

**THE ¹[KHYBER PAKHTUNKHWA]
FINANCE ACT, 1990**

(²[KHYBER PAKHTUNKHWA] ACT NO. IV OF 1990)

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¹Substituted vide Khyber Pakhtunkhwa Act No. IV of 2011

²Substituted vide Khyber Pakhtunkhwa Act No. IV of 2011

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FINANCE ACT, 1990**

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[First published after having received the assent of the Governor of the ³[Khyber Pakhtunkhwa] in the Gazette of ⁴[Khyber Pakhtunkhwa] (Extraordinary), dated the 24th June, 1990].

**AN
ACT**

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

Preamble.---WHEREAS it is expedient to continue, levy and revise certain taxes, cesses and fees in the ⁶[Khyber Pakhtunkhwa] in the manner hereinafter appearing;

It is hereby enacted as follows:

1. Short title, extent and commencement.---(1) This Act may be called the ⁷[Khyber Pakhtunkhwa] Finance Act, 1990.

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

(3) It shall come into force on the first day of July, 1990.

2. Definition.---In this Act, unless the context otherwise requires, "Government" means the Government of the ⁹[Khyber Pakhtunkhwa].

3. Amendment of Schedule-I to Act-II of 1899.---In the Stamp Act, 1899 (II of 1899),-

- (a) in Article 4, for the words "Five rupees" appearing under the heading "Proper Stamp-duty", the words "Ten rupees" shall be substituted;
- (b) in Article 5, in clause (d), for the words "Four rupees" appearing under the heading "Proper Stamp-duty", the words "Ten rupees" shall be substituted; and
- (c) for Article 23, the following shall be substituted, namely:

"23. CONVEYANCE as defined by section 2 (10) not being a TRANSFER charged or exempted under No. 62-

-Where the amount of value of the consideration for such Conveyance as set forth therein does not exceed RS. 50/-	Four Rupees.
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-Where it exceeds RS.50/- but does not exceed RS. 100/-.	Seven Rupees.
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--Where it exceeds RS.100/- but does not exceed RS. 200/-	Fourteen Rupees.
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--Where it exceeds RS. 200/- but does	Twenty One Rupees.
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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

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⁶Substituted vide Khyber Pakhtunkhwa Act No. IV of 2011

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

not exceed RS. 300/-.

--Where it exceeds RS. 300/- but does not exceed RS. 400/- Twenty Eight Rupees

--Where it exceeds RS. 400/- but does not exceed RS. 500/- Thirty Five Rupees.

--Where it exceeds RS. 500/- but does not exceed RS. 600/- Forty Two Rupees.

--Where it exceeds RS. 600/- but does not exceed RS. 700/- Forty Nine Rupees.

--Where it exceeds RS. 700/- but does not exceed RS. 800/- Fifty Six Rupees.

--Where it exceeds RS. 800/- but does not exceed RS. 900/- Sixty Three Rupees.

--Where it exceeds RS. 900/- but does not exceed RS. 1000/- Seventy Rupees.

-And for every RS. 500/- or part thereof in excess of RS. 1000/- Thirty Five Rupees.”

EXEMPTION.

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CO-PARTNERSHIP DEED---SEE PARTNERSHIP (NO. 46)

4. Amendment of section 3 of the ¹[Khyber Pakhtunkhwa] Act No. IV of 1949.---In the ²[Khyber Pakhtunkhwa] Development Cess Act, 1949 (³[Khyber Pakhtunkhwa] Act No IV of 1949), for section 3 the following shall be substituted, namely:

“3. LEVY OF CESS.---A cess shall be levied and paid to Government.-

- (a) at the rate of fifteen paise on every rupee of every sum which becomes due to a Cantonment Board, a Municipal Corporation, a Municipal Committee or a Town Committee in the Province as octroi or terminal tax; and
- (b) at the rate of fifteen paise on every rupee of every sum which becomes due to a District Council as fee or tax for the export of goods and animals from the District concerned.”

5. Amendment of the Schedule to West Pakistan Act XXXII of 1958.---In the West Pakistan Motor Vehicles Taxation Act, 1958 (W.P. Act XXXII of 1958), in the Schedule, for the existing entries at Serial No. 6 the following shall be substituted, namely:

“6. Motor Vehicles other than those liable to tax under the foregoing provisions of this Schedule-

- (a) Motor Vehicles not exceeding 850 CC engine power. RS.100/- per seat per annum.
- (b) Motor Vehicles exceeding 850 CC but not exceeding 1300 CC engine power. RS.125/- per seat per annum.
- (c) Motor Vehicles exceeding 1300 CC engine power. RS.150/- per seat per annum.”.

