

Section	Subsection	Clause	Amendment of Sales Tax Act, 1990.- In the Sales Tax Act, 1990,-	Finance Act 2017-18 update NEW / inserted Deletion or Omitted Substituted
			In the Sales Tax Act, 1990 the following further amendments shall be made, namely:-	
2			DEFINATION	
		(43A)	Tier-1 retailers means,- (a) a retailer operating as a unit of a national or international chain of stores; (b) a retailer operating in an air-conditioned shopping mall, plaza or centre, excluding kiosks; (c) a retailer whose cumulative electricity bill during the immediately preceding twelve consecutive months exceeds rupees six hundred thousand; and (d) a wholesaler-cum-retailer, engaged in bulk import and supply of consumer goods on wholesale basis to the retailers as well as on retail basis to the general body of the consumers;";	
3			Scope of tax.	
	1		Subject to the provisions of this Act, there shall be charged, levied and paid a tax known as sales tax at the rate of seventeen per cent of the value of	
		A	taxable supplies made by a registered person in the course or furtherance of any taxable activity carried on by him; and	
		B	goods imported into Pakistan, irrespective of their final destination in territories of Pakistan as specified in clause (2) of Article 1 of the Constitution of Islamic Republic of Pakistan.	
	1A		Subject to the provision of sub section (6) of section 8 or any notification issued there under, where taxable supplies are made to a person who has not obtained registration number, there shall be charged, levied and paid a further tax at the rate of two percent of the value In addition to the rate specified in sub sections 1), (1B), (2), (5) and (6) (6) and section (4) provided that the Federal Govt. may, by notification in the official Gazette, specify the taxable supplies in respect of which the further tax shall not be charged, levied and paid.	
	2		Notwithstanding the provisions of sub-section (1):	
		(a)	taxable supplies specified in the Third Schedule shall be charged to tax at the rate of seventeen per cent of the retail price which or in case such supplies are also specified in the ¹ Eighth Schedule, at the rates specified therein and the retail price thereof, along with the amount of sales tax shall be legibly, prominently and indelibly printed or embossed by the manufacturer on each article, packet, container, package, cover or label, as the case may be; Provided that the Federal Government, may, by notification in the official Gazette, exclude any taxable supply from the said Schedule or include any taxable supply therein;	

¹ tax at such rates and subject to such conditions and limitations

Section	Subsection	Clause	Amendment of Sales Tax Act, 1990.- In the Sales Tax Act, 1990,-	Finance Act 2017-18 update NEW / inserted Deletion or Omitted Substituted
3	9A		<p>Notwithstanding anything contained in this Act, Tier-1 retailers shall pay sales tax at the rate specified in sub-section (1) and shall observe all the applicable provisions of the Act and rules made thereunder, including the requirement to file monthly sales tax returns in the manner prescribed in Chapter II of the Sales Tax Rules, 2006:</p> <p>Provided that the retailers making supplies of finished goods of the five sectors specified in Notification No. S.R.O. 1125(I)/2011, dated the 31st December, 2011 shall pay sales tax in respect of such supplies at the rates prescribed in the said Notification:</p> <p>Provided further that Tier-1 retailers, in lieu of net tax payable at the applicable rate shall, shall have an option to pay sales tax under the turnover regime at the rate of two percent of their total turnover, including turnover relating to exempt supplies, without adjustment of any input tax whatsoever:</p> <p>Provided also that retailers opting to pay sales tax on the basis of total turnover shall file an option to the Chief Commissioner of Regional Tax Office or Large Taxpayers Unit having jurisdiction by fifteenth day of July opting to pay sales tax on the basis of turnover and such an option shall remain in force for the whole financial year.</p>	
4			<p>Zero rating Notwithstanding the provisions of section 3 except those of sub-section (1A), the following goods shall be charged to tax at the rate of zero per cent:--</p>	
13			<p>Exemption</p> <p>Any notification issued under sub-section (2), after 1st July, 2015 shall, if not earlier rescinded, stand rescinded on the expiry of the financial year in which it was issued.</p> <p>Provided that all such notifications, except those earlier rescinded, shall be deemed to have been in force with effect from 1st July, 2016 and shall continue to be in force till 30th June, 2018, if not earlier rescinded:</p> <p>Provided further that all notifications issued on or after 1st July, 2016 and placed before the National Assembly as required under sub-section (6) shall continue to be in force till 30th June, 2018, if not earlier rescinded by the Federal Government or the National Assembly.</p>	
	7			

