

THE KHYBER PAKHTUNKHWA FINANCE ACT, 2017.

(KHYBER PAKHTUNKHWA ACT NO. XXVI OF 2017)

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THE KHYBER PAKHTUNKHWA FINANCE ACT, 2017.

(KHYBER PAKHTUNKHWA ACT NO. XXVI OF 2017)

[First published after having received the assent of the Governor of the Khyber Pakhtunkhwa in the Gazette of Khyber Pakhtunkhwa (Extraordinary), dated the 23rd June, 2017].

AN

ACT

to levy, continue and revise certain taxes

in the Province of the Khyber Pakhtunkhwa

Preamble.-WHEREAS it is expedient to levy, continue and revise certain taxes in the Province of the Khyber Pakhtunkhwa;

It is hereby enacted as follows:

1. Short title, extent_and_commencement.---(1) This Act may be called the Khyber Pakhtunkhwa Finance Act, 2017.

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

(3) It shall come into force on the first day of July, 2017.

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

(i) for the existing Schedule-I, the Schedule-I specified in Appendix-I to this Act shall be substituted; and

(ii) in Schedule-II,-

(a) at S.No.7 for the figures "15000" and "7500", the figures "22,500" and "11,250" shall respectively be substituted; and

(b) at S.No.7A, for the figures "15000", the figures "20,000" shall be substituted.

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,

for the existing Table, the "Table" specified in Appendix-II to this Act shall be substituted.

4. Amendments in the Khyber Pakhtunkhwa Act No. XXI of 2013.---In the Khyber Pakhtunkhwa Finance Act, 2013 (Khyber Pakhtunkhwa Act No. XXI of 2013), in First

Schedule, after existing entry "9803.3000", the following new entry shall be added, namely:

“9803.4000 Ride hailing services”.

Part ‘ A’

Appendix-I
See section 2

“Schedule-I
(See section 3(2))

S#

Category

Rate of tax for areas of
Provincial headquarter as
notified by the Government
(per annum)

Rate of tax at
Divisional
headquarters (per
annum) (Rs)

Rate of tax in
suburban areas of
Divisional
Headquarters (per

Rate of tax at District
Headquarters (per
annum) (Rs)

Rate of tax at
District other than
District
Headquarters (per
annum) (Rs)

(Rs) annum) (Rs)
Other than Other than Other than Other than
Town Town Town Town
A B Cc ships Town ships Town ships Town ships Town
P ships P ships P ships P ships
1 Up to 5 Marlas
(other than self) 1 509 1300 1100 1300 1100 800 500 600 500 400 300
occupied)
2 Exceeding 5
Marlas but not
exceeding 10
Marlas
2500 2400 2200 2400 2200 1400 1100 1200 1100 900 700

Exceeding 10
Marlas but not
exceeding 15
Marlas

3300

3100

3000

3100

3000

1600

1500

1600

1500

900

800

Exceeding 15
Marlas but not
exceeding 18
Marlas

4800

4700

4500

4700

4500

2500

2300

2500

2300

1300

1000

Exceeding 18
Marlas but not
exceeding 20
Marlas

15,000

13,500

12,000

13,500

12,000

7,500

4,500

6,000

3,000

2,250

1,500

Exceeding 20
Marlas but not
exceeding 30
Marlas

22,500

21,000

18,000

21,000

15,000

12,000

9,000

7500

4500

4500

3000

Exceeding 30
Marlas but not
exceeding 40
Marlas

30000

27000

24000

27000

24000

21000

18000

15000

12000

9000

6000

Exceeding 40
Marlas

45000

37500

30000

37500

30000

22500

18000

15000

12000

9000

6000

PART 'B'

Building acquired for the use by Government, Semi-Government, Non Government Organizations, Development Financial Institutions, private commercial organizations, guest houses, hostels or by Banks shall be assessed and taxed twenty percent of the actual annual rent. In case building other than those exempted under section 4 of the Act, which are owned and occupied by such Organizations, tax shall be levied on the assessed annual rental value of such buildings on the rate prescribed hereinbefore.

PART 'C'

Tax on properties let out on rent, lease or other arrangement and not in use of their registered owners will be double of the above, except for the category-1 (upto 5 marlas).

Explanation: Categorization of area in Provincial Headquarter into Category "A", "B" or "C" shall be by way of notification by the Local Government & Rural Development Department, to be notified from time to time. In Divisional and District Headquarters, Townships are approved Townships and include those areas, which are declared so by Local Government & Rural Development Department from time to time."

Appendix-II

(See section (4))

"TABLE

S# | Description of Tax payers Proposed
rates (Rs)

1 (i) All persons engaged in any profession, trade, calling or employment,

other than those specifically mentioned hereinafter, in the Khyber
Pakhtunkhwa Province, whose monthly income or earning

(a)

(b)

(c)

(d)

(e)

(f)

When exceeds
Rs.10000

When exceeds
Rs.20000

When _ exceeds
Rs.50000

When _ exceeds
Rs.100000

When exceeds
Rs.200000

When exceeds
Rs.500000

Rs.3000 but

Rs.10000 but

Rs.20000 but

Rs.50000 but

Rs.100000 but

Rs.200000 but

not

not

not

not

not

not

exceeds

exceeds

exceeds

exceeds

exceeds

exceeds

Exempted

330

435

600

800

1000

(ii) Employees of Federal and Provincial Government Drawing pay in
Basic Scales

(a)

