

SALES TAX ACT, 1990	
S.No	Important Points
1	<p>Definition of Active taxpayer define (means a registered person who does not fall in any of the following categories, namely :-</p> <ol style="list-style-type: none"> a. Blacklist, suspended or blocked b. Fail to file Sales tax return for two consecutive tax periods. c. Fail to file I. Tax Return or Statement d. Fail to file withholding statement for two consecutive tax periods.
2	2% further tax on unregistered supplier.
3	<p>Tax credit not allowed</p> <ol style="list-style-type: none"> a. Pre-fabricated building excluded from Tax credit not allowed. b. Services where Provincial law not allowed input tax adjustment. c. Such goods and services which, at the time of filing of return by the buyer, have not declared by the supplier in his return.
4	<p>Registration - threshold removed and new policy defines.</p> <ol style="list-style-type: none"> a. Any person engaged in making taxable supplies in Pakistan. b. A retailer who is liable to pay sales tax, excluding such retailer required to pay sales tax through his electricity bills ie., 5% and 7.5%
5	<p>Formation of Special Audit Panels consist of two or more member from</p> <ol style="list-style-type: none"> a. an officer or officers of IR b. a firm of Chartered Accountant c. a firm of cost and and management accountants. d. any other person as directed by board.
6	<p>Offences and Penalties</p> <ol style="list-style-type: none"> a. fails to file STR - penalty reduced from 50,000 to 10,000 b. ST amount deposit minimum days reduced from 15 to 10days, Rs 500 for each day of default.
7.	Prize scheme to promote tax culture
8.	Fifth Schedule - Section 4 = Zero rated
	<ol style="list-style-type: none"> a. Supplies of locally manufactured plant and machinery of certain specifications, to manufacturers in the EPZ, subject to the conditions, restrictions and procedure. b. Goods exempted u/s 13 if exported by manufacturer only, local supply of taxable and exempted not allowed. c. Following items removed from zero rated <ol style="list-style-type: none"> i. Milk including flavored milk ii. Yogurt iii. Cheese iv. Butter v. Cream vi. Desi ghee vii. Whey viii. Milk and cream, concentrated and added sugar or other sweetening matter.

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9	Sixth Schedule - Exemption u/s 13(1) (Table - I)
	<ul style="list-style-type: none"> a. Following items removed from exemption <ul style="list-style-type: none"> i. Poultry feed and cattle feed including their all ingredients except soyabean meal and oil cake of cottonseed felling. ii. Incinerators of disposal of waste management, motorized sweepers and snow ploughs. iii. Re-importation of foreign origin goods which were temporarily exported out of Pakistan subject to similar conditions as are envisaged for the purposes of applying zero-rate of customs duty under the Customs Act, 1969. iv. Cream b. Following items included in exemption list. <ul style="list-style-type: none"> i. Milk and cream, concentrated or containing added sugar or other sweetening matter, excluding that sold in retail packing under a brand name. ii. Tunnel farming equipment, consisting of plastic covering and much film, anti-insect net and shade net. iii. Appliances for colostomy iv. Colostomy and urostomy bags v. Tubular day lighting devices (TDDs) vi. Diagnostic kits or equipment,(various see schedule) vii. Blood Bag CPDA-1 with blood transfusion set pack in aluminum foil with set. viii. Urine drainage bags ix. Aircraft, whether imported or acquired on wet or dry lease x. Maintenance kits for use in trainer aircrafts xi. Spare parts for use in aircrafts, trainer aircrafts or simulators xii. Machinery, equipment and tools for setting up maintenance, repair and overhaul (MRO) workshop by MRO company recognized by Aviation Division xiii. Operational tools, machinery, equipment and furniture and fixtures on one-time basis for setting up Greenfield airports by a company authorized by Aviation Division xiv. Aviation simulators imported by airline company recognized by Aviation Division c. Following items excluding that sold in retail packing under a brand name <ul style="list-style-type: none"> i. Flavored milk ii. Yogurt iii. Whey iv. Butter v. Desi ghee vi. Chees vii. Processed cheese not grated or powdered

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10	Sixth Schedule - Exemption u/s 13(1) (Table - 2) (Local supplies only)
	<ul style="list-style-type: none"> a. Following items removed from exemption list <ul style="list-style-type: none"> i. Reclaimed lead, if supplied to recognized manufacturers of lead batteries ii. Waste paper b. Following items included in exemption list <ul style="list-style-type: none"> i. Raw and pickled hides and skins, wet blue hides and skins ii. Supplies made by manufacturers of marble and granite having annual turnover less than five million rupees even if their annual utility bill is more than eight hundred thousand rupees. iii. Bricks (up to 30th June, 2018) iv. Crushed stone (up to 30th June, 2018)
11	Sixth Schedule - Exemption u/s 13(1) (Table - 3) The plant, machinery, equipment and apparatus, including capital goods, shall be exempt from the whole of Sales tax, subject to the conditions.
	<ul style="list-style-type: none"> a. Following items removed from Table -3 <ul style="list-style-type: none"> i. Machinery, equipment, raw materials, components and other capital goods for use in buildings, fittings, repairing or refitting of ships, boats or floating structures imported by Karachi Shipyard and Engineering Works Limited. ii. Plant, machinery, equipment and specific items used in production of bio-diesel.

