

SIND ACT NO. VII OF 1977

THE SINDH FINNACE ACT, 1977

CONTENTS

Preamble

Sections

1.

9S NSF HW RF LY ND

Short title and commencement.

Amendment of Act II of

Amendment of West Pakistan Act V of 1958.

Amendment of West Pakistan Act XXXII of 1958.

Repeal of West Pakistan Act XXXVIII of 1958.

Amendment of West Pakistan Act XXIV of 1964.

Amendment of West Pakistan Ordinance XIX of 1965.

Tax on hotels.

SIND ACT NO. VII OF 1977

THE SINDH FINNACE ACT, 1977

[29% June, 1977]

An Act to rationalize, levy and enhance certain taxes and duties in the Province of Sind and to amend certain laws.

WHEREAS it is expedient to rationalize, levy and enhance certain taxes and duties in the Province of Sind and to amend certain laws, in the matter hereinafter appearing;

It is hereby enacted as follows:-

1. (1) This act may be called the Sind Finance Act, 1977.

(2) It shall come into force on and from the 1st day of July, 1977, except sub-section (3) and sub-section (6) of section 3 and section 5, which shall be deemed to have come into force on and from the 1st day of January, 1977.

2. In the Stamp Act, 1899, in its application to the Province of Sind, in Schedule I, for article 37, the following shall be substituted:-

“37. LETTER OF CREDIT (i.e., an instrument One rupee.”
by which one person authorizes another to give credit to the person in whose favour it is drawn), for the value of every one thousand rupees or part thereof.

3. In the Sind Urban Immovable Property Tax Act, 1958-

(1) — in section 3-

(i) In sub-section (2)-

(a) in clause (a), the brackets, letter and the words “(a) in the rating areas of Karachi District;” shall be omitted;

(b) clauses (b) and (c) shall be omitted;

(ii) for sub-section (3), the following shall be substituted:-

“(3) Where a building is occupied and used for residential purposes-

(a) by a person other than the owner thereof, the tax shall be charged, levied and collected at the rate of twenty percent of the annual value of such building;

Preamble.

Short title and

commenceme
nt.

Amendment of
Act II of

Amendment of
West Pakistan
Act V of 1958.

SIND ACT NO. VII OF 1977

THE SINDH FINNACE ACT, 1977

(b) by the owner thereof who does not own any other building in the same rating area, the tax shall be charged, levied and collected at the rate of fifteen percent of the annual value of such building.”;

(2) for section 3-A including the Explanation, the following shall be substituted:-

“3-A. The tax collected from a rating area shall, a Share in after deducting two percent thereof as collection the tax charges, be shared by Government and the Local Council or, as the case may be, the Cantonment Board of such rating area in the ratio of 3:2.”;

(3) in section 4, for clause (c) and the proviso thereto, the following shall be substituted:-

“(c) (i) a building or land the annual value of which does not exceed two hundred and fifty rupees;

(ii) a single storeyed building together with open space, if any, appurtenant thereto, occupying an area of not more than one hundred square yards;

(iii) one flat with covered area not exceeding three hundred and fifty square feet on any floor of a building used for residential purpose;

Explanation—

“Flat” means a self-contained portion of a multi-storeyed building.”;

(4) for section 5, the following shall be substituted:-

“5. (1) The annual value of any land or building shall be the gross annual rent at which such land or value building together with any fixtures such as lifts, or electric or other — such fittings, may be let out.

(2) The gross annual rent shall be the prescribed amount not exceeding ten percent of the total value of the land or building.

(3) The total value of any land or building shall, in

the prescribed manner, be determined by the prescribed officer or authority on the basis of the market value thereof and the value of fixtures, if

any, therein.

in

(5)

SIND ACT NO. VII OF 1977

THE SINDH FINNACE ACT, 1977

(4) For the purpose of determining the market value, a rating area may be divided in such sub-rating areas, and each rating or sub-rating area may comprise one or more such categories of lands or buildings and there may be such different rates for determination of the market value for the lands or buildings in each rating area, sub-rating area or category, as the case may be, as may be prescribed;

Provided that the annual value of a building which is subject to any law for the time being in force relating to restriction of rent shall not be greater than the annual value of such building immediately before the coming into force of this section.”;

in section 7, in sub-section (1), in the proviso, for

clause (b), the following shall be substituted:-

(6)

“(b) for the purpose of preparation of new valuation list, divide any rating area into parts, each part comprising such areas or types of properties as may be specified in the order and appoint date or dates on which new valuation lists in respect of such part or parts shall come into force.”

after section 8, the following new section shall be

inserted:-

ug.

