

SALES TAX ACT, 1990			
Reference	Important Points	Amended Bill 2014-15	Applicable from
	Amendment in Sales Tax Special Procedure Rules, 2007		01-07-2014
Chapter II	Special Procedure for payment of sales tax by Retailers. Section 4 = Registration (i). retailers part of national and international chains, located in air-conditioned malls having debit and credit machines; (ii) chargeability of the sales tax @ 5% in case of monthly electricity bill upto Rs. 20,000 and @ 7.5% of the monthly electricity bill exceeding Rs. 20,000		SRO 420 dated 4 th June 2014
Chapter X	Special Procedure for Payment of Sales Tax by Imports Redefine Rule 58F = Application and Rule 58C = Registration		SRO 421 dated 4 th June 2014
Chapter XI	Special Procedure for Payment of Sales Tax by Steel Melters, Re-rollers and Ship breakers. New Rule 58Hb = Steel mills operated by sugar mills or other persons using self-generated electricity.		
	Amendments of The Sales Tax Act, 1990		01-07-2014
Sec 2	Definition		
Sec 2(27)	Specifying zones for the purpose of charging sales tax and Federal Excise Duty on the basis of prices in respective zones.		
3	Scope of Tax		
3(2)(aa)	Conditional reduced rate of sales tax @ 5% (Eight Schedule Items)		
3(3)(3B)	Conditional reduced rate of sales tax charged to cell phones and Seattleite phones at the time of import and registration of IMEI no. (Ninth Schedule Items)		
Sec 3(8) and 3B	To get approval of the parliament to the changes made through the President Ordinance.		
Sec 7(2)(iiia)	Input tax adjustment allowed only to the extent of goods and services actually used in manufacturing and sale or re-sale by the registered person on payment of tax.		
Sec 50B	Introduce Electronic Scrutiny and Intimation System.		
8	Tax Credit Not Allowed.		
8(1)(f)(g)(h) and (i)	1% further tax on unregistered persons exclusively removed from output tax adjustment.		
Sec 40B	Define the explanation for the powers of search warrants are required from the Magistrate.		
	Uniform treatment of crude palm oil		

	TRANSPOSITION AND RESESSION OF FOLLOWING SRO's		01-07-2014																
SRO 575(1)/2006 dated 5 th June 2006	Custom SRO 575(1)/2006 dated 5 th June 2006 exempted plant, machinery, equipment and apparatus, including capital goods after certain changes charged sales tax @ 5% on following sectors.																		
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	<p>Following items concession withdrawn and apply tax at standard rate.</p> <table border="1" data-bbox="289 275 1109 993"> <thead> <tr> <th data-bbox="289 275 380 310">S.No</th> <th data-bbox="380 275 1109 310">Sector</th> </tr> </thead> <tbody> <tr> <td data-bbox="289 310 380 573">8</td> <td data-bbox="380 310 1109 573"> i. Machinery, equipment and other items required for setting up, up-gradation and expansion of hotels (3 stars and above), tourism; sporting and other recreation services related projects as approved by the Ministry of Tourism. ii. Machinery and equipment for hotels (below 3 stars). </td> </tr> <tr> <td data-bbox="289 573 380 646">16</td> <td data-bbox="380 573 1109 646">Machinery, equipment and other capital goods for Service Sectors</td> </tr> <tr> <td data-bbox="289 646 380 720">17</td> <td data-bbox="380 646 1109 720">Machinery, equipment and capital goods imported for establishing wholesale/retail chain stores:-</td> </tr> <tr> <td data-bbox="289 720 380 762">24</td> <td data-bbox="380 720 1109 762">Air Handling Units</td> </tr> <tr> <td data-bbox="289 762 380 804">25</td> <td data-bbox="380 762 1109 804">Items imported by the manufacturing sector</td> </tr> <tr> <td data-bbox="289 804 380 846">32</td> <td data-bbox="380 804 1109 846">Heat ventilation air conditioner</td> </tr> <tr> <td data-bbox="289 846 380 888">33</td> <td data-bbox="380 846 1109 888">machinery and equipment relating to broadcasting</td> </tr> <tr> <td data-bbox="289 888 380 930">37</td> <td data-bbox="380 888 1109 930">machinery and equipment imported by surgical industry</td> </tr> <tr> <td data-bbox="289 930 380 972">38</td> <td data-bbox="380 930 1109 972">machinery and equipment imported by cutlery industry</td> </tr> <tr> <td data-bbox="289 972 380 993"></td> <td data-bbox="380 972 1109 993"></td> </tr> </tbody> </table>	S.No	Sector	8	i. Machinery, equipment and other items required for setting up, up-gradation and expansion of hotels (3 stars and above), tourism; sporting and other recreation services related projects as approved by the Ministry of Tourism. ii. Machinery and equipment for hotels (below 3 stars).	16	Machinery, equipment and other capital goods for Service Sectors	17	Machinery, equipment and capital goods imported for establishing wholesale/retail chain stores:-	24	Air Handling Units	25	Items imported by the manufacturing sector	32	Heat ventilation air conditioner	33	machinery and equipment relating to broadcasting	37	machinery and equipment imported by surgical industry	38	machinery and equipment imported by cutlery industry				
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<p>SRO 727(1)/2011 dated 1st Aug 2011</p>	<p>Plant and machinery not manufactured locally and having no compatible local substitutes exempted under SRO 727(1)/2011 now taxable at reduce rate of 5%. SRO 727(1)/2011 rescinded and incorporated under Eight Schedule.</p>																								
<p>SRO 549(1)/2008 dated 11th June 2008</p>	<p>Table under SRO 549(1)/2008 charged to tax at the rate of zero per cent transfer to fifth Schedule</p>																								