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Eight Schedule – Reduced rate of tax (Table - 1)

- a. Following items removed from reduced rate category
 - i. Directly reduced iron
- b. Following items reduced rate increase / decreased.
 - i. Soyabean meal increase 5% to 10%
 - ii. Oilseeds meant for sowing increase 5% to 10%
- c. Following items added in reduced rate category

i.	Flavoured milk	10%
ii.	Yogurt	10%
iii.	Cheese	10%
iv.	Butter	10%
v.	Cream	10%
vi.	Desi ghee	10%
vii.	Whey	10%
viii.	Milk and cream, concentrated and added sugar or other sweetening matter	10%
ix.	Poultry feed, cattle feed, and their ingredients except soya bean meal and oilcake of cottonseed	5%
x.	Incinerators of disposal of waste management, motorized sweepers and snow ploughs	5%
xi.	Re-importation of foreign origin goods which were temporarily exported out of Pakistan	5%
xii.	Reclaimed lead	5%
xiii.	Waste paper	5%
xiv.	Plant, machinery, equipment and specific items used in production of biodiesel	5%
xv.	Rapeseed, sunflower seed and canola seed	16%
xvi.	Soya bean seed	6%
xvii.	Secondhand and worn clothing or footwear	5%
xviii.	Agricultural tractors	10%
xix.	Tillage and seed bed preparation equipment:	7%
xx.	Seeding or planting equipment	7%
xxi.	Irrigation, drainage and agro-chemical application equipment:	7%
xxii.	Post-harvest handling and processing & miscellaneous machinery:	7%

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13	Eight Schedule - Reduced rate of tax (Table - 2)
	Plant, machinery, equipment and apparatus, including capital goods, shall be charged to sales tax at the rate of five percent, except goods mentioned in serial numbers 1, 5 and 6 of the Annexure which shall be charged at the rate of ten percent, subject to conditions.
	<p>a. Following items removed from reduced rate category</p> <ol style="list-style-type: none"> i. Telephone sets/head sets. ii. Cat 5/Cat 6/Power cables iii. PABX Switch iv. Plasma TV v. Dedicated telephone exchange system for call centers vi. Other digital cell recorders vii. Proprietary Formwork System for building/structures of a height of 100 ft and above and its various items/ components consisting of the following, namely:- <ol style="list-style-type: none"> i. Plastic tube. ii. Plastic tie slot filters/plugs, plastic cone. iii. Standard steel ply panels, Special sized steel ply panels, wedges, tube clamps (B-Type & G Type), push/pull props, brackets (structure), steel soldiers (structure), drop head, standard, prop tic, buard rail post (structure), coupler brace, cantilever frame, decking beam/Infill beam and doorway angles. iv. Lifting Unit (Structure) v. Bolts, tie bolts, anchor bolt assembly (fastener), anchor screw (fastener). vi. Nuts vii. Steel pins, tie wing nut (fastener). viii. Steel washers, water plate (fastener). ix. Adjustable base jack (thread rod with nut and steel plate), adjustable fork head (threaded rod with nut and steel channel).
14	Ninth Schedule - Collection of excess sales tax
	<p>a. Sales tax on Import (payable by Importer at the time of import) Sales tax value increase 100%</p> <ol style="list-style-type: none"> i. Low Priced Cellular Mobile Phones or Satellite Phones Rs. 150 to Rs. 300 ii. Medium Priced Cellular Mobile Phones or Satellite Phones Rs. 250 to Rs. 500 iii. Smart Cellular Mobile Phones or Satellite Phones Rs. 500 to Rs. 1,000 <p>b. Sales tax on supply (payable at the time of registration of IMEI number by CMOs) Sales tax value increase 100%</p> <ol style="list-style-type: none"> i. Low Priced Cellular Mobile Phones or Satellite Phones Rs. 150 to Rs. 300 ii. Medium Priced Cellular Mobile Phones or Satellite Phones Rs. 250 to Rs. 500 iii. Smart Cellular Mobile Phones or Satellite Phones Rs. 500 to Rs. 1,000