

**An  
Act**

to levy, alter and rationalize certain taxes, fees and duties in the  
Punjab.

It is necessary in public interest to levy, alter and rationalize certain taxes, fees and duties in the Punjab; and, to deal with ancillary matters.

Be it enacted by Provincial Assembly of the Punjab as follows:

**1. Short title, extent and commencement.**- (1) This Act may be cited as the Punjab Finance Act 2024.

(2) This Act extends to the whole of the Punjab.

(3) This Act shall come into force on the first day of July 2024 except the provisions of section 4 which shall come into force on such date as the Government may, by notification in the official Gazette, specify.

**2. Amendment of Act VII of 1870.**- In the Court Fees Act, 1870 (VII of 1870):

(1) In **SCHEDULE I**, in column 3, under the heading "**Proper Fee**":

(a) at Sr. No. 5:

(i) against clause (a), for the words "One rupee", the words "One hundred rupees" shall be substituted; and

(ii) against clause (b), for the words "Two rupees", the words "Five hundred rupees" shall be substituted;

(b) at Sr. No. 6:

(i) in clause (a):

(a) against sub-clause (i), for the words "One rupee", the words "One hundred rupees" shall be substituted; and

(b) against the sub-clause (ii), for the words "Two rupees", the words "Five hundred rupees" shall be substituted;

(ii) against the clause (b), for the words "Five rupees", the words "Five hundred rupees" shall be substituted;

(c) at Sr. No. 7, against the clause (b), for the words "One rupee", the words "One hundred rupees" shall be substituted;

(d) at Sr. No. 8, for the words "Fifty paises", the words "One hundred rupees" shall be substituted;

(e) at Sr. No. 11, for the words "Two rupees", the words "Five hundred rupees" shall be substituted; and

(f) at Sr. No. 12:

(i) for the words "Seven rupees and fifty paise", the words "Five hundred rupees" shall be substituted; and

(ii) for the words "Fifteen rupees", the words "Five hundred rupees" shall be substituted.

(2) In **SCHEDULE II**:

(a) in column 2, under the heading "Article", at Sr. No. 1, in clause (d), in sub-clause (i), for the figure "1913", the figure "2017" shall be substituted; and

(b) in column 3, under the heading "**Proper Fee**":

(i) at Sr. No. 1:

(a) against clause (a), for the words "One rupee", the words "One hundred rupees" shall be substituted;

(b) against clause (b), for the words "Two rupees" occurring four times, the words "Five hundred rupees" shall be substituted; and

(c) in clause (c):

(i) against sub-clause (i), for the words "Two rupees", the words "Five hundred rupees" shall be substituted; and

(ii) against sub-clause (ii), for the words "Five rupees", the words "Five hundred rupees" shall be substituted;

(ii) in clause (d):

(a) against sub-clause (i), for the words "Two hundred rupees", the words "One thousand rupees" shall be substituted;

(b) against sub-clause (ii), for the words "Ten rupees", the words "Five hundred rupees" shall be substituted;

(c) against sub-clause (iii), for the words "Five rupees", the words "Five hundred rupees" shall be substituted; and

(d) against sub-clause (iv), for the words "Five rupees", the words "Five hundred rupees" shall be substituted;

- (iii) against Sr. No. 2, for the words "Three rupees", the words "Fifty rupees" shall be substituted;
- (iv) against Sr. No. 5, for the words "Two rupees", the words "Five hundred rupees" shall be substituted;
- (v) against Sr. No. 6, for the words "One rupee", the words "One hundred rupees" shall be substituted;
- (vi) in Sr. No. 7:
  - (a) against clauses (a) and (b), for the words "Two rupees", the words "One hundred rupees" shall be substituted; and
  - (b) against clause (c), for the words "Three rupees", the words "Five hundred rupees" shall be substituted;
- (vii) in Sr. No. 8:
  - (a) against clause (a), for the words "Three rupees", the words "Five hundred rupees" shall be substituted;
  - (b) against clause (b), for the words "Twenty-five rupees", the words "Five hundred rupees" shall be substituted; and
  - (c) against clause (c), for the words "Ten rupees", the words "Five hundred rupees" shall be substituted;
- (viii) against Sr. No. 9, for the words "Ten rupees", the words "Five hundred rupees" shall be substituted;
- (ix) against Sr. No. 10, for the words "Ten rupees", the words "Five hundred rupees" shall be substituted;
- (x) in Sr. No 11:
  - (a) against clauses (i) and (ii), for the words "Ten rupees", the words "Five hundred rupees" shall be substituted;
  - (b) against clauses (iii), for the words "Thirty rupees", the words "Five hundred rupees" shall be substituted;
  - (c) against clause (iv), for the words "Ten rupees", the words "One thousand rupees" shall be substituted;