A. Notwithstanding anything contained in this Act

Valuation

the valuation list which has been prepared

respect of the properties used wholly or partly for

industrial purposes and situating within the limits of Karachi Rating Area and has been enforced from the 1st day of January, 1977,

shall be deemed to have been validly prepared and enforced.”;

(7)

for section 12 and the proviso thereto, the following

shall be substituted:-

“12.

The tax may be paid yearly or half yearly as the Assesse

Tax when payable. may choose, by such date or dates as may

(8)f

be prescribed.”;

or section 15, the following shall be substituted:-

“15. (1) Where a person fails to pay the tax

in payment.

Penalty for default | by the date prescribed under section 12, he

shall, in addition to the amount of the tax, be

SIND ACT NO. VII OF 1977
THE SINDH FINNACE ACT, 1977

liable to pay a surcharge, not exceeding ten percent of the tax due, as may be prescribed, within a period of thirty days from the prescribed date.

(2) Where the tax and the surcharge are not paid as

provided in sub-section (1), the prescribed authority, may, after giving the defaulter an opportunity of being heard, impose upon him a penalty not exceeding the amount of the tax.”:

(9) for section 16, the following shall be substituted:-

“16. (1) Where any tax, surcharge or penalty due Recovery under this Act is not paid within the time fixed for of dues. its payment, such officer of the Excise and

Taxation Department as may be authorized by Government in this behalf, may, after giving the defaulter an opportunity of being heard, issue a warrant in the prescribed manner, directing the recovery to be made by distress and sale of movable property or attachment or sale of the immovable property, belonging to the defaulter.

(2) The warrant issued under sub-section (1) may be addressed to the prescribed officer of the Excise and Taxation Department, and be executed in the prescribed manner, by such officer with or without such assistance of other officials of the Department as he may deem fit.

(3) Government or any officer authorised by it in this behalf, may permit any sum recoverable under this section to be paid in instalments subject to the condition that interest shall be payable on the unpaid portion of such sum at such rate not exceeding the rate at which the scheduled banks advance loans, as may be prescribed.

(4) Notwithstanding anything contained in any law or contact, any tax, surcharge or penalty due under this Act in respect of any land or building shall be a first charge upon such land or building and upon the movable property, if any, found thereon belonging to the defaulter.”.

4, In the Sind Motor Vehicles Taxation Act, 1958-

(i) after section 4, the following new section shall be

inserted:-

ae “4-A, Notwithstanding sub-section (1) of section
be an 3 and sub-section (2) of section 4, the tax in respect of

Amendment of

West Pakistan
Act XXXII of
1958.

SIND ACT NO. VII OF 1977
THE SINDH FINNACE ACT, 1977

issued a registration plate
shall be

a motor vehicle which has been
under the Provincial Motor Vehicles Ordinance, 1965,
payable annually, by such date as may be prescribed.”;

(ii) for section 7, the following shall be substituted:-

“7, Licensing officer shall, on first payment of the tax due,
Grant of grant and deliver to the person who make such
licence. payment, a licence specifying therein the particulars

of the tax paid and such other particulars, as may be

prescribed and such licence shall be valid for the prescribed
period.”;

(iii) in section 8, in sub-section (1), the word “quarterly”
shall be omitted;

(iv) in section 13, sub-section (2) shall be omitted.

5. The Sind Tabacco Vend Act, 1958, is here by repealed.

6. The Sind Finance Act, 1964-

(i) in section 11, in sub-section (1), for the figures “78” the
figures “79” shall be substituted;

(ii) for the Fifth Schedule, the Schedule to this Act shall be
substituted;

in the Seventh Schedule, after entry 78, the following
entry shall be added:-

“79. All other shopkeepers excluding hawkers

(ii
vee 50 /-”.

7. In the Provincial Motor Vehicles Ordinance, 1965—

(i) in section 25, for sub-section (4), the
sections shall be substituted:--

following sub-

“(4) Government may, by notification, direct that the
registration under this section of any particular class or
classes of motor vehicles, shall be valid for such fixed
period not less than one year as Government may
specify in the notification.

(5) Where a notification is issued under sub- section (4),
the motor vehicles specified in the notification shall, in

addition to the certificate of registration and the registration mark, be issued plates, to be called registration plates, for display thereon.

Repeal of West
Pakistan Act
XXXVIII of 1958.

Amendment of
West Pakistan
Act XXXIV of
1964.

Amendment of
West Pakistan
Ordinance XIX
of 1965.

