

THE BALOCHISTAN FINANCE ACT, 1963

(W.P. Act TX of 1963)

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'THE 7[BALOCHISTAN?] FINANCE ACT, 1963

Preamble.

Short title,
commencemen
t and extent.

Definitions.

Surcharge on land
revenue in
certain
districts.

a

(West Pakistan Act IX of 1963)

[7 July, 1963]

An Act to continue, levy and abolish certain taxes and
duties in the Province of [Balochistan].

WHEREAS it is expedient to continue, levy and abolish
certain taxes and duties in the Province of *[Balochistan];

It is hereby enacted as follows:—

1. (1) This Act may be called the *[Balochistan]
Finance Act, 1963.

(2) It shall come into force on and from the first day
of July, 1963.

(3) It shall extend, unless otherwise specified
hereinafter, to the whole of *[Balochistan], except the Tribal
Areas.

2. In this Act—

(a) "agricultural year" means the agricultural year as
defined in the *Punjab Land Revenue Act, 1887

(Act XVII of 1887);

(b) "Government" means the Government of
[Balochistan];

(c) "revenue year" means the revenue year as defined
in the Sind Land Revenue Code, 1879 (Sind Act
V of 1879).

3. (1) There shall be levied and collected from every owner of land which is assessed to land revenue in the districts of Karachi, Dadu, Hyderabad, Tharparkar, Sanghar, Jacobabad, Larkana, Sukkur, Nawabshah and Thatta an additional amount of land revenue by way of surcharge on the land revenue payable in the revenue year 1962-63 at the rates specified in the

For statement of objects and reasons, see West Pakistan Gazette (Extraordinary) 1963, p. 2544. This Act was passed by the

Assembly on 29th June, 1963; assented to by the Governor of West Pakistan on 30th June, 1963; and, published in the West Pakistan Gazette (Extraordinary), dated 1st July, 1963, pages 2873-84.

oOo N

Substituted by Balochistan Laws (Adaptation) Order 1975, for the words "West Pakistan".

Spelling of the word "Baluchistan", wherever it appears in this Act, is corrected by insertion of letter "o" instead of "u"; as per

Government of Balochistan, S&GAD's Notification No. SORI (4) 6/ S&GAD-89, dated 18th June, 1989.

4 Repealed by West Pakistan Act XVII of 1967; and by Balochistan Regulation I of 1973; in its application to Tribal Areas of Balochistan.

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Development Cess.

Surcharge on
agricultural
income-tax in
certain
districts.

First Schedule to this Act.

Explanation.— For purposes of this section land revenue includes any water rate payable in respect of irrigated land.

(2) The provisions of the Sind Land Revenue Code, 1879 (Sind Act V of 1879) shall, as far as may be, apply to the assessment, collection, and recovery of the surcharge imposed under this section.

4. '(1) A toll tax shall be levied on Hub River Bridge in the Province of Balochistan on all Private Cars Trucks/Buses Mini Buses except Government vehicles and the Vehicles Registered in the Lasbela District.)

(2) The cess shall be payable by the person liable for the payment of land revenue.

(3) Government may, by notification, exempt any class of persons from the payment of the whole or any part of the cess or reduce the rate of the cess leviable on any class of land.

(4) The cess levied on the basis of land revenue shall be assessed, collected and recovered in the manner prescribed, from time to time, by Government by statute, rules or orders for the assessment, collection and recovery of land revenue.

(5) Government may, by notification, modify the rules or orders referred to in sub-section (4) and may make further rules for the assessment, collection and recovery of the cess.

5. (1) There shall be levied and collected from every owner of land which is assessed to agricultural income-tax in the districts of Bannu, Dera Ismail Khan, Hazara, Mardan, Kohat, Peshawar, Campbellpur, Dera Ghazi Khan, Gujranwala, Gujrat, Jhelum, Jhang, Lahore, Lyallpur, Mianwali, Montgomery, Multan, Muzaffargarh, Rawalpindi, Sargodha, Sheikhupura and Sialkot, on the land revenue payable in the agricultural year 1962-63, an additional amount of agricultural income-tax by way of surcharge at the rates specified in the Second Schedule to this Act.

(2) The provisions of the North-West Frontier

* Sub-Section (1) substituted first by Balochistan Act IV of 1975 and then by Balochistan Ordinance IX of 1980.