<p>SRO 551(1)/2008 dated 11th June 2008</p>	<p>Exempted from Sales tax with effect from 1st July 2008 subject to the conditions and restriction and various amendments by followings SRO's are now transfer to schedules and make part of the Sales Tax Act, 1990 and S. No. 31 Remeltable Scrape (PCT heading 72,04) deleted.</p> <p>S. No 10 Oilseeds meant for sowing and S. No 33 Raw and ginned cotton charged to tax @ 5% transfer to schedule eight, local supply of Raw and ginned cotton remains exempt and transferring to the sixth schedule.</p> <table border="1" data-bbox="289 573 1130 837"> <tr> <td>SRO 646(1)/2008</td> <td>SRO 774(1)/2008</td> <td>SRO 861(1)/2008</td> </tr> <tr> <td>SRO 897(1)/2008</td> <td>SRO 473(1)/2009</td> <td>SRO 720(1)/2009</td> </tr> <tr> <td>SRO 895(1)/2009</td> <td>SRO 278(1)/2011</td> <td>SRO 481(1)/2011 clause b and c.</td> </tr> <tr> <td>SRO (1)/2011 Addition of S. No 25</td> <td>SRO 805(1)/2011</td> <td>SRO 595(1)/2012</td> </tr> </table>	SRO 646(1)/2008	SRO 774(1)/2008	SRO 861(1)/2008	SRO 897(1)/2008	SRO 473(1)/2009	SRO 720(1)/2009	SRO 895(1)/2009	SRO 278(1)/2011	SRO 481(1)/2011 clause b and c.	SRO (1)/2011 Addition of S. No 25	SRO 805(1)/2011	SRO 595(1)/2012		
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<p>SRO 501(1)/2013 dated 12th June 2013</p>	<p>Exempted goods earlier zero rated under SRO 549(1)/2008 dated 11th June 2008, after some changes, charged sales tax on reduced rate 5% and transfer to schedule eight of the Act.</p> <table border="1" data-bbox="289 1052 1130 1283"> <thead> <tr> <th>S.No</th> <th>Description</th> <th>PCT heading</th> </tr> </thead> <tbody> <tr> <td>15</td> <td>Soyabean meal</td> <td>2304.0000</td> </tr> <tr> <td>16</td> <td>Oil cake and other solid residues, whether or not ground or in the form of pellets</td> <td>2306.1000</td> </tr> <tr> <td>21</td> <td>Directly reduced iron</td> <td>72.03</td> </tr> </tbody> </table> <p>S.No 25 Purpose built taxis, whether in CBU or CKD condition (PCT Headings 8703.3226 and 8703.3227) which are built on girder chassis and having following features, namely:-</p> <p>(a) Attack resistance central division along with payment tray; (b) Wheelchair compartment with folding ramp; and (c) Taximeter and two-way radio system.</p> <p>Remaining items shifted to Sixth Schedule.</p>	S.No	Description	PCT heading	15	Soyabean meal	2304.0000	16	Oil cake and other solid residues, whether or not ground or in the form of pellets	2306.1000	21	Directly reduced iron	72.03		
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<p>SRO 69(1)/2013 dated 28th Jan 2006</p>	<p>Reduced rate of sales tax 14% on rapeseed, sunflower seed and canola seed. Now after rescind the said SRO sales tax charging standard rate 17% on these seeds.</p>														
<p>SRO 670(1)/2013</p>	<p>Items under the Table of the SRO and raw material, packing materials, sub-components, components, sub-assemblies and</p>														