- (d) against clause (v), for the words "Ten rupees", the words "Five hundred rupees" shall be substituted;
- (e) against clause (vi), for the words "Fifteen rupees", the words "Five hundred rupees" shall be substituted; and
- (f) against clause (vii), for the words "Ten rupees", the words "Five hundred rupees" shall be substituted;
- (xi) against Sr. No. 12, for the words "Twenty rupees", the words "One thousand rupees" shall be substituted;
- (xii) against Sr. No.13, for the words "Twenty rupees", the words "Five hundred rupees" shall be substituted;
- (xiii) against Sr. No.14, for the words "Twenty rupees", the words "Five hundred rupees" shall be substituted;
- (xiv) against Sr. No.15, for the words "Twenty rupees", the words "Five hundred rupees" shall be substituted;
- (xv) against Sr. No.16, for the words "Twenty rupees", the words "Five hundred rupees" shall be substituted;
- (xvi) in Sr. No.17:
  - (a) against clause (i), for the words "Five rupees", the words "Five hundred rupees" shall be substituted; and
  - (b) against clause (ii), for the words "Fifteen rupees", the words "Five hundred rupees" shall be substituted;
- (xvii) in Sr. No. 18, for the words "Fifteen rupees", the words "Five hundred rupees" shall be substituted.

**3. Amendment of Act II of 1899.-** In the Stamp Act, 1899 (II of 1899), in **SCHEDULE I**, in column 3, under the heading "**Proper Stamp-duty**":

- (a) in Article 4, for the word "One", the word "Three" shall be substituted;
- (b) in Article 5:
  - (i) against clause (cc), for the words "Twelve hundred", the words "Three thousand" shall be substituted; and

- (ii) against clause (d), for the word "One", the word "Five" shall be substituted;
- (c) in Article 17, for the word "One", the word "Five" shall be substituted;
- (d) in Article 22-A, in clause (a):
  - (i) against sub-clause (i), for the words "Twelve hundred", the words "Three thousand" shall be substituted;
  - (ii) against sub-clause (ii), for the word "Two", the word "Five" shall be substituted;
  - (iii) against sub-clause (iii), for the word "Three", the word "Eight" shall be substituted;
  - (iv) against sub-clause (iv), for the word "Five", the word "Fifteen" shall be substituted; and
  - (v) against sub-clause (v), for the word "Ten", the word "Thirty" shall be substituted;
- (e) in Article 29, for the word "hundred", the word "thousand" shall be substituted;
- (f) in Article 48:
  - (i) against clause (a), for the words "Five hundred", the words "Two thousand" shall be substituted; and
  - (ii) against clause (bb), for the words "Twelve hundred", the words "Three thousand" shall be substituted;
- (g) in Article 54, for the word "hundred", the word "thousand" shall be substituted; and
- (h) in Article 61, for the word "hundred", the word "thousand" shall be substituted.

**4. Amendment of Act V of 1958.-** In the Punjab Urban Immovable Property Tax Act, 1958 (V of 1958):

(1) In section 2:

- (a) after clause (c), the following shall be inserted:
  - "(d-a) "high value property" means the property of a value as provided in sub-section (3) of section 5;"
- (b) in clause (e), for the words "perpetuity", the words "possession" shall be substituted;
- (c) after clause (g), the following shall be inserted:
  - "(g-a) "Schedule" means the Schedule appended to the Act;"

(d) after clause (i), the following shall be inserted:

“(j) “valuation table” means the valuation table notified under the Stamp Act 1899;”.