(b)

(c)

(d)

(e)

(f)

(g)

BS-1 to 4

BS 5 to 12

BS 13-16

BS-17

BS-18

BS-19

BS-20 and above

Exempted

100

200

300

500

1,000

2,000

All limited

companies, Modarbas, Mutual Funds and Any other body

corporate with paid up capital and reserves in the preceding year,

whichever is more

- (a) When not exceeding Rs.10 million 27,000
- (b) When exceeding Rs.10 million but not 36,000
exceeding 25 million
- (c) When exceeding Rs.25 million but not 50,000
exceeding 50 million
- (d) When exceeding Rs.50 million but not 75,000
exceeding 100 million
- (e) When exceeding Rs.100 million but not 95,000
exceeding 200 million
- (f) When exceeding Rs.200 million 100,000

Persons, other than companies, owning factories, commercial establishments, private education institutions and private hospitals, having the following commercial establishment

- (a) Any commercial establishment/factories having 10,000
10 or more employees which have not been
otherwise explicitly given in this table.
- (b) Private clinics & hospitals having upto 10 10,000
employees
- (c) Private clinics, hospitals having employees more 50,000

than 10 but not more than 50
- (d) Private clinics & hospitals having more than 50 100,000
employees
- (e) Private Medical Colleges. 100,000
- (f) Private Engineering Institutes having degree 100,000
programs

(g) Private Business Education Institutes:

(i) having upto 100 students 70,000

(ii) exceeding 100 students 100,000

(h) Private Law Colleges 100,000

(i) Private education institutions _—_ including 5,000

professional and technical institutions other than specified at e,f, g & h charging monthly fee not exceeding Rs.1000 per student.

G) Private education institutions _ including 7,000 professional and technical institutions other than specified at e,f, g & h charging monthly fee exceeding Rs.1000 but not exceeding Rs.2000 per student.

(k) Private education institutions _—_ including 20,000 professional and technical institutions other than specified at e,f, g & h charging monthly fee exceeding Rs.2000 but not exceeding Rs.5000 per student.

(1) Private education institutions _—_ including 100,000 professional and technical institutions other than specified at e, f, g & h charging monthly fee exceeding Rs.5000 per student.

Holders of import or export license, assessed to income tax in the preceding year with annual turnover

(a) When not exceeding Rs.50000 4,000

(b) When exceeding Rs.50000 5,000

Clearing agents licensed or approved as custom house 10,000 agents

Travel Agents

(a) IATA travel agents approved. 15,000

(b) Non-IATA approved. 8,000

(c) Hajj and tour operator 15,000

Restaurants/Guest Houses liable to sales tax 15,000

8 | Professional Caterers 15,000

9 | Wedding Halls/Lawns (irrespective of their nomenclature) 30,000

10 | Advertisement Agencies 10,000

11 | Doctors

(a) Specialists 20,000

(b) Non Specialists including Medical Practitioners, 10,000

Hakeem's, Homeopaths etc

(c) Dentists 15,000

12 | Diagnostic and Therapeutic Centers" including pathological and chemical laboratories"

(a) Located at Divisional Head Quarter 20,000

(b) Located at other places 7,000

13 | Contractors, Suppliers and Consultants who, during preceding financial year supplied to the Federal or any Provincial Government or any local authority in the District, Goods, Commodities, or rendered service of the value

(a) When exceeding Rs.10,000 but not exceeds 4,000

(b) Rs.0.5 million

(c) When exceeding Rs.0.5 million but not 5,000 exceeding

(d) Rs.1 million

(e) When exceeding Rs.1.50 million but not 7,000 exceeding Rs.2.500 million

(f) When exceeding Rs.2.500 million but not 18,000 exceeding Rs.10 million

(g) When exceeding Rs.10 million but not 25,000 exceeding Rs.25 million

(h) When exceeding Rs.25 million but not 30,000 exceeding Rs.50 million

(i) | When exceeding Rs.50 million 100,000

14 | Petrol/Diesel/CNG filling stations 12,000

15 | All establishments, including video shops, real estate 5,000 shops/ agencies, card dealers, and net cafes assessed or not assessed to income tax in the preceding financial year.

16 | Chartered Accountants with an independent audit practice and 15,000 excluding those who are employed in companies not owned by them.

17 | Vehicles Service Stations 8,000

18 | Transporters/Transport companies.

(a) Within Provincial Headquarters limits 3,000

(b) Others 2,000

19 | Member of Stock Exchange 5,000

20 | Money Changer

(i) Within Provincial Headquarters limits 10,000

(ii) Others 5,000

21 | Health Fitness Centers/Gymnasium

(i) Within Provincial Headquarters limits 2,000

(ii) Others 1,000

22 | Jewelers 1,000

23 | Departmental Stores 10,000

24 | Electronic goods Stores 1,000

25 | Cable Operators 10,000

26 | Printing Presses 1,000

27 | Pesticides Dealers 1,000

28 | Tobacco Whole Sellers 2,000

29 | Whole Sale Dealers/agency holder 10,000

30 | Chemist/Druggist/Medical Stores 10,000

31 | Tailor Shops

(a) Shalwar Qameez+wastecoat 5,000

(b) Shilwar Qameez+wastecoat+pant shirt 10,000.”