

**<sup>1</sup>[Khyber Pakhtunkhwa] AGRICULTURE  
INCOME TAX RULES, 2001**

[Gazette of <sup>2</sup>[Khyber Pakhtunkhwa],  
Extraordinary dated 7-8-2001]

No.17269/Rev.1/24/2001-2002, dated 3-8-2001.---In exercise the powers conferred by section 18 of the <sup>3</sup>[Khyber Pakhtunkhwa] Land Tax Ordinance, 2000 (<sup>4</sup>[Khyber Pakhtunkhwa] Ord. IV of 2000), the Government of the <sup>5</sup>[Khyber Pakhtunkhwa] is please to make the following rules:-

**1. Short title and commencement.**--- These rules may be called the <sup>6</sup> [Khyber Pakhtunkhwa] Agriculture Income Tax Rules, 2001.

(2) These rules shall come into force at once.

**2. Definitions.**---(1) In these rules, unless the context otherwise requires,--

(a) “Board” means the Board of revenue, <sup>7</sup>[Khyber Pakhtunkhwa] constituted under the West Pakistan Board of Revenue Act, 1957 (W.P Act XI of 1957)’

(b) “Form” means a Form appended to these rules;

(c) “Ordinance” mean the <sup>8</sup>[Khyber Pakhtunkhwa] Land Tax and Agriculture Income Tax Ordinance, 2000 (<sup>9</sup>[Khyber Pakhtunkhwa] Ord. IV of 2000);

(d) “Province” means the <sup>10</sup>[Khyber Pakhtunkhwa];

(e) “return of total agriculture income” means the return of total Agriculture income as specified in the Form;

(f) “Sub Division” includes a Tehsil; and

(g) “total agriculture income” means the total agriculture income, in relation to an assessment year, of an owner computed in accordance with the provisions of these rules.

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<sup>1</sup> Sub. by the Khyber Pakhtunkhwa Act No Iv of 2011.

<sup>2</sup> Sub. by the Khyber Pakhtunkhwa Act No Iv of 2011.

<sup>3</sup> Sub. by the Khyber Pakhtunkhwa Act No Iv of 2011.

<sup>4</sup> Sub. by the Khyber Pakhtunkhwa Act No Iv of 2011.

<sup>5</sup> Sub. by the Khyber Pakhtunkhwa Act No Iv of 2011.

<sup>6</sup> Sub. by the Khyber Pakhtunkhwa Act No Iv of 2011.

<sup>7</sup> Sub. by the Khyber Pakhtunkhwa Act No Iv of 2011.

<sup>8</sup> Sub. by the Khyber Pakhtunkhwa Act No Iv of 2011.

<sup>9</sup> Sub. by the Khyber Pakhtunkhwa Act No Iv of 2011.

<sup>10</sup> Sub. by the Khyber Pakhtunkhwa Act No Iv of 2011.

(2) All other expressions used but not defined in these rules shall have the meanings as assigned to them in the Ordinance.

**3. Computation of agriculture income.**--- In computing agriculture income of an owner the following allowances and deductions shall be made, namely:-

(i) any expenditure on account of labour for tilling the land, sowing of seed, planting, tending/pruning, harvesting, rendering the produce fit to be taken to market;

(ii) any expenditure incurred on purchase of seed, fertilizer and pesticides, etc;

(iii) any expenditure on hiring animals, tractors and agricultural machinery and implements used for earning agricultural income;

(iv) depreciation of such buildings, machinery and plant, being the property of the assessee which are used for the purpose of earning agricultural income and the expenditure incurred on the repairs of the above;

(v) any expenditure incurred on repairs and maintenance of water courses;

(vi) any sum paid on account of ushr, local rate cesses, water rate (abiana), electricity bills in respect of tubewells and lift pumps used for agriculture, rent for land used for agriculture, return of agricultural loan, and wealth tax on agricultural assets; and

(vii) investment and levelling and development of land, including installation of a tubewell.

**4. Allowances to be treated as deductions from income.** --- Any allowance admissible under these rules shall be included in the total agricultural income, but may be deducted from such income for the purpose of computing the tax payable by an assessee under the Ordinance and these rules.

**5. Payment of land based tax under the Ordinance to be taken into account while working out tax payable under these rules.**--- The land based tax in respect of an income year assessed under the Ordinance shall be taken into account while working out the tax payable by the assessee under these rules in respect of the same income year.

**6. return of total agricultural income.**—(1) Every owner who is required to furnish a return of total agricultural income under the Ordinance in respect of any income year shall furnish such return on the prescribed Form on or before the thirtieth day of September next following the income year:

Provided that the District Collector/Assistant Collector of the Sub-Division who has to assess and collect the tax in accordance with these rules, may, on sufficient cause being shown, extend the date for the delivery of the return so, however, that no extension of time for a periods

amounting in all to more than fifteen days shall be allowed, except with the approval of the Collector of the District concerned.

