

**THE ¹[KHYBER PAKHTUNKHWA]
FINANCE ACT, 1996.**

(²[KHYBER PAKHTUNKHWA] ACT NO. I OF 1996)

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¹ Substituted vide Khyber Pakhtunkhwa Act No. IV of 2011.

² Substituted vide Khyber Pakhtunkhwa Act No. IV of 2011.

³ Substituted vide Khyber Pakhtunkhwa Act No. IV of 2011.

⁴ Substituted vide Khyber Pakhtunkhwa Act No. IV of 2011.

⁵ Substituted vide Khyber Pakhtunkhwa Act No. IV of 2011.

⁶ Substituted vide Khyber Pakhtunkhwa Act No. IV of 2011.

⁷ Substituted vide Khyber Pakhtunkhwa Ordinance No. IV of 2003.

**THE ¹[KHYBER PAKHTUNKHWA]
FINANCE ACT, 1996.**

(²[KHYBER PAKHTUNKHWA] ACT NO. I OF 1996)

[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 30th June, 1996].

**AN
ACT**

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

Preamble:—WHEREAS, it is expedient to levy, revise and modify certain taxes, cesses, duties and fees in the ⁶[Khyber Pakhtunkhwa];

It is hereby enacted as follows:

1. Short title, extent and commencement:—(1) This Act may be called the ⁷[Khyber Pakhtunkhwa] Finance Act, 1996.

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

(3) It shall come into force with effect from the 1st day of July, 1996.

2. Definitions:—In this Act, unless the context otherwise requires,-

(a) "Government" means the Government of the ⁹[Khyber Pakhtunkhwa];
and

(b) "prescribed" means prescribed by rules made under this Act.

3. Amendment of Act II of 1899:— in the Stamp Act, 1899 (Act II of 1899), in Schedule 1,—

(1) in Article 1,-

¹ Substituted vide Khyber Pakhtunkhwa Act No. IV of 2011.

² Substituted vide Khyber Pakhtunkhwa Act No. IV of 2011.

³ Substituted vide Khyber Pakhtunkhwa Act No. IV of 2011.

⁴ Substituted vide Khyber Pakhtunkhwa Act No. IV of 2011.

⁵ Substituted vide Khyber Pakhtunkhwa Act No. IV of 2011.

⁶ Substituted vide Khyber Pakhtunkhwa Act No. IV of 2011.

⁷ Substituted vide Khyber Pakhtunkhwa Act No. IV of 2011.

⁸ Substituted vide Khyber Pakhtunkhwa Act No. IV of 2011.

⁹ Substituted vide Khyber Pakhtunkhwa Act No. IV of 2011.

- (i) in clause (c), the words and figures "but does not exceed Rs. 10,000" shall be deleted; and
 - (ii) clause (d) shall be deleted;
- (2) in Article 2, in clause (b), for the word "Fifty" the word "One hundred" shall be substituted;
- (3) in Article 3, for the word "Fifty" the words "One hundred" shall be substituted;
- (4) in Article 5,-
 - (i) in clauses (c), for the word "One" the word "Two" shall be substituted;
 - (ii) in clause (d), for the words "Fifty paise" the words "One rupee" shall be substituted; and
 - (iii) in clause (e), for the words "Twenty-five paise" the words "One rupee" shall be substituted;
- (5) in Article 7,-
 - (i) in clause (a), for the words "Thirty-five" the word "Fifty" shall be substituted; and
 - (ii) in clause (b), for the word "Seventy" the words "One hundred" shall be substituted.
- (6) in Article 8,-
 - (i) in, clause (a) for the expression "The same duty as on a Bond (No. 15) for such amount", the words "at the rate of three per cent" shall be substituted; and
 - (ii) in clause (b), for the word "Fifty" the words "One hundred" shall be substituted;
- (7) in Article 9, for the word "Fifty" the words "One hundred" shall be substituted;
- (8) in Article 14, for the words "One rupee" the words "Ten rupees" shall be substituted;

- (9) in Article 19, for the word "Two" the word "Twenty" shall be substituted;
- (10) in Article 20, for the word "Five" the word "Ten" shall be substituted;
- (11) after Article 20, the following new Article shall be inserted, namely:
"21 Cheque, Pay Order or...Fifty paisa";
Bank Draft.
- (12) in Article 22, for the word "Fifty" the words "One hundred" shall be substituted;
- (13) in Article 24, for the word "Five" the word "Ten" shall be substituted;
- (14) in Article 25, for the word "Five" the word "Ten" shall substituted;
- (15) in Article 26, for the word "Fifty" the words "One hundred" shall be substituted;
- (16) in Article 28, for the word "Two" the word "Five" shall be substituted;
- (17) in Article 29, for the word "Fifteen" the word "Thirty" shall be substituted;
- (18) in Article 37, for the word "Two" the word "Ten" shall be substituted;
- (19) in Article 38, for the word "Thirty" the word "Fifty" shall be substituted;
- (20) in Article 43, for the word "Two", wherever occurring, the word "Five" and for the words "One rupee" the words "Two rupees" shall be substituted;
- (21) in Article 44, for the word "Four" the word "Five" shall be substituted;
- (22) in Article 46, for the word "Fifty" the words "One hundred" shall be substituted;
- (23) in Article 49, in clause (a), in sub-clause (v), for the word "Fifty" the words "One hundred" shall be substituted;
- (24) in Article 50, for the word "Five" the word "Ten" shall be substituted;
- (25) in Article 51, for the word "Four" the word "Ten" shall be substituted;

