

Section	Subsection	Clause	PUNJAB FINANCE ACT 2021 - NEW / inserted Omitted and deleted substituted
			This Act shall come into force on the first day of July 2021

			Repeal of Act X of 1958 - The Punjab Entertainments Duty, Act 1958 (X of 1958) is hereby repealed.
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			Amendment of Act XXXII of 1958 - Motor vehicle Taxation Act, 1958(XXXII of 1958).
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SCHEDULE (see section 3)		
S.No	Description of Motor Vehicles	Annual Rate of Tax
4	Motor vehicles (motor cars or jeeps) other than those mentioned above and having- <u>Explanation.— Motor vehicles taxed under this clause shall pay tax at the concessional rate of 75% of the payable tax on completion of 10 years of payment of tax after the date of registration.</u> Explanation - an exemption at the rate of 75 percent in motor vehicle tax in respect of electric vehicles shall be granted till 30-06-2022.	

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			Punjab Finance Act, 1977 - Second Schedule
	<p>Second Schedule (see section 3) - Tax on persons engaged in professions, traders, callings or employments.</p>		
	S.No	Class of persons	Rate of tax per Annum (Rupees)
	13	<p>i. Persons other than companies owning commercial establishments having 10 or more employees</p> <p style="padding-left: 40px;">a. Within metropolitan and municipal corporation limits</p> <p style="padding-left: 40px;">b. Others</p> <p>ii. All other commercial establishments other than wholesalers and retailers</p>	<p>6,000</p> <p>4,000</p> <p>2,000</p>
	6	<p>Persons engaged in various professions and providing different services such as:</p> <p>(vii) (d) Motor car Vehicle dealers and real estate agents</p> <p style="padding-left: 40px;">i. Within Metropolitan and Municipal Corporation limits</p> <p style="padding-left: 40px;">ii. Others</p>	<p>20,000</p> <p>10,000</p>
	11	Persons who are engaged in a profession, trade, calling or employment who were assessed to pay income tax during the preceding financial years.;	200

¹ Substituted in Finance Act 2001 effective from 1st July 2021

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			Amendment of Act XLII of 2012 - In the Punjab Sales Tax on Service Act 2012(XLII of 2012);
2			Definition
	(1)		"active taxpayer" means a registered person : i. whose registration has not been suspended or blacklisted by the Authority ; and ii. who has filed his tax return for at least one of the preceding three consecutive tax periods;
	(11)		"company" means- a. a company as defined in the Companies Ordinance, 1984 (XLVII of 1984) the Companies Act, 2017 (XLVII of 1984) ; b. a body corporate formed by or under any law; c. a modarba and any other Islamic financial institution; d. a body incorporated outside Pakistan; e. a trust, a co-operative society or a finance society or any other society established or constituted by or under any law; or f. a foreign association, whether incorporated or not, which the Authority has, by general or special order, declared to be a company for purposes of the Act;
	(41A)		"Standard Rate" means sixteen percent;
10A			Option to charge tax at standard rate-
	(1)		Where any service or class of services is chargeable at a reduced rate under the Second Schedule, any person or class of persons providing such service or services may, with the permission of the Authority, opt to charge sales tax at the standard rate subject to such conditions, restrictions and limitations as may be specified by the Authority.
	(2)		The permission granted under subsection (1) shall be irrevocable except with the permission of the Authority.
	(3)		Where the Authority has reasons to believe that the taxpayer has misused the option, the Authority may withdraw the permission granted under subsection (1) at any time affording an opportunity of being heard;

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48			Offences and penalties
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S.No.	Offences	Penalties	Section
1	2	3	4
20			59A 59B
21.	Where a registered person charges sales tax in excess to the rate provided in the Second Schedule	Such person shall be liable to pay a penalty of rupees ten thousand per invoice or ten percent of the invoice amount whichever is higher.	10

59			Posting of an officer to business premises.-
	(1)		Subject to such conditions and restrictions as it deems fit to impose, the Authority may post an officer to the premises of a registered person to monitor the provision and receipt of services by such registered person.
	(2)		Notwithstanding anything contained in sub-section (1), if a Commissioner, on the basis of material evidence, has reasonable cause to believe that a registered person is involved in evasion of the tax or tax fraud, he may, by recording the grounds in writing, post an officer of the Authority to the premises of such registered person to monitor provision and receipt of services by such person.
65			Decision in appeal.-
	(7)		<u>Where the Commissioner (Appeals) has not made an order under sub-section (1) before the expiration of one hundred and eighty days from the end of the month in which the appeal was lodged, the Commissioner (Appeals) shall transfer his appeal to the Appellate Tribunal and the Tribunal shall decide the appeal under this Act as if it has been filed against the order of the Commissioner (Appeals).</u>
	(8)		<u>While transferring the undecided appeal to the Appellate Tribunal, the Commissioner (Appeals) shall attach his comprehensive report explaining the circumstances and reasons due to which the appeal could not be decided within time.</u>

