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AZAD GOVERNMENT OF THE STATE OF JAMMU AND KASHMIR
Law, Justice, Parliamentary Affairs and Human Rights Department
RRRKKE

“MUZAFFARABAD”

Dated: 14.07.2025

No. LD/Legis.-Act/351-65/2025. The following Act, passed by the Azad Jammu and Kashmir Legislative Assembly on 26th day of June, 2025 and received the assent of the President on the 11th day of July, 2025, is hereby published for general information.

[Act IV of 2025]

An
Act

to give effect to the financial proposals of Azad Government of the State of Jammu and Kashmir.

WHEREAS, it is expedient to make provisions to give effect to the financial proposals of Azad Government of the State of Jammu and Kashmir to consolidate and amend certain Fiscal Laws for the purposes hereinafter appearing;

It is hereby enacted as follows:

1. Short title, Extent and Commencement.-(1) This Act may be called the Azad Jammu and Kashmir Finance Act, 2025.
(2) It extends to the whole of Azad Jammu and Kashmir.
(3) It shall come into force on 1st day of July, 2025

2. Adaptation of the Amendments in Income Tax Ordinance,

2001 (Ordinance XLIX of 2001).-(1) In the Income Tax Ordinance, 2001 (XLIX of 2001), as adapted and enforced in Azad Jammu and Kashmir by virtue of the Income Tax (Adaptation,

Enforcement and Validation) Act, 2002 (Act IV of 2002), hereinafter referred to as the said Ordinance, except otherwise legislated by an Act of the Assembly, all the amendments made in the said Ordinance and all rules, notifications, circulars, statutory regulatory orders (SROs) and orders etc. made or issued thereunder; as enforced in Pakistan, at any time on or after 24th day of June, 2023 and before the commencement of this Act, shall also, as far as practicable, be deemed to have been so made, on the first day of July, 2025, in the said Ordinance, as enforced in the Azad Jammu and Kashmir subject to the modification that amendments made in Sections 236C, 236K and its relevant rates mentioned in First Schedule of the Ordinance shall not be applicable.

(2) Notwithstanding any judgment or decision of any court including Supreme Court and High Court of Azad Jammu and Kashmir, anything done, tax levied, charged or collected, proceedings initiated, notices issued, orders passed, penalties imposed, powers exercised or powers conferred on any authority on or after 24th day of June, 2023, in accordance with the amendments made in the said Ordinance, as enforced in Pakistan, shall be deemed always to have been validly done, levied, charged, collected, initiated, issued, passed, imposed, exercised or conferred and so much of such tax have not been levied, charged, paid or collected, from the first day of July, 2025 and before coming into force of this Act, shall be leviable, chargeable and recoverable in accordance with the said amendments.

Adaptation of Enactment of the New Digital Presence
Proceeds Tax Act, 2025.-
(1) Except otherwise legislated by an Act of Assembly, the Enactment of the New Digital Presence
Proceeds Tax Act, 2025 along with all rules, notifications, circulars or statutory regulatory orders (SROs) and orders made, or issued thereunder, as enforced in Pakistan, shall, as far as practicable, be adapted and be in force in Azad Jammu and Kashmir from the date of its enforcement in Pakistan.

Adaptation of the Amendments in Sales Tax Act, 1990 (Act VII of 1990).-
(1) In the Sales Tax Act, 1990 (Act VII of 1990), as adapted and enforced in Azad Jammu and Kashmir by virtue of the Sales Tax (Adaptation) Act, 1993 (Act IV of 1993), hereinafter referred to as the said Act, except otherwise legislated by an Act of the Assembly, all the amendments made in the said Act and all rules, notifications, circulars, statutory regulatory orders (SROs)

and orders made or issued thereunder, as enforced in Pakistan, at any time on or after 248 day of June, 2023 and before the commencement of this Act, shall also, as far as practicable, be deemed to have been made, on the first day of July, 2025, in the said Act, as enforced in the Azad Jammu and Kashmir.

(2) Notwithstanding any judgment or decision of any court including Supreme Court and High Court of Azad Jammu and Kashmir, anything done, tax levied, charged or collected, proceedings initiated, notices issued, orders passed, penalties imposed, powers exercised or powers conferred on any authority on or after 24t8 day of June, 2023, in accordance with the amendments made in the said Act, as enforced in Pakistan, shall be deemed always to have been validly done, levied, charged, collected, initiated, issued, passed, imposed, exercised or conferred and so much of such tax have not been levied, charged, paid or collected, from the first day of July, 2025 and before coming into force of this Act, shall be leviable, chargeable and recoverable in accordance with the said amendments.