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Province Agricultural Income-tax Act, 1948 (North- West Frontier Province Act XVII of 1948) and the Punjab Agricultural Income-tax Act, 1951 (Punjab Act XVI of 1951) shall, so far as may be, apply to the assessment, collection and recovery of the surcharge imposed under this section.

Amendment of 'T5-A. Until the 30% June, 1964, Schedule I to the Stamp Act,

Schedule I to 1899 (Act II of 1899), shall have effect as Act II of 1899.

if—

(a) in Article I for the entries in the first and second columns, the following were _ substituted, namely:—

"ACKNOWLEDGEMENT? of a debt exceeding twenty rupees in amount or value written or signed by, or on behalf of, a debtor in order to supply evidence of such debt in any book (other than a banker's pass book) or on a separate piece of paper, when such book or paper is left in the creditor's possession; provided that such acknowledgement does not contain any promise to pay the debt or any stipulation to pay interest or to deliver any goods or other property—

(i) if the amount or ...12 paisa value does _ not exceed one hundred rupees

(i1) in other cases ..25 paisa.";

(b) in Article 53 for the entries except the Exemptions in the first and second columns the following were substituted, namely:—

"RECEIPT? (as defined by section 2(23) for any money or other property the amount or value of which—

1 Inserted by West Pakistan Ordinance XXVI of 1963.

2 Any acknowledgement receipt executed on or after the first day of July 1963, but before the coming into operation of West P

Ordinance XXVI of 1963 in respect of which duty has been properly paid under Schedule I to the Stamp Act, 1899 (Act II of 1899) the amendment had not been made shall be deemed to have been validly stamped and the deficiency in stamp duty, if any, shall be recovered, see *ibid*, s. 2 (2).

Any acknowledgement receipt executed on or after the first day of July 1963, but before the coming into operation of West P

Ordinance XXVI of 1963 in respect of which duty has been properly paid under Schedule I to the Stamp Act, 1899 (Act II of 1899) the amendment had not been made shall be deemed to have been validly stamped and the deficiency in stamp duty, if any, shall be recovered, see West Pakistan Ordinance XXVI of 1963, s. 2(2).

Tax on Cinemas. 6.

(i) exceeds twenty rupees but does not exceed one hundred rupees

(ii) in other cases

... 12 paisa.

... 25 paisa.]

There shall be levied and collected a tax on cinemas

payable by the owner or management thereof at the following rates for the financial year 1963-64:—

(1)

(ii)

(iii)

Tax on callings 7.

professions,

In the case of a cinema classed as first class cinema.

In the case of cinema classed as a second class cinema.

In the case of a cinema classed as a third class cinema.

etc. for the financial year 1963-64:—

(1)

(i)

(ii)

(iv)

Tax on Trades, 8. (1)

Import and

1 Now "Federal",

Class of Persons

Legal practitioners of not less than five standing.

years

Income-tax practitioners.

Clearing agents, licensed or approved as Custom House Agents.

Contractors goods, commodities and services to the "Central Government or the

supplying

Provincial Government or any Local Authority.

...One thousand rupees.

...Five hundred rupees.

...One hundred rupees.

There shall be levied and collected from the following classes of persons a tax of the amount specified against each

Amount of Tax

Twenty rupees.

Twenty rupees.

One hundred rupees.

Two hundred rupees or one hundred rupees or fifty rupees according to classification.

For the financial year 1963-64 there shall be

Export
Licences.

Tax on motor
vehicles.

Tax on railway

fares and
freights.

Tolls on vessels

plying in

inland water.

levied and collected from every person engaged in the import and export trade who holds a licence issued under the Imports and Exports (Control) Act, 1950 (Act XXXIX of 1950), a tax on the value of the goods imported or, as the case may be, exported against such licence, according to the scale set out in the Third Schedule to this Act.

(2) Government may, by a notification in the official Gazette, exclude any class of licence issued as aforesaid from the purview of sub-section (1) or, by a general or a special order in writing, exempt a person holding such licence from the payment of the whole or a part of the tax payable by him in respect of the goods imported or exported against such licence.