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Second Schedule
(see section 3)

S.No	Description	Classification	Rate of Tax
(1)	(2)	(3)	(4)
7	Services provided in respect of insurance to a policy holder by an insurer, including a re-insurer- (a) goods insurance; (b) fire insurance; (c) theft insurance; (d) marine insurance; and (e) other insurance. EXCLUDING: (a) Marine insurance for export; (b) Life insurance; (c) Health insurance; and (d) Crop insurance.	98.13	16% of the gross premium paid (aa) Five percent for insurance agents and insurance brokers.
11	Services provided by restaurants including cafes, food (including ice-cream) parlors, coffee houses, coffee shops, deras, food huts, eateries, resorts and similar cooked, prepared or ready-to-eat food service outlets etc.	9801.2000 9801.9000	16% credit card, mobile wallets or QR scanning
18	Services provided for personal care by beauty parlors, salons, clinics, sliming clinics, spas (including saunas, Turkish baths and Jacuzzi) and similar other establishments including cosmetic and plastic surgery and hair transplants. EXCLUDING: Services provided in a parlour, salon or clinic where the facility of air-conditioning is not installed or is not available in the premises on any day of the financial year.	9810.0000 9848.0000 9847.0000 9821.4000 9821.5000 9815.7000 and respective headings	16% 5% without input tax adjustment
33	Services provided by fashion designers including use of brand name, logo or house mark (whether or not registered) in the manufacturing or trading of products whether relating to textile, leather, jewellery or other product regimes including allied services such as cutting, stitching, printing, manufacturing, fabrication, assembly, embellishment, adornments, display (including marketing, packing and delivery etc.	9834.0000 9819.6000 9839.0000 and respective headings	16% 5% without input tax adjustment
34	Services provided by architects, town planners, landscapers, landscape designers and interior decorators.	9814.1000 9814.900 9814.4000	16% 5% without input tax adjustment

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40	Brokerage (other than stock) and indenting services including commission agents, under-writers and auctioneers, agriculture produce, and home chefs	9829.0000, 9819.1200, 9819.1100, 9819.1300 And 9819.9100	16%
41	Call centers.	9865.0000	19.5% 16%
44	Services provided by laundries and dry cleaners.	9811.0000	16% 5% without input tax adjustment
48	Services provided by persons for <u>inter-city</u> carriage of goods by rail or road. EXCLUDING: Services provided by an individual owner of a vehicle for carriage of goods.	98.04, 9804.2000, 9804.9000 and respective headings	16%
50	Services in relation to supply of tangible goods including machinery, equipment and appliances for use, without transferring right of possession and effective control of such machinery, equipment and appliances.	Respective headings	16% 5% without input tax adjustment
61	Services provided by warehouses or depots for storage including cold storages.	9833.0000 and respective headings	16% 5% without input tax adjustment
64			16% 5% without input tax adjustment
65			16% 5% without input tax adjustment
70	Entertainment services (including cinemas, theatres, concerts, circus, sports events, races, film, fashion shows and mobile stage shows)	-	0% without input tax adjustment

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			Amendment of Act XXX of 2015 - in the Punjab Infrastructure Development Cess Act 2015 (XXX of 2015)
6			Exemptions.
	(1)		Notwithstanding anything contained in sections 3 and 5, unless otherwise specified or directed by the Government through a notification in the official Gazette, the goods exported out of the Punjab and the goods manufactured, produced or consumed (other than goods imported on payment of cess) in the Punjab, and the goods exempted by the Federal Government from payment of duties and taxes for import shall be exempt from cess.

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Special relaxations for financial year 2021-22			
(1)			Notwithstanding anything contained in section 3 and 12 of the Punjab Urban Immovable Property Tax Act, 1958 (V of 1958) for the financial year 2021-22
	(a)		five percent discount payment of tax through e-payment.
	(b)		Tax shall be paid on yearly basis or half yearly basis
	(c)		For financial year 2021-22 the tax shall be collected as follows: <ul style="list-style-type: none"> i. 1st Quarter 5% rebate on annual tax ii. 2nd Quarter without rebate on annual tax iii. 3rd & 4th Quarter the amount of annual tax 1% surcharge per month on the gross payable tax.
(2)			Notwithstanding anything contained in section 3 and 9 of the Punjab Motor Vehicle Taxation Act, 1958 (XXXII of 1958), the tax shall be collected as follows: <ul style="list-style-type: none"> i. 1st Quarter 10% rebate on annual tax ii. 2nd Quarter without rebate on annual tax iii. 3rd & 4th Quarter, the amount of annual tax with such penalty as may be determined under section 9.
(3)			This section shall remain in force till 30 th day of June, 2022.