(2) In case total agriculture income of an owner in respect of income year pertains to one Sub-Division only in the Province, return under sub-rule (1) shall be furnished to the Assistant Collector of the Sub-Divisions. In case the agricultural income of an owner in respect of income year pertains to more than one Sub-Division in the province, the owner shall indicate in his return under sub-rule(1) his choice regarding Assistant Collector of the Sub-Division, within whose jurisdiction a part of cultivated land of the owner during income year was situated and who shall assess and collect the tax, and return shall be furnished to that Assistant collector of the Sub-Division:

Provided that such choice shall not be different from the one given by the assessee in respect of the same income year under the Ordinance:

Provided further that where no such choice is given by the owner, the tax shall be assessed and collected by the Assistant Collector of the Sub-Division within whose jurisdiction the owner held during the relevant income year major portion of cultivated land.

(3) The owner shall deliver personally or through an authorised agent, the return under sub-rule(1) in the office of the Assistant Collector of the Sub-division who has to assess and collect the tax in accordance with these rules. The office of the Assistant Collector of the Sub-Division at which the return is so delivered shall issue acknowledgement receipt.

(4) The owner shall also send by post a copy of the return to every other Assistant Collector of the Sub-Division within whose jurisdiction the owner held part of cultivated land during the relevant income year.

(5) The return shall, on the date of receipt in the office of Assistant Collector of the Sub-Division, be entered in Register to be maintained for the purpose.

**7. Payment of tax with return of total agricultural income.**--- every owner who is required under the Ordinance and these rules furnish a return of total agricultural income shall furnish the return and pay, by the means of challan, into the relevant head of account of the Government, on or before the date on which he is so required to furnish such return, the balance amount of tax due from him after taking into account the payment already made by him, if any, in respect of the land tax under the Ordinance in the same income year.

**8. Notice for furnishing return of total agricultural income.**--- The Assistant Collector of the Sub-Division concerned may, at any time during an assessment year, by notice in writing, require any owner of 50 acres or more (irrigated) or 100 more (unirrigated) cultivated land, or owners having a total agricultural income of more than Rs. 2,00,00,000, to file a return of total

agricultural income for such year, within thirty days of the service of such notice or by 30<sup>th</sup> September, whichever is later.

Explanation.---For the removal of doubt it is clarified that a notice under this rule may be issued in respect of any assessment year including the current assessment year and any preceding assessment year.

**9. Revised return of total agricultural income.**--- If any owner has not furnished a return of total agricultural income as required under the Ordinance and these rules (hereinafter in this rule referred to as “return”) or having furnished a return, discovers any omission or wrong statement therein, he may, without prejudice to any liability incurred by him under any provision of the Ordinance, furnish a return, as the case may be, at any time before the assessment is made.

**10. Self-assessment.**---(1) Where the return of total agricultural income for any income year furnished by an assessee under rule 6 qualifies for acceptance in accordance with the provisions of a scheme of self-assessment made by the Board, with the approval of Government for that year, or under any instructions or orders issued thereunder, the Assistant Collector of the Sub-Division shall assess, by an order in writing the total agricultural income of the assessee on the basis of such return and determine the tax payable on the basis of such assessment.

Explanation.---For the removal of doubt it is hereby clarified that a return of total agricultural income furnished under rule 6 does not include a return of total agricultural income furnished in pursuance of rule 8.

(2) Notwithstanding anything contained in sub-rule(1), the Board or a Collector, if he is so authorised by the Board, in this behalf, may in accordance with a scheme referred to in sub-rule(1), select, out of the returns referred to in that sub-rule, cases or classes of cases or owners or classes of owners, for assessment under the rule 12 and the Assistant Collector of the Sub-Division shall proceed to make the assessment under that rule or, if the circumstances so warrant, under rule: 11 accordingly.

**11. Assessment on the basis of return**--- If the assistant Collector of the Sub-Division is satisfied without requiring the presence of the assessee or the production by him of any evidence that a return furnished under rule 6 is correct and complete, he shall, by an order in writing, assess the total agricultural income of the assessee and determine the tax payable on the basis of such return.

**12. Notice for production of books of accounts, etc.**--- The Assistant Collector of the Sub-Division may serve upon any assessee who has furnished a return of total agricultural income for any income year, upon, whom a notice has been served to furnish such return, a notice requiring him, on a date specified therein, to attend at the Assistant Collector, Sub-Division office or to produce, or cause to be produced, any evidence on which such assessee may rely in support of

the return, if furnished, and such accounts, documents or evidence (including accounts or documents relating to any period prior or subsequent to the said income year) as the Assistant Collector of the Sub-Division may require:

Provided that the Assistant Collector of the Sub-Division shall not require the production of any accounts, documents or evidence relating to a period more than three years prior to the income year.

