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PART I

Acts, Ordinances, President's Orders and Regulations

NATIONAL ASSEMBLY SECRETARIAT

Islamabad, the 20th April, 2023

No. F. 22(32)/2022-Legis. The following Act of Majlis-e-Shoora
(Parliament) received the assent of the President on the 20th April, 2023 is
hereby published for general information:—

AC? No. XVI OF 2023

AN

ACT

further to amend certain laws relating to taxes and duties

WHEREAS, it is expedient further to amend certain laws relating to taxes
and duties for the purposes hereinafter appearing;

It is hereby enacted as follows:—

(225)

Price: Rs. 10.00

[811(2023)/Ex. Gaz.].

i.

Short title and commencement.—1) This Act shall be called the
Tax Laws (Amendment) Act, 2023.

2)

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It shall, unless specified otherwise, come into force at once.

Amendments of the Sales Tax Act, 1990.—In the Sales Tax Act,
1990, the following further amendments shall be made, namely:—

(a)

(b)

in section 2, in clause (46), in sub-clause (i), in the explanation,
after the word “electricity”, the expression * ‘or natural gas including
re-gasified liquefied natural gas” shall be inserted;

in section 3,—

(i) for sub-section (9), the following shall be substituted and shall
be deemed to have been so substituted from the 1st day of
July, 2022, namely:—

“(9) Notwithstanding anything contained in sub-section (1),
tax shall be charged from retailers, other than those
falling in Tier-1, through their monthly electricity bills,
at the rate of five percent where the monthly bill amount
does not exceed rupees twenty thousand and at the rate
of seven and half percent where the monthly bill amount
exceeds the aforesaid amount and the electricity supplier
shall deposit the amount so collected directly without
adjusting against his input tax:

Provided that the tax under this sub-section shall be
in addition to the tax payable on supply of electricity
under sub-sections (1), (1A) and (5):

Provided further that the Commissioner of Inland
Revenue having jurisdiction shall issue order to the
electricity supplier regarding exclusion of a person who
is either a Tier-1 retailer or not a retailer.”; and

(ii) after sub-section (11), the following new sub-section shall be
added, namely:—

“(12) Notwithstanding anything contained in this Act, the

Federal Government may, in lieu of or in addition to the tax under sub-section (9), by notification in the official Gazette, levy and collect such amount of tax at such rates and from such date as it may deem fit, from

(©)

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retailers, other than those falling in Tier-1, through their monthly electricity bill, and may also specify the mode, manner or time of payment of such tax:

Provided that different rates or amounts of tax may be specified for different persons or class of persons.”:
and

in the Sixth Schedule, in Table-2, in column (1), after serial number 54, the following new serial number and entries relating thereto in

columns (2) and (3) shall be added, namely:—
Single cylinder agriculture diesel | Respective

T
| |

|
| | engines (compression ignition | headings.”.
| internal combustion piston engines)
| of 3 to 36 HP. |

Amendments of Income Tax Ordinance, 2001 (XLIX of

"55.

2001).—In the Income Tax Ordinance, 2001 (XLIX of 2001), the following further amendments shall be made. namely:—

Q)

for section 99A, the following shall be substituted and shall be deemed to have been so substituted from the 1st day of July, 2022, namely:—

“99A. Special provisions relating to payment of tax through

electricity connections. (1) Notwithstanding anything contained in the Ordinance, a tax shall be charged and collected from retailers other than Tier-I retailers as defined in the Sales Tax Act, 1990 (VII of 1990) and specified service providers on commercial electricity connections at the rates specified in the income tax general order issued in terms of sub-section (2).

(2) For the purposes of this section, the Federal Government or the Board with the approval of the Minister in-charge pursuant

to the approval of the Economic Coordination Committee of the Cabinet may, issue an income tax general order to—

(a) provide the scope, time, payment, recovery, penalty, default surcharge, adjustment or refund of tax payable under this section in such manner and with such conditions as may be specified;

(2)

(3)

(3)

(4)

(b)

(c)

(d)

(e)

()

provide the collection of tax on the amount of bill or on

“any basis of consumption, in addition to or in lieu of

advance tax collectible under sub-section (1) of section 235, at such rates or amounts, from such date and with such conditions as may be specified:

provide record keeping, filing of return, statement and assessment in such manner and with such conditions as may be specified:

provide mechanism of collection, deduction and payment of tax in respect of any person:

include or exempt any person or classes of persons, any income or classes of income from the application of this section, in such manner and with such conditions as may be specified; and

provide that tax collected under this section shall in respect of such persons or classes of persons be adjustable, final or minimum, in respect of any income to such extent and with such conditions as may be specified.