9. There shall be levied and collected in any area in which a tax is imposed on motor vehicles by or under any enactment, a surcharge on such tax at the following rates for the financial year 1963-64:—

(i) Motor Vehicles used for Twenty-five
the transport or carriage of rupees.
goods and materials.

(ii) Motor Vehicles plying for — Fifty rupees.
hire and licensed to carry
more than eight persons.

10. Until the 30% day of June, 1964, there shall be levied and paid on railway fares and freights a tax according to the scale set out in the Fourth and Fifth Schedules to this Act.

11. (1) For the financial year 1963-64 there shall be levied and collected in the district of Karachi, a toll on steam vessels and motor vessels plying in inland waters at the rates

specified hereunder:—

On vessels of a tonnage of—

One hundred
rupees.

Less than 100 tons.

100 tons but less than 500 Two hundred
tons. and fifty rupees.

500 tons but less than 1000 =‘ Five hundred
tons. rupees.

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Toll on fares and
freights on
inland traffic
by vessels.

Surcharge on
Betting Tax.

Primary Education
Surcharge.

1000 tons and upwards. One thousand
rupees.

(2) The toll shall be payable by the owner or the
charterer of the vessel.

(3) In this section "steam vessels" and "motor
vessels" mean every description of vessel propelled wholly or
in part by the agency of steam or oil, as the case may be.

12. (1) For the financial year 1963-64, there shall be
levied and collected in the district of Karachi, a toll on fares and
freights charged for transport by steam vessels and motor
vessels plying in inland waters, according to the scale set out in
the Fourth and Fifth Schedules to this Act.

(2) The toll shall be collected by the owner or the
charterer of the vessel and paid to Government.

(3) In this section "steam vessels" and "motor
vessels" have the same meaning as in section 11.

13. Until the 30th June, 1964, there shall be levied and
collected in the district of Karachi an additional tax by way of
surcharge amounting to twenty-five per cent of the betting tax
on horse-racing or pony-racing imposed under any enactment
for the time being in force.

Explanation—The expression "betting tax" includes a
tax charged in respect of moneys paid into a totalisator by way
of stakes or bets.

14. [Enhanced tax on motor vehicles,] repealed by West
Pakistan Act I of 1965 (See section 11(2)).

15. (1) For the financial year 1963-64, a tax, called the
Primary Education Surcharge, shall be levied on and collected
from all persons who use the amenities and entertainment
provided by any residential hotel.

Explanation—For the purposes of this section
residential hotel shall mean a hotel as is equipped with a liquor
bar and possesses not less than twenty-five rooms for lodging.

(2) (a) The surcharge shall be calculated at 13!"
per cent of the amount charged by the
management on account of the amenities
and entertainment provided by the hotel.

Capital gains tax.

(b) The charge on account of amenities and entertainment shall include the charge on account of sale of liquor consumed in the hotel, and service charges, if any.

(c) The charge on account of amenities and entertainment shall be calculated at 75 per cent of the gross amount charged by the hotel, the remaining 25 percent being deemed to be the charge on account of foodstuffs and manufactured goods sold.

(3) The surcharge shall be shown as a separate item in the hotel bill and shall be collected by the owner or the management of the hotel and paid to Government.

(4) For the purposes of this section, Government may notify a list of such hotels as fulfil conditions mentioned in the explanation below sub- section (1).

(5) Government may, from time to time, by notification add to, delete or modify the entries in the list mentioned in sub-section (4).

16. (1) A capital gains tax shall be levied on any profits or gains arising from the sale, exchange or transfer of immovable property effected after the thirtieth day of June, 1963, within—

(a) urban areas specified by Government under section 3 of the *[Balochistan] Urban Immovable Property Tax Act, 19583; and

(b) such other urban areas as may be specified by Government under sub-section (I-A):

Provided that the tax in respect of property in the urban areas specified by Government under clause (a) or clause (b) on or after the first day of July, 1963, shall be levied on the profits or gains arising from the sale, exchange or transfer of the property effected after the date such areas are so specified as urban areas:

Provided further that the tax shall not be levied

1 Substituted by West Pakistan Act I of 1965; published in the Gazette of West Pakistan (Extraordinary), dated 1st July, 1965.
2 Substituted by Balochistan Laws (Adaptation) Order of 1975, for the words "West Pakistan".