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

6. Amendment of Second Schedule to ¹[Khyber Pakhtunkhwa] Ordinance IX of 1980.-

--In the ²[Khyber Pakhtunkhwa] Finance Ordinance, 1980 (³[Khyber Pakhtunkhwa] Ordinance No. IX of 1980), in the Second Schedule-

- (a) for the figure “40” appearing against serial numbers 1,2 and 3, the figure “100”, for the figure “100” and “50” against serial No. 4, the figures “200” and “100” and for the figures “50”, “30”, “100”, and “60” against serial No. 5, the figures “100”, “60”, “250” and “150” shall respectively be substituted;
- (b) for the entries at serial No. 7, the following shall be substituted, namely:
- | | |
|--|---|
| “7. Fee for a duplicate certificate or registration and certificate of fitness in respect of Motor Vehicles under rules 37, 38 and 39. | An amount equal to half of the registration fee under rule 42.” |
|--|---|
- (c) the entries at serial Nos. 8 and 9 shall be deleted; and
- (d) for the entries at serial No. 10, the following shall be substituted, namely:
- “10. Registration fee under rule 42 and 48---
- | | |
|--|-------|
| (a) in respect of Motor Cycles or a Trailer not having more than two wheels and not weighing more than one ton un-laden; | 100 |
| (b) in respect of an invalid carriage; | 10 |
| (c) in respect of heavy transport vehicles; | 1000 |
| (d) in respect of other vehicles- | |
| (i) not exceeding 1000 CC engine capacity; | 550 |
| (ii) exceeding 1000 CC but not exceeding 3000 CC; | 650 |
| (iii) exceeding 3000 CC; | 800 |
| (e) in respect of tractor; | 450 |
| (f) in respect of temporary registration of any vehicle. | 200.” |

7. Tax on Professions, Trades and Callings.---(1) There shall be levied and collected a tax, for each financial year, from persons engaged in professions, trades, callings or employment described in column 2 of the Table below at the rate specified against each category in column 3 thereof:

Provided that where a person falls in more than one category of profession, trade, calling, etc., he shall be liable to pay tax in respect of the one where the rate of tax is highest ⁴[:]

⁵[Provided also that the tax under this section shall not be levied for the financial year 2021-22.]

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

⁴Replaced vide Khyber Pakhtunkhwa Act No XIII of 2021.

⁵Added vide Khyber Pakhtunkhwa Act No XIII of 2021.

¹[TABLE
[see section 7(1)]

1.	2.	3.
Sr. No.	Description of Tax Payers.	Rates of Tax (Per Annum).
1.	<p>(a) all persons engaged in any profession, trade, calling or employment other than those specifically mentioned hereinafter, in the Province of Khyber Pakhtunkhwa, whose monthly income or earning:</p> <p>(i) upto Rs. 36,000/-</p> <p>(ii) when exceed Rs. 36,000/- but not exceed Rs. 50,000/-</p> <p>(iii) when exceed Rs. 50,000/- but not exceed Rs. 1,00,000/-</p> <p>(iv) when exceed Rs.1,00,000/- but not exceed Rs. 2,00,000/-</p> <p>(v) when exceed Rs.2,00,000/- but not exceed Rs. 5,00,000/-</p> <p>(vi) exceed Rs.5,00,000/-</p>	<p>exempted</p> <p>Rs. 1200/-</p> <p>Rs.1500/-</p> <p>Rs.2000/-</p> <p>Rs.3000/-</p> <p>Rs.5000/-</p>
	<p>(b) Employees of Federal and Provincial Government drawing pay in basic scales:</p> <p>(i) BS – 01 to 06.</p> <p>(ii) BS – 07 to 12.</p> <p>(iii) BS – 13 to 16.</p> <p>(iv) BS – 17.</p> <p>(v) BS – 18.</p> <p>(vi) BS – 19.</p> <p>(vii) BS – 20 and above.</p>	<p>exempted</p> <p>Rs. 1000/-</p> <p>Rs.1200/-</p> <p>Rs. 1500/-</p> <p>Rs.1800/-</p> <p>Rs. 2000/-</p> <p>Rs. 3000/-</p>
2.	<p>All limited companies, Modarbas, Mutual Funds and any other body corporate with paid up capital and reserves in the preceding year whichever is more:</p> <p>(a) when not exceeding Rs. 10 million.</p> <p>(b) when exceeding Rs. 10 million but not exceeding 25 million.</p> <p>(c) when exceeding Rs. 25 million but not exceeding 50 million.</p> <p>(d) when exceeding Rs. 50 million but not exceeding 100 million.</p> <p>(e) when exceeding Rs. 100 million.</p> <p>Explanation: The paid-up capital in case of foreign bank shall be the minimum paid up capital as determined by the State Bank of Pakistan.</p>	<p>Rs. 30,000/-</p> <p>Rs. 50,000/-</p> <p>Rs. 60,000/-</p> <p>Rs. 90,000/-</p> <p>Rs. 1,00,000/-</p>