SIND ACT NO. VII OF 1977

THE SINDH FINNACE ACT, 1977

(6) The registration plates shall be issued on payment of such fee and be of such material, colour and dimensions and carry such writing — (including registration marks) as may be prescribed.”;

(ii) in section 30, for sub-section (2), the following shall be substituted:-

“(2) Where an application is made under sub-section (1), the requirements of section 25 shall be complied with.”;

(iii) — in section 34, in sub-section (1)-

(i) in clause (f), between the word “certificate” and the word “has” the words “or plate” shall be inserted;

(ii) in the matter following clause (f), between the word “fitness” and the word “in” the words and commas “or plate, as the case may be,” shall be inserted;

(iv) after section 97, the following new section shall be inserted:-

“97-A. Whoever fabricates or counterfeits a registration plate in contravention of section 25 shall be punished

Penalty for fabrication 1 With imprisonment of either description for a registration plate. . . .
term which may extend to two years or with fine

or with both.”.

8. (1) | There shall be levied a tax on hotels to be called hotel Tax on hotels. tax, at the following rates, namely:--

(a) in case of a hotel — charging five rupees per lodging unit not less than twenty five per day, on seventy five percent rupees and not more than of total number of lodging units. hundred rupees per lodging unit per day.

(b) in case of a hotel charging ten rupees per lodging unit per not less than one hundred and_ day, on seventy five percent of one rupees and not more total number of lodging units. than two hundred rupees per lodging unit per day.

SIND ACT NO. VII OF 1977

THE SINDH FINNACE ACT, 1977

(c) in case of a hotel charging
not less than two hundred and
one rupees and not more
than three hundred rupees
per lodging unit per day.

(d) in case of a hotel charging
three hundred and one
rupees and above per lodging

fifteen rupees per lodging unit
per day, on eighty five percent of
total number of lodging units.

twenty rupees per lodging unit
per day, on eighty five percent of
total number of lodging units.

unit per day.

(2) | The hotel tax shall be paid, yearly or in such instalments
as Government may by notification fix, by the owner of the hotel or
the person who is, for the time being, performing the duties of
Manger thereof.

(3) | The hotel tax shall be assessed and collected in such
manner and by such office, authority or agency as Government
may, by notification, specify.

(4) The officer, authority, or agency specified under sub-
section (3) may, for the purpose of assessment and collection of
hotel tax-

(a) require any person to furnish any information within his
knowledge or produce any account book, document or
other paper, relating to any hotel, as may be within his
possession or power;

(6) authorize any person to enter any hotel and inspect any
account book, document or other paper relating to such
hotel, and seize such account book document or other
paper.

Explanation.- For the purpose of this section-

(a) hotel means any premise where lodging with or without
boarding is provided on payment but does not include-

(i) any home or hotel maintained exclusively for aged
or sick persons or students;

(ii) any rest house, mess or other premises belonging to or in the possession of the Federal or a Provincial Government;

(6) lodging unit means single or double bed accommodation provided for staying in a hotel.

SIND ACT NO. VII OF 1977
THE SINDH FINNACE ACT, 1977

(5) | Whoever fails to pay the hotel tax shall be liable to a penalty not exceeding the amount of the tax due from him as the officer, authority or agency specified under sub-section (3) may determine.

(6) Government may, by a general or special order, exempt any hotel or class of hotels from payment of the whole or any part of the hotel tax.

(7) No suit shall lie in any civil court to set aside or modify any amount of the hotel tax.

(8) Sections 12, 14 and clause (ii) of sub-section (2) of section 18 of the Sind Finance Act, 1965, are hereby repealed.

Schedule

(See Section 6)

FIFTH SCHEDULE

(See Section 13)

1. For energy consumed in respect of premises not falling under Article 2 of this Schedule used for:-

a) Residential purposes. Two paisa for each unit of energy consumed.

b) Office or Commercial purposes.

Three paisa for each unit of energy consumed.

c) An industrial undertaking. Two paisa for each unit of energy consumed.

d) Tubewells and Irrigation or

agricultural machinery. Three paisa for every two units of energy consumed.

EXPLANATION:- Premises which are used wholly or principally for carrying on manufacturing

processes within the meaning of section 2 of the Factories Act, 1934, shall be deemed to be used for an industrial undertaking

2. For energy consumed in Five paisa for every rupee of respect of all premises where flat charge realized by the the supply of energy by a licensee; provided that no duty licensee is unmetered. shall be levied where such a

charge does not exceed five rupees during a month.