That is West Pakistan Act V of 1958.

on the transfer of immovable property in consequence of the distribution of immovable property on the total or partial partition of a Hindu undivided family or the distribution of such property on the dissolution of a firm or other association of persons or on the liquidation of a company or under a deed of gift bequest, will or transfer or irrevocable trust [:]!

3[Provided further that the tax shall not be levied on any profits or gains arising from assignment, re-assignment, sale or transfer of any immovable property assigned, reassigned, sold or transferred to, or by, a banking company by, or as the case may be, to its customer on account, or in consequence, of finance provided by the banking company to its customer:

Provided further that in a case of forced sale by a banking company on default by the customer the exemption contained herein shall not apply to the customer.

Explanation I— For the purpose of this section the expressions "banking company", "customer" and "finance" shall have the same meanings as have been assigned to them in the Banking Tribunals Ordinance, 1984?.

Explanation I.— A certificate issued by the banking company certifying the transaction referred to in this section shall be presumed to be correct.]

(1-A) Government may, by notification in the official Gazette, specify any built-up area, including land situated within or adjoining such area, to be an urban area for the purposes of this section.

Explanation.— For the purposes of this section, "built-up area" shall mean land which is occupied as the site of a building or enclosure and is not used for an agricultural purpose or purposes subservient to agriculture.

(2) The amount of the capital gains shall, be computed after making the following deductions from the full value of the consideration for which the sale, exchange or transfer of property is made:-

(a) expenditure incurred solely in connection with such transaction, and

1 Pull stop substituted by a colon and proviso added by the Balochistan Finance Act (Amendment) Ordinance, 1985 (Ordinance 1985); shall come into force on 1st January, 1985; published in the Balochistan Gazette (Extraordinary), dated 14th January, 1985.

2 That is Ordinance LVIII of 1984; published in the Gazette of Pakistan, Extraordinary, Part I, dated 31st December, 1984.

(b) actual cost to the assessee of the property including any expenditure of a capital nature incurred and borne by him in making any additions or alterations thereto:

Provided that—

(1)

(ii)

(iii)

where a person, who acquires a property from the assessee, whether by sale, exchange or transfer, is a person with whom the assessee is directly or indirectly connected or where the authority making the assessment has reason to believe that the sale, exchange or transfer was effected with the object of avoidance or reduction of the liability of the assessee the full value of the consideration for which the sale, exchange or transfer is made shall be taken to be the fair market value of the property on the dates on which the sale, exchange or transfer took place;

where the immovable property was acquired by the assessee before the first day of January, 1950, he may on proof of its fair market value on the said date to the satisfaction of the assessing authority, substitute for the actual cost such market value which shall be deemed to be the actual cost to him of the immovable property;

where the immovable property became the property of the assessee by succession, inheritance or devolution, or under any of the circumstances referred to in the proviso to sub-

section (1) its actual cost

Penalty.

Application of
existing laws.

Power to amend or
vary an Act.

Rules.

allowable to him for the purpose
of this sub-section shall be its
actual cost to the previous owner
thereof.

(3) The tax shall be levied according to the scale set
out in the Seventh Schedule to this Act.

(4) Government may by notification exempt any
class of immovable property from the levy of tax under this
section.

17. If the person who is responsible for the payment of the
toll or tax under section 7, 8, 11 or 16 or for the collection and
payment of a toll or tax under section 12 or 15 fails to pay the
tax or to collect and pay the tax, as the case may be, he shall be
liable to pay a penalty not exceeding the amount of the toll, or
tax payable.

18. Where any tax or surcharge imposed by this Act is by
way of an addition to or a surcharge on any existing tax
imposed by or under an enactment, the procedure provided in
such enactment 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 or surcharge.

19. Government may, by notification, make such omissions
from, additions to, adaptations and modifications of any
Balochistan] Act as may be necessary for the purpose of the
levy and collection of any tax imposed by this Act.

20. (1) Government may make rules regarding—

(i) classification of cinemas for the purposes
of section 6;

(i1) classification of contractors for the
purposes of section 7;

(iii) the procedure for the collection and

payment of any tax or toll levied under
this Act;

(iv) any other matter incidental thereto.