¹Substituted vide the Khyber Pakhtunkhwa Act No. XVIII of 2025.

3.	<p>Persons other than companies owing factories, commercial establishment, private education institutions and private hospitals having the following commercial establishments:</p> <p>(a) any commercial establishment, factories having ten or more employees which have not been otherwise explicitly given in this table.</p> <p>(b) private clinic and hospitals having up to 10 employees.</p> <p>(c) private hospitals having employees more than 10 but not more than 50.</p> <p>(d) private hospitals having more than 50 employees.</p> <p>(e) private medical colleges.</p> <p>(f) private engineering institutes having Degree Programs.</p> <p>(g) private business education institutes:</p> <p>(i) having up to 100 students; and</p> <p>(ii) exceeding 100 students;</p> <p>(h) private law colleges.</p> <p>(i) private education institutions including professional and technical institutions other than specified in clauses (e), (f), (g) and (h), charging monthly fee not exceeding Rs.1000/- per student.</p> <p>(j) private education institutions including professional and technical institutions other than specified in clauses (e), (f), (g) and (h), charging monthly fee exceeding Rs.1000/- but not exceeding Rs. 2000/- per student.</p> <p>(k) private educational institutions including professional and technical institutions other than specified in clauses (e), (f), (g) and (h), charging monthly fee exceeding Rs.2000/- but not exceeding Rs. 5000/- per student.</p> <p>(l) private educational institutions including professional and technical institutions other than specified in clauses (e), (f), (g) and (h), charging monthly fee exceeding Rs. 5000/- per student.</p>	<p>Rs. 20,000/-</p> <p>Rs. 20,000/-</p> <p>Rs. 80,000/-</p> <p>Rs.1,00,000/-</p> <p>Rs. 1,00,000/-</p> <p>Rs. 1,00,000/-</p> <p>Rs. 80,000/-</p> <p>Rs. 100,000/-</p> <p>Rs. 100,000/-</p> <p>Rs. 8,000/-</p> <p>Rs. 12,000/-</p> <p>Rs. 25,000/-</p> <p>Rs. 100,000/-</p>
4.	<p> Holders of import or export license, assessed to income tax in the preceding year with annual turnover:</p> <p>(a) when not exceeding Rs. 50,000/-</p> <p>(b) when exceeding Rs. 50,000/-</p>	<p>Rs. 5,000/-</p> <p>Rs. 7,000/-</p>
5.	Clearing agents licensed or approved as Custom House agents.	Rs. 12,000/-

6.	<p>Travel agents:</p> <p>(a) IATA travel agents approved.</p> <p>(b) Non – IATA approved.</p> <p>(c) Hajj, Umra and tour operators.</p> <p>(d) Overseas educational/manpower promoters and consultants.</p>	<p>Rs. 30,000/-</p> <p>Rs. 15,000/-</p> <p>Rs. 30,000/-</p> <p>Rs.20,000/-</p>
7.	Restaurants/guest houses liable to sales tax.	Rs. 40,000/-
8.	Professional caterers.	Rs. 40,000/-
9.	Wedding halls /lawns (irrespective of their nomenclature).	Rs. 70,000/-
10.	Advertising agencies.	Rs. 30,000/-
11.	<p>Doctors:</p> <p>(a) specialists practicing at Peshawar.</p> <p>(b) specialists practicing at divisional headquarters.</p> <p>(c) specialists practicing at district headquarters.</p> <p>(d) specialists practicing at places other than in clause (a), (b) and (c) above.</p> <p>(e) Non-specialists including medical practitioners.</p> <p>(f) Hakeem’s, Homeopathic, medical and dental technicians.</p> <p>(g) Dentist:</p> <p>Note-There shall be a rebate of 25% on lump sum payment and 20% rebate on payment in three equal installments on arrears accrued till 30th June, 2025. This concession shall be valid up-to 30th June, 2026.</p>	<p>Rs. 40,000/-</p> <p>Rs. 35,000/-</p> <p>Rs. 30,000/-</p> <p>Rs. 25,000/-</p> <p>Rs. 20,000/-</p> <p>Rs. 10,000/-</p> <p>Rs. 20,000/-</p>
12.	<p>“Diagnostics and therapeutic centers” including pathological and chemical laboratories:</p> <p>(a) located at divisional headquarters.</p> <p>(b) located at other places.</p>	<p>Rs. 25,000/-</p> <p>Rs. 8000/-</p>
13.	<p>Contractors, suppliers and consultants who during the preceding financial year supply to the Federal or any Provincial Government or any local authority in the district, goods, commodities or rendered services of the value:</p> <p>(a) when exceeding Rs. 10000/- but not exceeding Rs. 0.5 million.</p> <p>(b) when exceeding Rs. 0.5 million but not exceeding Rs. 01 million.</p> <p>(c) when exceeding one million but not exceeding Rs. 2.5 million.</p> <p>(d) when exceeding Rs. 2.5 million but not exceeding Rs. 10 million.</p> <p>(e) when exceeding Rs. 10 million but not exceeding Rs. 25 million.</p>	<p>Rs. 10,000/-</p> <p>Rs. 15,000/-</p> <p>Rs. 20,000/-</p> <p>Rs. 40,000/-</p> <p>Rs. 50,000/-</p>