**13. Assessment on production of accounts, evidence, etc.**---The Assistant Collector of the Sub-Division, after considering the evidence on record (including evidence if any produced under rule 11) and such other evidence as the Assistant Collector of the Sub-Division may require on specific points, shall by an order in writing assess the total agricultural income of the assessee and determine the tax payable by him on the basis of such assessment:

Provided that where the assessee produces books of accounts as evidence in support of the return, the Assistant collector of the Sub-Division/Tehsil shall, before disagreeing with such accounts, give notice to the assessee of defects in the accounts and provide an opportunity to the assessee to explain his point of view about such defects and record such explanation and the basis of computation of total agricultural income of the assessee in the assessment order, as the assessee may give.

**14. Best Judgment assessment.**--- Where any assessee fails to furnish a return of total agricultural income required to be furnished by him under rule 6, or fails to comply with any of the terms of a notice under rule 12, the Assistant Collector of the Sub-Division may, by an order in writing assess the total agricultural income of the assessee to the best of his judgment and determine the amount of tax payable by him.

**15. Limitation for assessment.**---(1) No assessment under rule 10, rule 11 or rule 13 shall be made after the expiration of two years from the end of the assessment year in which the total agricultural income was first assessable.

(2) Notwithstanding anything contained in sub-rule(1), where a return of total agricultural income has been filed after the end of the financial year in which the last date of filing such return specified in rule 6 falls, no assessment under rule 10, rule 11 or rule 13 shall be made after the expiration of two years from the end of the financial years in which the said return is filed.

(3) Notwithstanding anything contained in sub-rule(1), where for any income year, an assessee has failed to furnish the return of total agricultural income, no assessment under the rule 11 or rule 13 shall be made after the expiration of two years from the end of the financial year in which notice under rule 8 was served.

**16. Additional assessment.**--- If, in any year, for any reason,--

(a) any agricultural income chargeable to tax under the Ordinance has escaped assessment; or

(b) the total agricultural income of an assessee has been under assessed or assessed at too low a rate, or has been the subject of excessive relief or refund under the Ordinance or these rules,

the Assistant Collector of the Sub-Division may, at any time, subject to the provisions of sub-rules (2) and (3), issue a notice to the assessee containing all or any of the requirements of a notice under rule 8 and may proceed to assess or determine, by an order in writing, the total income of an assessee or the tax payable by him, as the case may be, and all the provisions of the Ordinance and these rules shall, so far as may be, apply accordingly:

Provided that the tax shall be charged at the rate applicable to the assessment year for which the assessment is made.

(2) No proceedings under sub-rule (1) shall be initiated unless reliable information has come into the possession and knowledge of the Assistant Collector of the Sub-Division.

(3) No order under sub-rule (1) shall be made after the expiry of ten years from the end of the assessment year in which the total agricultural income of the said income year was first assessable.

**17. Liability in the case of a deceased owner.**---(1) Where an owner dies, his legal representative shall be liable to pay tax which the deceased would have been liable to pay if he had not died, in the like manner and in proportion to his inherited share.

(2) For the purpose of making an assessment of the agricultural income of the deceased and recovery of tax,--

(a) any proceedings taken against the deceased before his death shall be deemed to have been taken against the legal representative from the stage at which it stood on the date of the death of the deceased; and

(b) any proceedings which could have been taken against the deceased if he had survived may be taken against the legal representative, and all the provisions of the Ordinance and these rules shall, so far as may be, apply accordingly.

(3) The legal representative of the deceased shall, for the purposes of the Ordinance and these rules, be deemed to be an assessee.

**18. Liability of agent representing assessee.**---(1) Every agent shall, in respect of the agricultural income for which he is, or is deemed to be, or is treated as, an agent be deemed to be an assessee for the purposes of these rules and be subject to the same obligations and liabilities

as if he were to assessee, and shall be liable to assessment in his own name in respect of the income.

(2) Every agent who pays any tax under the Ordinance and these rules shall be entitled to recover the tax so paid from the person on whose behalf it is paid or to retain an equivalent amount out of any money due or belonging to the said person which may be in his possession or come in to his possession at any time.

(3) Nothing in this rule shall prevent either the direct assessment of the person on whose behalf or for whose benefit, any such income is receivable, or the recovery from such person of the tax payable in respect of such income.

Explanation--- For the purposes of this rules “agent” includes:-

(i) in respect of the income of minor, lunatic or idiot the guardian or manager who is entitled to receive, or is in receipt of, such income on behalf of such minor, lunatic or idiot;

(ii) in respect of income which the Court of Wards, the Administrator General, the Official Trustee or any receiver or manager appointed by or under any order of a Court receiver or is entitled to receive on behalf of, or of the benefit of, any person, such Court of Wards Administrator General, Official Trustee, receiver or manager; and

(iii) in respect of income which a trustee, appointed under a trust declared by a duly executed instrument in writing whether testamentary or otherwise including any Wakf deed which is valid under the Mussalman Wakf Validating Act 1913 (Vi of 1913), receives or is entitled to receive on behalf, or for the benefit, of any person, such trustee or trustees.