(2) Any rules made or deemed to have been made under the corresponding provisions of the [Balochistan] Finance Act, 1962 (West Pakistan Act No. I of 1962) shall, so

* Substituted by Balochistan Laws (Adaptation) Order 1975, for the words "West Pakistan".

far as may be, be continued and be deemed to have been made under this Act.

(See Schedule on next page)

FIRST SCHEDULE
(SEE SECTION 3)

Where the total land revenue and water rate for irrigation does not exceed Rs. 1,999

Where the total land revenue and water rate for irrigation exceeds Rs. 1,999

SECOND SCHEDULE
(SEE SECTION 5)

Where the total land revenue payable does not exceed Rs. 349

Where the total land revenue payable exceeds Rs. 349 but does not exceed Rs. 499

Where the total land revenue payable exceeds Rs. 499 but does not exceed Rs. 749

Where the total land revenue payable exceeds Rs. 749 but does not exceed Rs. 999

Where the total land revenue payable exceeds Rs. 999 but does not exceed Rs. 1,999

Where the total land revenue payable exceeds Rs. 1,999 but does not exceed Rs. 4,999

Where the total land revenue payable exceeds Rs. 4,999 but does not exceed Rs. 9,999

Where the total land revenue payable exceeds Rs. 9,999

THIRD SCHEDULE

Surcharge

Nil

1!" per cent of such total.

Surcharge

Nil

Rupees twelve.

Rupees twenty-four.

Rupees fifty.

Rupees one hundred.

Rupees two hundred

and fifty.

Rupees five hundred.

Rupees one thousand.

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(SEE SECTION 8)

When the licence is for an amount not exceeding Rs. 4,999

When the licence is for an amount exceeding Rs.

4,999 but not exceeding Rs. 9,999

When the licence is for an amount exceeding Rs.

9,999 but not exceeding Rs. 19,999

When the licence is for an amount exceeding Rs.

19,999 but not exceeding Rs. 49,999

When the licence is for an amount exceeding Rs.

49,999 but not exceeding Rs. 99,999

When the licence is for an amount exceeding Rs.

99,999

FOURTH SCHEDULE

(SEE SECTION 10 and 12)

Freights (goods)—

Where the freight on any consignment does not

exceed Rs. 3

Where the freight on any consignment exceeds Rs. 3 but does not exceed Rs. 10

Where the freight on any consignment exceeds Rs. 10 but does not exceed Rs. 25

Where the freight on any consignment exceeds Rs. 25 but does not exceed Rs. 50

Where the freight on any consignment exceeds Rs. 50 but does not exceed Rs. 75

Where the freight on any consignment exceeds Rs. 75 but

Amount of tax

Nil

Rupees ten.

Rupees fifty.

Rupees one hundred

and fifty.

Rupees five hundred.

Rupees one thousand.

Surcharge

Nil

Six paisa.

Twelve paisa.

Twenty-five paisa.

Fifty paisa.

One rupee.

does not exceed Rs. 100

Where the freight on any consignment exceeds Rs. 100 but Two rupees.
does not exceed Rs. 150

Where the freight on any consignment exceeds Rs. 150 but —_ ' Three rupees.
does not exceed Rs. 225

Where the freight on any consignment exceeds Rs. 225 but —_ ' Four rupees.
does not exceed Rs. 300

Where the freight on any consignment exceeds Rs. 300 Four rupees plus one
rupee for every
hundred rupees in
excess of three
hundred rupees' of

freight.

FIFTH SCHEDULE

(SEE SECTION 10 AND 12)

Amount of tax

Fares (Passenger)—

On a First Class Ticket 50 paise.

On a Second Class Ticket 25 paise.

On an Inter Class Ticket 12 paise.

On a Third Class or Deck Ticket 6 paise.

Provided that no tax shall be levied where the fare does not exceed Rs. 3.

SIXTH SCHEDULE

(REPEALED BY WEST PAKISTAN ACT I OF 1965)

'TSEVENTH SCHEDULE

1 Substituted by Balochistan Finance (Amendment) Act, 1985 (Act I of 1985); effective from 1.7.1985; published in Balochistan (Extraordinary) dated 4" July, 1985.

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(SEE SECTION 16)

Amount of Capital Gain

For the first Rs. 50,000/-

For the next Rs. 1,00,000/-

For any amount exceeding rupees one lac

Rate of tax

Nil

212 %

5 %|