- (26) in Article 52, for the word "Two" the word "Five" shall be substituted;
- (27) in Article 53, for clauses (a), (b), (c) and (d) the following shall be substituted, namely:
- | | |
|--|----------------|
| "(a) where such amount does not exceed Rs. 2,000; | One rupee, |
| (b) where such amount exceeds Rs. 2000 but does not exceed Rs. 10,000; | Two rupees. |
| (c) where such amount exceeds Rs. 10,000/-; | Five rupees."; |
- (28) in Article 54, for the word "Fifty" the words "One hundred" shall be substituted;
- (29) in Article 57, for the word "Fifty" the words "One hundred" shall be substituted;
- (30) in Article 58, for the word "One", appearing for the first time, the word "Two" shall be substituted;
- (31) in Article 60, for the word "Two" the word "Five" shall be substituted; and
- (32) in Article 61, for the word "Fifty" the words "One hundred" shall be substituted;

4. Amendment of 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), in section 3 for the words "eighteen paisa", wherever occurring, the words "twenty paisa" shall be substituted.

5. Amendment of West Pakistan Act X of 1958:—In the West Pakistan Entertainment Duty Act, 1958 (W.P. Act X of 1958), for section 4 the following shall be substituted, namely:

¹ Substituted vide Khyber Pakhtunkhwa Act No. IV of 2011.

² Substituted vide Khyber Pakhtunkhwa Act No. IV of 2011.

³ Substituted vide Khyber Pakhtunkhwa Act No. IV of 2011.

"4. **Assessment and Liability:**—Entertainment Duty leviable under section 3 shall be worked out and paid on the basis of seventy-five per cent of the capacity available in an entertainment premises:

Provided that, subject to such conditions as may be prescribed, no such duty shall be charged on complimentary tickets issued to representatives of press."

6. **Amendment of 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 number 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 no exceeding 850 C.C. engine power. | Rs. 150 per seat per annum. |
| (b) | Motor vehicles exceeding 850 C.C. but not exceeding 1300 C.C. engine power. | Rs. 200 per seat per annum. |
| (c) | Motor vehicle exceeding 1300 C.C. but not exceeding 1600 C.C. engine power. | Rs. 300 per seat per annum. |
| (d) | Motor vehicle exceeding 1600 C.C. engine power. | Rs. 400 per seat per annum." |

7. **Amendment of ¹[Khyber Pakhtunkhwa] Ordinance IX of 1980:**— In the ²[Khyber Pakhtunkhwa] Finance Ordinance, 1980 (³[Khyber Pakhtunkhwa] Ord. IX of 1980), in the Second Schedule, in the entries at serial number 10, for the existing proviso, the following proviso shall be substituted, namely:

"Provided that, notwithstanding the registration fee prescribed for various motor vehicles, fee for motor vehicles on first registration shall be charged *ad valorem*—

- (i) at the rate of half per cent of the duty paid value of the imported vehicles and ex-factory price of locally assembled vehicles in the case of vehicles covered by clauses (a), (c) and (e); and
- (ii) at the rate of one per cent of the duty paid value of imported vehicles and ex-factory price of locally assembled vehicles in the case of vehicles covered by clause (d)."

¹ Substituted vide Khyber Pakhtunkhwa Act No. IV of 2011.

² Substituted vide Khyber Pakhtunkhwa Act No. IV of 2011.

³ Substituted vide Khyber Pakhtunkhwa Act No. IV of 2011.

8. Amendment of ¹[Khyber Pakhtunkhwa] Act I of 1994:—In the ²[Khyber Pakhtunkhwa] Finance Act, 1994 (³[Khyber Pakhtunkhwa] Act 1 of 1994), in section 3, in sub-section (1), after the word "Schedule", appearing at the end, the words and commas "or as Government may, from time to time, by notification in the official Gazette, specify " shall be inserted.

9. Amendment of ⁴[Khyber Pakhtunkhwa] Act I of 1995:— In the ⁵[Khyber Pakhtunkhwa] Finance Act, 1995 (⁶[Khyber Pakhtunkhwa] Act I of 1995),—

- (i) in section 3, the word "Swabi" shall be deleted;
- (ii) section 4 shall be deleted; and
- (iii) for section 5, the following shall be substituted; namely:

"5. *Tax on Advertisement.*—(1) There shall be levied and collected a tax on all advertisements being made through radio, television and cinema houses at the rate of five per cent of the charges for the advertisement.