	(f) when exceeding Rs. 25 million but not exceeding Rs. 50 million.	Rs. 70,000/-
	(g) when exceeding Rs. 50 million and above.	Rs.1,00,000/-
14.	Petrol / Diesel / CNG filling stations.	Rs. 30,000/-
15.	All establishments, including video shops, real estate shops/agencies, car dealers and net cafes assessed or not assessed to income tax in the preceding financial year.	Rs. 10,000/-
16.	Chartered Accountants with an independent audit practice and excluding those who are employed in companies not owned by them.	Rs. 20,000/-
17.	Vehicle service stations.	Rs. 10,000/-
18.	Transporters/transport companies: (a) within the limits of Provincial headquarters. (b) other than Provincial headquarters.	Rs. 10,000/- Rs. 5,000/-
19.	Members of Stock Exchange.	Rs. 50,000/-
20.	Money Changers: (a) within Provincial headquarter limit. (b) other than Provincial headquarters.	Rs. 50,000/- Rs. 25,000/-
21.	Health fitness centers/gymnasium: (a) within Provincial headquarter limit. (b) other than Provincial headquarters.	Rs. 10,000/- Rs. 5,000/-
22.	Jewelers: (a) Provincial headquarter limit. (b) other than Provincial headquarters.	Rs. 30,000/- Rs.20,000/-
23.	Departmental Stores.	Rs. 40,000/-
24.	Electronics goods stores.	Rs. 20,000/-
25.	Cable operator.	Rs. 10,000/-
26.	Printing presses.	Rs. 10,000/-
27.	Pesticide dealers.	Rs. 6,000/-
28.	Tobacco dealers and exporters.	Rs. 25,000/-
29.	Whole sales dealers/distributers /agency holders.	Rs. 30,000/-
30.	Chemist /druggist /medical stores.	Rs. 15000/-
31.	Tailor shop: (a) shalwarqameez. (b) shalwarqameez + waistcoat + pant shirt.	Rs. 5000/- Rs. 15000/-
32.	Flour mills.	Rs. 30,000/-
33.	Bricks, shuttering, sand depot and building material suppliers.	Rs. 20,000/-
34.	Furniture showroom/ shops etc: (a) furniture showroom/shops/karkhana upto 10 employees. (b) furniture showroom/shops/karkhana having more than 10 employees.	Rs. 15,000/- Rs. 30,000/-
35.	Honey shops, whole sellers, exporters and distributers.	Rs. 10,000/-
36.	Beauty parlor.	Rs. 15,000/-
37.	Aesthetic clinics.	Rs. 40,000/-]

(2) If a person liable to pay tax under sub-section (1) fails to pay the tax by the ¹[31st day of May] of the year to which the tax pertains, he shall be liable to pay a penalty at the rate of 50% of the tax due from him in addition to the actual tax.

(3) The tax and the penalty levied or imposed under this section shall be recoverable as arrears of land revenue.

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

9. 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, or any penalty imposed under sub-section (2) of section 7.

10. Power to make rules.----- Government may make rules for carrying into effect the purposes 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.



¹ Substituted vide the Khyber Pakhtunkhwa Act No. XVIII of 2025.