
	(a) When exceeds Rs.3000 but not exceeds Rs.10000	Exempted
	(b) When exceeds Rs.10000 but not exceeds Rs.20000	330
	(c) When exceeds Rs.20000 but not exceeds Rs.50000	435
	(d) When exceeds Rs.50000 but not exceeds Rs.100000	600
	(e) When exceeds Rs.100000 but not exceeds Rs.200000	800
	(f) When exceeds Rs.200000 but not exceeds Rs.500000	1000
	<b>(ii) Employees of Federal and Provincial Government Drawing pay in Basic Scales</b>	
	(a) BS-1 to 4	Exempted
	(b) BS 5 to 12	100
	(c) BS 13-16	200
	(d) BS-17	300
	(e) BS-18	500
	(f) BS-19	1,000
	(g) BS-20 and above	2,000
2	<b>All limited companies, Modarbas, Mutual Funds and Any other body corporate with paid up capital and reserves in the preceding year,</b>	

	<b>whichever is more</b>	
	(a) <b>When not exceeding Rs.10 million</b>	<b>27,000</b>
	(b) <b>When exceeding Rs.10 million but not exceeding 25 million</b>	<b>36,000</b>
	(c) <b>When exceeding Rs.25 million but not exceeding 50 million</b>	<b>50,000</b>
	(d) <b>When exceeding Rs.50 million but not exceeding 100 million</b>	<b>75,000</b>
	(e) <b>When exceeding Rs.100 million but not exceeding 200 million</b>	<b>95,000</b>
	(f) <b>When exceeding Rs.200 million</b>	<b>100,000</b>
3	Persons, other than companies, owning factories, commercial establishments, private education institutions and private hospitals, having the following commercial establishment	
	(a) Any commercial establishment/factories having 10 or more employees which have not been otherwise explicitly given in this table.	10,000
	(b) Private clinics & hospitals having upto 10 employees	10,000
	(c) Private clinics, hospitals having employees more than 10 but not more than 50	50,000
	(d) Private clinics & hospitals having more than 50 employees	100,000
	(e) Private Medical Colleges.	100,000
	(f) Private Engineering Institutes having degree programs	100,000



	(g) Private Business Education Institutes:	
	(i) having upto 100 students	70,000
	(ii) exceeding 100 students	100,000
	(h) Private Law Colleges	100,000
	(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.	5,000
	(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.	7,000
	(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.	20,000
	(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.	100,000
4	<b> Holders of import or export license, assessed to income tax in the preceding year with annual turnover</b>	
	(a) When not exceeding Rs.50000	4,000
	(b) When exceeding Rs.50000	5,000
5	<b> Clearing agents licensed or approved as custom house agents</b>	10,000
6	<b> Travel Agents</b>	
	(a) IATA travel agents approved.	15,000
	(b) Non-IATA approved.	8,000
	(c) Hajj and tour operator	15,000
7	<b> Restaurants/Guest Houses liable to sales tax</b>	15,000

8	<b>Professional Caterers</b>	15,000
9	<b>Wedding Halls/Lawns (irrespective of their nomenclature)</b>	30,000
10	<b>Advertisement Agencies</b>	10,000
<b>11</b>	<b>Doctors</b>	
	(a) Specialists	20,000
	(b) Non Specialists including Medical Practitioners, Hakeem's, Homeopaths etc	<b>10,000</b>
	(c) Dentists	15,000
<b>12</b>	<b>Diagnostic and Therapeutic Centers” including pathological and chemical laboratories”</b>	
	(a) <b>Located at Divisional Head Quarter</b>	<b>20,000</b>
	(b) <b>Located at other places</b>	<b>7,000</b>
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 exceeds	4,000
	(b) Rs.0.5 million	
	(c) When exceeding Rs.0.5 million but not exceeding	5,000
	(d) Rs.1 million	
	(e) When exceeding Rs.1.50 million but not exceeding Rs.2.500 million	7,000
	(f) When exceeding Rs.2.500 million but not exceeding Rs.10 million	18,000
	(g) When exceeding Rs.10 million but not exceeding Rs.25 million	25,000
	(h) When exceeding Rs.25 million but not exceeding Rs.50 million	30,000
	(i) When exceeding Rs.50 million	100,000
<b>14</b>	<b>Petrol/Diesel/CNG filling stations</b>	<b>12,000</b>

15	<b>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.</b>	<b>5,000</b>
16	Chartered Accountants with an independent audit practice and excluding those who are employed in companies not owned by them.	15,000
17	<b>Vehicles Service Stations</b>	<b>8,000</b>
18	<b>Transporters/Transport companies.</b>	
	(a) Within Provincial Headquarters limits	3,000
	(b) Others	2,000
19	Member of Stock Exchange	5,000
20	<b>Money Changer</b>	
	(i) Within Provincial Headquarters limits	10,000
	(ii) Others	5,000
21	<b>Health Fitness Centers/Gymnasium</b>	
	(i) Within Provincial Headquarters limits	2,000
	(ii) Others	1,000
22	Jewelers	1,000
23	<b>Departmental Stores</b>	<b>10,000</b>
24	Electronic goods Stores	1,000
25	<b>Cable Operators</b>	<b>10,000</b>
26	Printing Presses	1,000
27	Pesticides Dealers	1,000
28	Tobacco Whole Sellers	2,000
29	<b>Whole Sale Dealers/agency holder</b>	<b>10,000</b>
30	<b>Chemist/Druggist/Medical Stores</b>	<b>10,000</b>
31	<b>Tailor Shops</b>	
	(a) Shalwar Qameez+wastecoat	<b>5,000</b>
	(b) Shilwar Qameez+wastecoat+pant shirt	<b>10,000.”</b>