**19 Payment of tax on demand.**--- Where any tax is payable in consequence of any other order under these rules, the Assistant Collector of the Sub-Division shall serve upon the assessee or any other person liable to pay such tax on behalf of the assessee, a notice of demand specifying the sum payable; and thereupon the sum so specified shall be paid to the credit of Government within the time specified in the said notice.

**20 Collection of tax as arrears of land revenue.**--- The amount of tax and penalty which is not paid within the due date specified in the demand notice under rule 19 shall be recoverable as arrears of land revenue.

**21. Suspension and remission of tax.**--- Government may, in areas declared calamity affected, exempt or remit the whole tax or part thereof in respect of an assessment year where corresponding suspension or remission of other Government taxes in respect of agricultural land has been given.

**22. Refund of tax.**---(1) Where any owner satisfies the Assistant Collector of the Sub-Division that the amount of tax paid by him under the Ordinance and these rules for any income

year exceeds the amount with which he was properly chargeable under the Ordinance and these rules for that income year, he shall be entitled to the refund of the amount so paid in excess.

(2) An application for refund of tax shall be made by the owner within two years of the end of the assessment year to which it relates.

(3) Where an application for refund is made under sub-rule (2), the Assistant Collector of the Sub-Division shall determine, by an order in writing, the amount of refund on being satisfied that such amount is due to the applicant, and, where he is not so satisfied, he may, by an order in writing, reject the application.

(4) The Assistant Collector of the Sub-Division may, before making an order under sub-rule (3), call for such particulars, documents and evidence as he may require.

(5) Whereas a result of an order passed in appeal, review or revision under the Ordinance, refund of any amount becomes due to the owner, the Assistant Collector of the Sub-Division shall refund the amount to the owner irrespective of whether he has or has not made any claim in that behalf.

(6) Where refund of any amount becomes due to an owner, the Assistant Collector of the Sub-Division, shall order refund in accordance with the provisions of the Treasury Rules (<sup>11</sup>[Khyber Pakhtunkhwa]) and refund shall be paid through voucher on the Form under the aforesaid Treasury Rules prescribed.

**23. Maintenance of accounts.**--- (1) The accounts of demand and recovery of tax under these rules shall be maintained by the Assistant Collector of the Sub-Division, in register, to be maintained for the purpose. A separate register shall be maintained for each Tehsil/Sub-Tehsil.

(2) Whereas a result of decision on appeal or review or revision petition, the initial assessment of tax by the Assistant Collector of the Sub-Division is altered, the alteration should be incorporated in register and copies of the relevant decisions should be placed on the file of the owner/assessee.

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<sup>11</sup> Sub. by the Khyber Pakhtunkhwa Act No Iv of 2011.



**FORM**

[See Rules 2(b), (c) and 6(1)]

FROM OF RETURN OF TOTAL AGRICULTURAL INCOME UNDER  
 THE <sup>12</sup>[Khyber Pakhtunkhwa] LAND TAX AND AGRICULTURAL INCOME  
 TAX ORDINANCE, 2000

Assessment year \_\_\_\_\_

1. Name \_\_\_\_\_ (in blocks letter)
2. Father's Husband's Name \_\_\_\_\_
3. National Identity Card No. \_\_\_\_\_
4. National Tax No. (if assessee under the \_\_\_\_\_  
 Federal Income Tax Ordinance, 1979).
5. Permanent residential address: \_\_\_\_\_
6. Postal Address: \_\_\_\_\_
7. Return of Agricultural Income Tax Attached as Annexure

SIGNATURE/THUMB  
 IMPRESSION OF THE  
 DECLARENT.

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<sup>12</sup> Sub. by the Khyber Pakhtunkhwa Act No Iv of 2011.

ANNEXURE-ARETURN OF TOTAL AGRICULTURAL  
INCOME (UNDER RULE 6(1))

S. No.	Type of crop	Area u/c in acres	Production in mds.	Cross income/sale in rupees	Cost of production in rupees	Net income in rupees (A)
1.						
2.						
3.						
4.						
5.						
Total:						

SIGNATURE OF DECLARENT

Total Taxable Income = (A) Rs. 80,000 = Rs. \_\_\_\_\_

Income Tax calculated as per second schedule = \_\_\_\_\_ (B) \_\_\_\_\_

Tax Paid vide First Schedule = \_\_\_\_\_ (C) \_\_\_\_\_

Difference between B and C = Rs. \_\_\_\_\_ (Tax to be paid) \_\_\_\_\_

COLLECTOR/ASSTT; COLLECTOR