dated 18 th July 2013	assemblies imported or purchased for the manufactured of said goods shall be charged to sales tax at the rate of zero percent facility retained subject to the condition specified in Chapter XIV of the Sales Tax Special Procedure Rules, 2007 and transfer to fifth schedule of The Sales Tax Act, 1990.		
SRO 1125(1)/2011 dated 13 th Dec 2011	Amended by SRO 420(1)/2014 dated 4 th June 2014. Import of finished goods (Table II) ready for use by the general public shall be charged to tax at the rate of 17% instead of 5% and value addition tax at the rate of 2%.		4 th June 2014
	Sixth Schedule Items - Exemption granted		
S. No 3 Table II	Supplies made by cottage industries - remove the threshold and Supplies made by retailers - exemption withdrawn		
S. No.114 Table I	Green House Farming and Other Green House Equipment, grant exemption		
SRO ----	Reduction in rate of locally supply of tractors.		
S. No 59 Table I	cochlear implants system (Hearing Aids) (PTC heading 99.37) grant exemption		
S. No 115 Table I	Plant, machinery and equipment imported for setting up fruit processing and preservation units in Gilgit-Baltistan, Balochistan Province and Malakand Division subject to the same conditions and procedure as are applicable for import of such plant, machinery and equipment under the Customs Act, 1969 (IV of 1969).		
S. No 116 Table I	Plant, machinery and equipment imported for setting up industries in FATA subject to the same conditions and procedure as are applicable for import of such plant, machinery and equipment under the Customs Act, 1969 (IV of 1969).		
Table III	New table added		
Ninth Schedule Section 3(3B)	Specific rates of sales tax on mobile phones introduced subject to condition define in the schedule. 1. Sales tax payable at the time of Import 2. Sales tax payable at the time of registration of a new International Mobile Equipment Identity(IMEI) number.		

SRO 649 dt 9 th July 2013	Amendment in The Federal Excise Duty and Sales Tax on Production Capacity (Aerated Waters) Rules, 2013		01-07-2014
	Capacity tax on Aerated waters scheme shall be reverted to the normal tax regime.		
	Amendments of The Federal Excise Act, 2005		
SRO 422(1)/2014	FED on cigarettes increased.		4 th June 2014
S. No. 13 First Schedule Table I	FED on cement sector replaced from specific basis (Rs. 400 per MT) to 5% on retail price.		01-07-2014
	Exclusion of FEB on Telecommunication services subject to Provincial Sales Tax is being imposed.		
	First Schedule TABLE I		
S. No 55	FED removed on Locally manufactured Motor cars, SUVs and other motor vehicles of cylinder capacity of 1800cc or above. Principally designed for the transport of persons (other than those of headings 87.02), including station wagons and racing cars of cylinder capacity of 1800 cc or above.		
	First Schedule TABLE II		
S. No 3	FED on International travel increased FED on Territorial Jurisdiction of Pakistan taxed @ 16% of the chares + Rs. 20/ticket.		01-07-2014
S. No 6	FED on Telecommunication services reduced to 18.5% from 19.5%		01-07-2014
S. No 15	FED on Chartered flights taxed @ 16% of the charges.		01-07-2014