The provisions of sub-section (1) of section 235 shall apply to the persons as specified therein unless specifically exempted under the income tax general order issued under sub-section

(2)

The provisions of section 100BA and rule | of the Tenth

Schedule shall not apply to the tax collectible under this
section unless specifically provided in respect of the person or
class of persons mentioned in the income tax general order
issued under sub-section (2).”:

in section 235, the sub-section (1A) shall be omitted and deemed to
have been so omitted from the 1st day of July, 2022:

in the First Schedule, in Part 1V.—

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(a)

in |Division III, in clause (2), for the Table, the following shall
be substituted, namely:—

"S.No : Capacity — Rs. per seat.} Rs. per seat

-. } per annum .| per annum

Non Air Air

; .| Conditioned | Conditioned

a) | 2) a | -@

1. 4 or more persons but 200 375"

less than 10 persons

2. 10 or more persons | 500 750

but less than 20) °°

persons

+

ive)

20 persons or more

1000. | 1500": and

(b) in Division IV, clause (3) shall be omitted;

(4) in the Second Schedule, in Part — _

(a) after omitted clause (5), the following 'new clause shall be inserted and deemed to have been so inserted from the 1st day of July, 2022, namely:— ;

"(SA) Any allowance or perquisite paid or allowed as such outside Pakistan by the Government to a Citizen of Pakistan for rendering service outside Pakistan.": and

(b) after clause (105B), the following new clause shall be inserted, namely—

"(105C) Any income derived by Kuwait Foreign Trading Contracting and Investment Company or Kuwait Investment Authority being dividend of the 'Pak-Kuwait Investment Company in Pakistan from the year of incorporation of Pak-Kuwait Investment Company.": and

(5) in the Tenth Schedule, in Rule 10, after the omitted clause (h), the following new clause shall be inserted, namely:—

"(ha) tax collected under section 234 during the period starting from the date of commencement of the Tax Laws' (Second Amendment)

4.

Ordinance, 2022 and ending on the 30th day of June, 2023 in respect of goods transport and passenger transport vehicle.”.

Amendments of the Federal Excise Act, 2005.—In the Federal

Excise Act, 2005, in the First Schedule, in Table-1, in column (1), the following further amendments shall be made, namely:—

(a)

(b)

(c)

5.

Finance Act,
namely:—

(a)

against serial number 7, in column (4), for the word “Ten rupee”,

the words “Three hundred and ninety rupees” shall be substituted;

against serial number 9, for the entry in column (4), the following shall be substituted, namely: —

“Rupees six thousand five hundred commencing on the 22nd day of August, 2022 till the 13th day of February, 2023 and Rupees sixteen thousand five hundred from the 14th day of February, 2023.”; and

against serial number 10, for the entry in column (4), the following shall be substituted, namely:—

“Rupees two thousand and fifty commencing on the 22nd day of August, 2022 till the 13th day of February, 2023 and Rupees five thousand and fifty from the 14th day of February, 2023.”.

Amendment of section 8 of the Finance Act, 2022.—In the 2022, in section 8, the following further amendments shall be made,

in sub-section (13), after clause (c), the following new clause shall be inserted, namely:—

“(ca) “motor vehicle held in Pakistan” includes car, caravan automobiles, jeep, limousine, pickup, sports utility vehicle, trucks, vans, wagon and any other automobile excluding-

(i) a motor vehicle used for public transportation, carriage of goods and agriculture machinery; and

i)
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(ii) any motor vehicle held in Pakistan by a foreign diplomat or a foreign diplomatic mission.”; and

(b) in the First Schedule, for the expression “(See section 1)”, the expression “[See sub-section (1)]” shall be substituted.

TAHIR HUSSAIN,
Secretary.

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