

**LOCAL COUNCILS (TAX ON TRANSFER OF IMMOVABLE
PROPERTY) RULES, 1997.**

[15th January, 1997]

No. AO.II(LCB) 14-4/93, dated 15-1-1997.--- In exercise of the powers conferred by section 172 of the ¹[Khyber Pakhtunkhwa] Local Government Ordinance, 1979 (²[Khyber Pakhtunkhwa] Ordinance IV of 1979), read with section 142 thereof and item (1) of Part II of the Second Schedule thereto, the Government of the ³[Khyber Pakhtunkhwa] is pleased to make following rules, namely:--

1. Short title and commencement.--- (1) These rules may be called the Local Councils (Tax on Transfer of Immovable Property) Rules, 1997.

(2) They shall come into force with effect from 1-7-1997.

2. Definitions.--- In these rules, unless the context otherwise requires, the following expressions shall have the meanings hereby respectively assigned to them, that is to say:--

(a) "Immovable property" means any building or land within the limits of Local Council, used or intended to be used, for any purpose;

(b) "Local Council" for purposes of these rules means a District Council or, as the case may be, Municipal Committee and Town Committee;

(c) "Ordinance" means the ⁴[Khyber Pakhtunkhwa] Local Government Ordinance, 1979 (⁵[Khyber Pakhtunkhwa] Ordinance IV of 1979);

(d) "Tax" means the tax levied on the transfer of immovable property under these rules;

(e) "Taxation Officer" means an officer appointed by the Local Council;

(f) "Transfer of Immovable property" means an act by which a living person conveys proprietary rights in any immovable property to any other living person.

Explanation.--- For the purposes of these rules living person includes a company or association or body of individuals, whether incorporated or not.

¹ Sub. by the Khyber Pakhtunkhwa Act No. IV of 2011.

² Sub. by the Khyber Pakhtunkhwa Act No. IV of 2011.

³ Sub. by the Khyber Pakhtunkhwa Act No. IV of 2011.

⁴ Sub. by the Khyber Pakhtunkhwa Act No. IV of 2011.

⁵ Sub. by the Khyber Pakhtunkhwa Act No. IV of 2011.

3. Levy of tax.---- (1) A Local Council may levy a tax on the transfer of immovable property situated within its limits: Provided that such tax shall not be leviable,--

(i) If the transfer is in the nature of a gift from parents to children, grandparents to grand children and one spouse to another; and

(ii) If the transfer is an exchange of agricultural land for consolidation purpose.

(2) The rate of the tax shall not exceed 4% of the consideration of such transfer.

Explanation.-- For the purpose of this rule “consideration” means the price paid for the transfer of the immovable property and where no price is paid the market value as assessed by the authority competent to collect the tax.

(3) The tax shall be payable by the transferee.

4. Assessment and collection of tax.-- (1) Where an immovable property is transferred though a registered deed, the tax shall be assessed and collected at the time of the registration of such deed by the Registrar or Sub-Registrar registering the deed.

(2) Where an immovable property is transferred orally and such transfer is by mutation in the Revenue Office the tax shall be paid at the time of the sanction of such mutation.

(3) Where a transfer is not covered by sub-rule (1) or sub-rule (2), the tax in respect of the transfer shall be assessed and collected by the Taxation Officer, of the Local Council concerned.

5. Credit of tax to Local Council Fund.-- The authority collecting the tax under rule 4 shall immediately credit the amount so collected to the fund of the Local Council concerned.

6. Recovery of arrears of tax.-- If the tax assessed under rule 4 is not paid, the authority competent to collect the tax under that rule shall, if it be not the Taxation Officer, intimate the default to the Taxation Officer of the Local Council concerned and the Taxation Officer shall take such steps as may be necessary to recover the tax.

7. Appeals.-- Any person aggrieved by an order of assessment passed under rule 4 or rule 6, may prefer an appeal to the Chairman of the Local Council concerned within thirty days of the date of such order, and the order passed by the Chairman on appeal shall be final.

8. Repeal.--- The West Pakistan District Councils (Tax on Transfer of Immovable Property) Rules, 1963, and the West Pakistan Municipal Committees (Tax on Transfer of Immovable Property) Rules, 1969, are hereby repealed.