Section	Subsection	Clause	Amendment of Sales Tax Act, 1990.- In the Sales Tax Act, 1990,-	Finance Act 2017-18 update NEW / inserted Deletion or Omitted Substituted
30			Appointment of Authorities	
	1	(ea)	District Taxation Officer"; and	
	1	(fa)	Assistant Director Audit	
	2A		The Chief Commissioners Inland Revenue shall perform their functions in respect of such persons or classes of persons of such areas as the Board may direct	
	2B		The Commissioners Inland Revenue shall perform their functions in respect of such persons or classes of persons of such areas as the Chief Commissioner to whom they are sub-ordinate may direct.	
	3		Additional Commissioner Inland Revenue, Deputy Commissioners Inland Revenue District Taxation Officer, Assistant Commissioner Inland Revenue , Assistant Director Audit Superintendent Inland Revenue, Inland Revenue Audit Officer, Inland Revenue Officer [, Inspector Inland Revenue], and officer of Inland Revenue with any other designation shall be sub-ordinate to the Commissioner Inland Revenue and shall perform their functions in respect of such persons or classes of persons or such areas as the Commissioners, to whom they are sub ordinate, may direct.	
	4		Deputy Commissioners Inland Revenue District Taxation Officer, Assistant Commissioner Inland Revenue , Assistant Director Audit, Inland Revenue Audit Officer, Inland revenue Officer, [Inspector Inland Revenue Officer] an officer of Inland Revenue with any other designation shall be sub-ordinate to the Additional Commissioner Inland Revenue	

Section	Subsection	Clause	Amendment of Sales Tax Act, 1990.- In the Sales Tax Act, 1990,-	Finance Act 2017-18 update NEW / inserted Deletion or Omitted Substituted
33			Offences and penalties	
			Offences	Penalties
			(1)	(2)
			Section of the Act to which offence has reference	(3)
	23		Any person who manufactures, possesses, transports, distributes, stores or sells cigarette packs without, or with counterfeited, tax stamps, banderoles, stickers, labels or barcodes or without tax stamps banderoles stickers labels or barcodes.	<p>(i) Such cigarette stock shall be liable to outright confiscation and destruction. Any person committing the offence shall pay a penalty of twenty-five thousand rupees or one hundred per cent of the amount of tax involved, whichever is higher. He shall, further be liable, upon conviction by a Special Judge, to imprisonment for a term which may extend to five three years, or with additional fine which may extend to an amount equal to the loss of tax involved, or with both.</p> <p>(ii) In case of transport of cigarettes without, or with counterfeited, tax stamps, banderoles, stickers, labels or barcodes, or without stamps, banderoles stickers, labels or barcodes, permanent seizure of the vehicle used for transportation of nonconforming or counterfeit cigarette packs; and</p> <p>(iii) In case of repeat sale of cigarettes without or with counterfeited, tax stamps, banderoles, stickers, labels or barcodes, the premises used for such sale be sealed for a period not exceeding 15 days."</p>
48			Recovery of arrears of tax.	
	1	f	recover such amount by attachment and sale of any moveable or- immovable property of the guarantor, person, company, bank or financial institution, where a guarantor or any other person, company, bank or financial institution fails to make payment under such guarantee, bond or instrument.	
			Provided that the Commissioner Inland Revenue or any officer of Inland Revenue shall not issue notice under this section or the rules made thereunder for recovery of any tax due from a taxpayer if the said taxpayer has filed an appeal under section 45B in respect of the order under which the tax sought to be recovered has become payable and the appeal has not been decided by the Commissioner (Appeals), subject to the condition that twenty-five per cent of the amount of tax due has been paid by the taxpayer.	

Section	Subsection	Clause	Amendment of Sales Tax Act, 1990.- In the Sales Tax Act, 1990,-	Finance Act 2017-18 update NEW / inserted Deletion or Omitted Substituted
56			Service of orders; decisions etc.	
	1		subject to this Act , any notice, order or requisition required to be served on a resident individual, other than in a representative capacity for the purposes of this Act shall be treated as properly served on the individual if -	
		(d)	sent electronically through email or to the e-folder maintained for the purpose of e-filing of Sales Tax-cum Federal Excise returns by the Limited Companies, both public and private."; and	
	2		Subject to this Act, any notice order or requisition required to be served on any person, other than a resident individual to whom sub-section (1) applies, for the purposes of this Act, shall be treated as properly served on person if -	
		(d)	sent electronically through email or to the e-folder maintained for the purpose of e-filing of Sales Tax-cum-Federal Excise returns by the Limited Companies, both public and private.	
74A			Validation. - All notifications and orders issued and notified in exercise of the powers conferred upon the Federal Government, before the commencement of Finance Act, 2017, shall be deemed to have been validly issued and notified in exercise of those powers, notwithstanding anything contained in any judgment of the High Court or Supreme Court.	

Section	Subsection	Clause	Amendment of Sales Tax Act, 1990.- In the Sales Tax Act, 1990,-	Finance Act 2017-18 update NEW / inserted Deletion or Omitted Substituted
			The word Federal Government Board with the approval of the Minister Incharge of the Federal Government shall be substituted in following sections.	
3	2 , 3A ,5		Scope of tax.	
4		c	Zero Rate	
7	3 & 4		Determination of tax liability.	
7A	1 & 2		Levy and collection of tax on specified goods on value additior	
8	1	(b)	Tax credit not allowed.	
13	2	(a)	Exemption	
13	6		Exemption	
60			Powers to deliver certain goods without payment of tax.	
65			Exemption of tax not levied or short levied as a result of general practice	
71	1		Special procedure.	