

**THE KHYBER PAKHTUNKHWA AMENDMENT OF CERTAIN FISCAL LAWS
ACT, 2021**

(KHYBER PAKHTUNKHWA ACT NO. VI OF 2021)

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*(First published after having received the assent of the Governor of the
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(Extraordinary), dated the 03rd February, 2021).*

**AN
ACT**

further to amend certain fiscal laws in the Province of Khyber Pakhtunkhwa

WHEREAS it is expedient further to amend certain fiscal laws in the Province of Khyber Pakhtunkhwa, for the purposes hereinafter appearing;

It is hereby enacted by the Provincial Assembly Khyber Pakhtunkhwa as follows:

1. Short title and commencement. --- (1) This Act may be called the Khyber Pakhtunkhwa Amendment of Certain Fiscal Laws Act, 2021.

(2) It shall come into force at once.

2. Amendment of the West Pakistan Act No. V of 1958. ---In the West Pakistan Urban Immovable Property Tax Act, 1958 (W.P. Act No. V of 1958),-

(1) in section 3,-

(a) in sub-section (2), in clause (b), after the colon, the following proviso shall be inserted, namely:

“Provided that property tax liability, for the period starting from 1st day of July, 2019 and ending on the 30th day of June, 2020, regarding buildings owned by or acquired for the use by Government, Semi-Government, Non-Governmental Organizations, Development Financial Institutions, Private Commercial Organizations (local or international shop or chain, outlets, local and international brands, wedding halls, hotels, restaurants and all shops falling within A1, A, B, C and D categories of immovable properties), guest houses, hostels or for any other commercial use or by banks, shall be assessed and taxed under the rates and procedures, given in the Khyber Pakhtunkhwa Finance Act, 2020 (Khyber Pakhtunkhwa Act No. XXII of 2020). Further, those taxpayers who have paid the tax amount for the financial year 2019-2020, and if

there is any excess, the amount shall be adjusted by the assessing authority for current and future tax liability under this Act.”;

(b) in sub-section (2a),-

(i) for the figure and words “30th day of September”, the figure and words “28th February” shall be substituted; and

(ii) the full stop, appearing at the end of first proviso, shall be replaced by a colon and thereafter the following new proviso shall be added, namely:

“Provided further that the taxpayers shall be entitled for either rebate of twenty percent (20%) or thirty-five percent (35%) as specified under this sub-section.”;

(2) in section 4, in sub-section (3), in the table, against Serial No. 2, under the heading “Validity”, for the figures, words and full stops “30th June. 2021.”, the figure, words and full stop “28th February 2021.” shall be substituted;

(3) in Schedule-I, in Part ‘B’, for the word “twenty”, the word “fifteen” shall be substituted; and

(4) in Schedule-II, for clause 7., the following shall be substituted, namely:

“7. Industrial lands and buildings, within the limits of rating areas, shall be assessed and taxed at a flat rate of rupees 2.50 per square foot of the whole plot area.

Explanation: For this clause, the industrial building or land shall include a building, group of buildings or a plot, wherein finished, semi-finished or raw goods are manufactured, processed or stockpiled and shall also include all the residential buildings, colonies, hostels, mess, school etc; within the premises of the industrial compound. Similarly, all commercial land or buildings other than factory area i.e. workshop, shops, godowns, banks, petrol pumps, factory offices, mobile towers etc; situated within the industrial compound, shall be considered as part of industrial building or land. However, if these land or buildings are used for any other commercial purpose, which has no relevance with the industry or commercial activity, open to public, or any space rented out, the same shall be assessed and taxed as per clauses 1 to 6 of Schedule-II, in case of commercial land or buildings, and in accordance with rates given in Schedule-1 of this Act for all residential buildings.”.

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, in the last proviso, in the table, against Serial No. 2, under the heading “Validity”, for

the figures, words and full stops “30th June. 2021.” the figures, words and full stop “28th February 2021.” shall be substituted.

4. Amendment of Khyber Pakhtunkhwa Ordinance No. XXIII of 2002.--- In the Khyber Pakhtunkhwa Finance Ordinance, 2002 (Khyber Pakhtunkhwa Ordinance No. XXIII of 2002), in section 4, in the last proviso, in the table, against Serial No. 2, under the heading “Validity”, for the figures, words and full stops “30th June. 2021.” the figures, words and full stop “28th February 2021.” shall be substituted.