Adaptation of the amendments in Federal Excise Act, 2005.-

(1) In the Federal Excise Act, 2005, as adapted and enforced in Azad Jammu and Kashmir by virtue of the Azad Jammu and Kashmir Finance Act, 2005 (Act VIII of 2005), hereinafter referred to as the said Act, except otherwise legislated by an Act of the Assembly, all the amendments made in the said Act and all rules, notifications, circulars, statutory regulatory orders (SROs) and other orders made or issued there under, as enforced in Pakistan, at any time on or after 248 day of June, 2023 and before the commencement of this Act, shall also, as far as practicable, be deemed to have been made, on the first day of July, 2025, in the said Act as enforced in Azad Jammu and Kashmir.

(2) Notwithstanding any judgment or decision of any court including Supreme Court and High Court of Azad Jammu and Kashmir, anything done, tax levied, charged or collected, proceedings initiated, notices issued, orders passed, penalties imposed, powers exercised or powers conferred on any authority on or after 24t8 day of June, 2023, in accordance with the amendments made in the said Act, as enforced in Pakistan, shall be deemed always to have been validly done, levied, charged or collected, initiated, issued, passed, imposed, exercised or conferred, done and so much of such tax have not been levied, charged, paid or collected, from the first day of July, 2025 and

before coming into force of this Act, shall be leviable, chargeable and recoverable in accordance with the said amendments.

Substitution of Schedule of West Pakistan Motor Vehicles

Taxation Act, 1958 (Act XXXII of 1958).-In West Pakistan

Motor Vehicles Taxation Act, 1958 (Act XXXII of 1958), as adopted and enforced in Azad Jammu and Kashmir, the existing Schedule shall be substituted as under:-

Schedule

(See Section 3 of the Act)

Ss. Vehicle Capacity Annual

Category Amount of

No. Tax

1. Two wheelers

Motor Cycle/ Rs.1500/-

Scooter (Life Time)

2. 3 Wheelers

Passenger Rs.3000/-

Rickshaw (Life Time)

3. Private Motor Cars/SUVs/Vans

Private Motor | i. Vehicle with engine | Rs.10,000/

capacity upto 1000cc

capacity exceeding

1500cc but not

exceeding 2000cc

Cars/SUVs/ - (Life Time)

Vans

ii, Vehicle with engine | Rs.1500/-

(Not capacity exceeding

exceeding 7 1000cc but not

Seats) exceeding 1300cc

iii. Vehicle with engine Rs.2800/-

capacity exceeding

1300cc but not

exceeding 1500cc

iv. Vehicle with engine | Rs.5000/-

v. Vehicle with engine

capacity exceeding
2000cc but not
exceeding 2500cc

Rs.8000/-

vi.

Vehicle with engine
capacity exceeding
2500cc

Rs. 12,000/

Goods carriers

Commercial
/ Private
Vehicles for
carriage of

Vehicle with maximum
laden capacity not
exceeding 1400kg
(including tri-cycle)

Rs.600/-

Goods

ii.

Vehicle with maximum
laden weight capacity
exceeding 1400kg but
not exceeding 4000 kg

Rs.850/-

iii.

Vehicle with maximum
laden weight capacity
exceeding 4000kg but
not exceeding 7000 kg

Rs. 1450/-

iv.

Vehicle with maximum
laden weight capacity
exceeding 7000kg but

not exceeding 12000
kg

Rs.2050/-

v. Vehicle with maximum

laden weight capacity
exceeding 12000kg
but not exceeding
16000 kg

Rs.2400/-

vi.

Vehicle with
maximum laden
weight capacity
exceeding 16000 kg

Rs.3600/-

vii. Commercial Tractor

As per
laden
weight

5/6

5. Passenger Transport

No.15401-15500 /P&S/2025

AC/ Non

AC (Both)

Public Vans, Mini Buses, Rs.180/-
Service Coasters, Busses
vehicles Including Motor Cab
Private Mini buses, Coasters Rs.180/-
Vehicles and buses
exceeding 7
Seats

-Sd-

(Kiran Latif Awan)
Section Officer

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