

SALES TAX ACT, 1990

S.No	Section	Sub-section	clauses	Important points Gazette Finance Act 2020 New / inserted Omitted and deleted Substituted
------	---------	-------------	---------	---------------------------------------------------------------------------------------------

1	2			Definition
			(1)(a)	"active taxpayer" condition not applicable to blocked units
			(1)(d)	"active taxpayer" condition who fails to file two consecutive monthly withholding statement u/s 165. substitute word monthly to quarterly
			(20)	"output tax" services tax restrict to Islamabad Capital Territory (Tax on Services) Ordinance, 2001(XLII of 2001).
			(46)	Value of supply - means
			(46)(h)	insert word or WAPDA (inserted with effect from 1st July, 2019)
			(46)(j)	Registered person engaged in purchasing used vehicles from general public on which sales tax already paid at the time of Import or manufacturer, later on sold, value of supply will be the difference between sale and purchase price of the said vehicle.
2	3			Scope of sale
	(7)	(7)		scope of withholding agent increase and specified inserting words "being purchaser of goods or services"
3	7			Determination of tax liability
		(5)		by notification in the official Gazette, board may impose <ul style="list-style-type: none"> - restriction on wastage of material - on which input tax has been claimed - in respect of the goods or class of goods
4	8			Tax credit not allowed
		(1)	(m)	by inserting word "or services" if sale invoices do not bear the NIC / NTN as the case may input tax credit not allowed.
		(4)		Input tax allowed in case of locally manufactured electric vehicle, subject to reduced rate and limited to the extent of amount of output tax and no refund or carry forward excess input tax shall be allowed.
5	11C			Power of tax authorities to modify orders, etc-
		(1)		CIR or officer IR are restrict to not made any order for filing of Appeal against High Court/Appellate Tribunal until the decision of the High Court or ATIR is reversed or modified.
		(2)		The decision of the High Court or ATIR is reversed or modified, <ul style="list-style-type: none"> - the Commissioner or Office IR notify the expiry date - for making any assessment or order, - within a period of one year from the date of receipt of decision, - in which the said decision was applied so that it confirms to the final decision.
6	23			Tax Invoices
		(1)	(b)	Threshold for unregistered purchases increase from fifty to one hundred thousand rupees.

SALES TAX ACT, 1990

S.No	Section	Sub-section	clauses	Important points Gazette Finance Act 2020 New / inserted Omitted and deleted Substituted
------	---------	-------------	---------	---------------------------------------------------------------------------------------------

7	25			Access to record, documents, etc. -
		(2A)		Commissioner may conduct audit proceedings <ul style="list-style-type: none"> - electronically through video links, or - any other facility as prescribed by the Board.
8	26			Return
		(1)		word inserted "complete" to bind the taxpayer to submitted return must be accurate, complete and validate.
9	33			Offences and penalties
			S.no 25	POS integration not done within due date <ul style="list-style-type: none"> - threshold for 2nd chance for integration period reduced from six to two months. - condition for embargo placed on his sales removed. - business premises sealed till such time he integrate his business.
			S.no 28	Any person who is required to share information under section 56AB, fails to do so. <ul style="list-style-type: none"> - Such person shall pay a penalty of - twenty five thousand rupees for first default and - fifty thousand rupees for each subsequent default
10	38			Authorised officers to have access to premises, stocks, accounts and records
		(1)		Any officer authorised in this behalf by the Board or the Commissioner shall have free access <ul style="list-style-type: none"> - including real-time electronic access to business or manufacturing premises, registered office or any other place where any stocks, business records or documents required under this Act are kept or maintained
		(4)		Board may make rules relating to electronic real-time access
11	45B			Appeals
		(1)		Appeal fee increased from Rs. 1,000 (proviso omitted)
		(1A)		Prescribe procedure for filing of appeal
		(1B)		Appeal fee shall be <ul style="list-style-type: none"> - in case of an appeal against assessment <ul style="list-style-type: none"> • Company Rs. 5,000 • IND / AOP Rs. 2,500 - in any other case <ul style="list-style-type: none"> • Company Rs. 5,000 • IND / AOP Rs. 1,000
		(5)		Appeal not excepted if appellant was prevented by <ul style="list-style-type: none"> - Sufficient cause from - Producing such material or evidence before - The Officer IR.

SALES TAX ACT, 1990

S.No	Section	Sub-section	clauses	Important points Gazette Finance Act 2020 New / inserted Omitted and deleted Substituted
------	---------	-------------	---------	---------------------------------------------------------------------------------------------

12	47A			Alternative dispute resolution - make amendment and redraft the section 47A.
13	56AB			Real-time access to information and databases.—
		(1)		Information and databases not limited to NADRA and Emigration Ordinance, arrangement shall be made to get information from <ul style="list-style-type: none"> - NIC - Pakistan Origin Card - Overseas ID - Alien registration Card - detail of international entry / exit - information pertaining to work permits, employments visas and immigration visas - records of rights including - digitalized edition of records of rights, - periodic record, - record of mutations and - report of acquisition of rights - information regarding registration of vehicles, - transfer of ownership and other associated record; - all electricity suppliers and gas transmission for - particular of a consumer - units consumed and - amount of bill charged or paid.
		(2)		Prescribed board own arrangements
		(3)		Until real-time access to information and database is made available <ul style="list-style-type: none"> - such information and data shall be provided periodically - such form and manner prescribed
		(4)		All information used only for tax purposes and kept confidential.
14	58A			Representatives
		(3)		non-resident person representative of the said person, for a financial year in which the relevant tax period falls, shall may be any person in Pakistan.
			(f)	Explanation - non-resident person have the same meaning as define under the Income Tax Ordinance, 2001.
15	73			Certain transactions not admissible.
		(4)		broader the definition of registered person words omitted "manufactured or producer" and inserted "person"