(2) The tax shall be payable by the persons, institutions, establishment or organization, including companies and firms, on whose behalf the advertisement is made, and shall be collected, on behalf of Government, by the management of the Radio Station or Television Centre in relation to the advertisement being made through the said two media and by the Excise and Taxation Department in relation to the advertisement being made through cinema houses.

(3) The amount of tax so collected shall be credited into Government Treasury.

(4) Any person, institution, establishment or organization, including companies and firms, responsible to pay the tax shall, in case of default, be liable to pay, in addition to the amount of the tax, a penalty not exceeding the amount of tax.

(5) Any amount of tax or penalty imposed which remains unpaid, shall be recoverable as arrears of land revenue."

¹ Substituted vide Khyber Pakhtunkhwa Act No. IV of 2011.

² Substituted vide Khyber Pakhtunkhwa Act No. IV of 2011.

³ Substituted vide Khyber Pakhtunkhwa Act No. IV of 2011.

⁴ Substituted vide Khyber Pakhtunkhwa Act No. IV of 2011.

⁵ Substituted vide Khyber Pakhtunkhwa Act No. IV of 2011.

⁶ Substituted vide Khyber Pakhtunkhwa Act No. IV of 2011.

¹[10. Deleted].

²[11. *Tobacco development cess.*—³[(1) There shall be levied and collected Tobacco Development Cess on the transportation of the following categories of tobacco and its various parts at the rates as specified below:

- | | | |
|------|---|---|
| (a) | for Virginia (Flue-Cured, Barley and Dark-Air-Cured). | Rs. 25/- per kilogram with 10% annual increase; |
| (b) | for White Patta/Rustica tobacco including Khaka, Khara and Rorh made of main stalk (Dandi) and stem of tobacco. | Rs. 15/- per kilogram with 10% annual increase; and |
| (c) | for Snuff. | Rs. 7.5/- per kilogram or 03% of the invoice value, whichever is higher.] |
| (la) | The cess shall be recovered from— | |

⁴[(a) tobacco manufacturing, processing or re-drying companies on the basis of indicated purchase targets for the company concerned, by Pakistan Tobacco Board; and]

⁵[(b) persons dealing in tobacco business, who purchase tobacco from growers or any other source or transport tobacco to-

⁶[(i) any of the cigarette manufacturing, re-drying or processing companies or centers in the Province of Khyber Pakhtunkhwa; or]

(ii) any area other than the areas mentioned in clause (i) above:

Provided that no cess shall be leviable in relation to such quantity of the tobacco for which the cess has already been paid under clause (a):

Provided further that persons bringing tobacco from any place outside the Province of the ⁷[Khyber Pakhtunkhwa] to any place

¹ Deleted vide Khyber Pakhtunkhwa Ordinance No. II of 2000.

² Substituted vide Khyber Pakhtunkhwa Ordinance No. IV of 2003.

³ Substituted vide Khyber Pakhtunkhwa Act No. IV of 2024.

⁴ Substituted vide Khyber Pakhtunkhwa Act No. XXIX of 2022.

⁵ Substituted vide Khyber Pakhtunkhwa Act No. VI of 2004.

⁶ Substituted vide Khyber Pakhtunkhwa Act No. XXIX of 2022.

⁷ Substituted vide Khyber Pakhtunkhwa Act No. IV of 2011.

within the said Province shall also be liable to pay the cess at the rate specified in sub-section (1).

Explanation:- For the purpose of this section the word "person" used in this clause shall also include cigarette manufacturing/re-drying factories, processing centers, if these factories/centers are transporting tobacco, as aforesaid, in addition to the ¹[indicated purchase targets] allocated to them by the Pakistan Tobacco Board.]

²[(Ib) The Cess levied under sub-section (1) shall be collected at such check points as are established for this purpose.]

(2) The cess for tobacco for the period from 1.7.1997 to 30.6.1998 (both days inclusive), recovered at the rate of Rs. 1.2 per K.G. shall, for all intents and purposes, be deemed to have been validly recovered, as if the said rate were fixed under this Act.

(3) The proceeds of the cess shall be utilized for:—

(i) special maintenance and development of roads, highways and special plant protection service in the tobacco growing areas in the Province.

(ii) such activities as are directed towards the development of tobacco production in the Province ³[;] ⁴[and]

⁵[(iii) promotion of education in tobacco growing areas;]]

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

13. 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.

14. Power to make rules: — Government may make rules for carrying into effect the provisions 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 Khyber Pakhtunkhwa Act No. XXIX of 2022.

² Substituted vide Khyber Pakhtunkhwa Act No. XXIX of 2022.

³ Replaced vide Khyber Pakhtunkhwa Act No. XVII of 2013.

⁴ Added vide Khyber Pakhtunkhwa Act No. XVII of 2013.

⁵ Added vide Khyber Pakhtunkhwa Act No. XVII of 2013.