(2) In section 3:

(a) for sub-section (2), the following shall be substituted:

“(2) Subject to sub-sections (2a), (3) and (4), there shall be levied, charged and paid, a tax on the taxable value of a building and land in a rating area at the rate given in the Schedule.”; and

(b) sub-section (6) shall be omitted.

(3) In section 4:

(a) in clause (c):

(i) for sub-clause (i), the following shall be substituted:

“(i) buildings and lands used or intended to be used exclusively as residential, taxable value of which does not exceed five million rupees.”;

(ii) sub-clause (ii) along with its provisos shall be omitted; and

(b) clause (i) shall be omitted.

(4) For section 5, the following shall be substituted:

**“5. Ascertainment of taxable value.-** (1) The taxable value of land and building shall be determined in accordance with the valuation table in respect of the property situated in the rating area.

(2) Notwithstanding anything contained in sub-section (1), the Government may, by notification in the official Gazette, determine taxable value of land and building through valuation table.

(3) The Government may, by notification in the official Gazette, specify and categorize a property as the high value property;”.

(5) Section 5-A shall be omitted.

(6) After section 6, the following shall be inserted:

**“6-A. Self-assessment of land and building.-** (1) The owner of land and building, within rating area, shall assess his land and building in such manner as may be prescribed.

(2) The assessment made under sub-section (1) shall be submitted on-line along with declaration of

correctness and truthfulness of the information provided in the self-assessment and the tax on such land and building shall be paid on the basis of such self-assessment.

(3) An audit at random may be conducted regarding the self-assessment submitted under sub-section (2).

(4) In case, any variation is found during the audit, the Assessing Authority shall correct the assessment and levy and collect the actual tax, along with one-time penalty a sum equal to the amount of the tax evaded, in addition to the amount of the tax payable by him and the penalty leviable shall be determined and collected by the Assessing Authority.

(5) If land and building has been found not assessed, and it comes in the information of the Assessing Authority, he shall issue directions containing time line which shall not be more than two weeks, for self-assessment of such land and building under sub-section (1).".

(7) For section 7, the following shall be substituted:

**"7. Making of a valuation list.-** A valuation list for every rating area shall be prepared in the manner and by the authority as may be prescribed and any subsequent change in valuation list resulting from the change in valuation table shall be effective from the first day of the coming month."

(8) Section 8 shall be omitted.

(9) In section 10:

(a) in sub-section (1), the expression "8," shall be omitted; and

(b) sub-section (1A) shall be omitted.

(10) After section 10, the following shall be inserted:

**"10-A. Hardship case.-** In case of a hardship case, the grievance committee, to be constituted by the Government through notification in the official Gazette, may, by an order containing reasons, exempt land and building from payment of the whole or any part of the tax."

(11) After section 23, the following shall be inserted:

**"23-A. Power to amend the Schedule.-** The Government may, by notification in the official Gazette, amend the Schedule."

(12) After section 24, the following shall be added:

## "SCHEDULE

[see sections 2(g-a) and 3(2)]

| Sr.# | Taxable Value                                     | Residential Properties | Commercial Properties |
|------|---------------------------------------------------|------------------------|-----------------------|
|      |                                                   | Rate of Tax            | Rate of Tax           |
| 1.   | Up to Rs.5 million                                | Exempted               | 0.07%                 |
| 2.   | Exceeding Rs. 5 million and up to Rs.10 million   | 0.07%                  | 0.07%                 |
| 3.   | Exceeding Rs. 10 million and up to Rs. 25 million | 0.08%                  | 0.08%                 |
| 4.   | Rs. 25 million and above                          | 0.09%                  | 0.09%                 |

In case the tax payable, under above table, is lower than the tax payable on and before 31.12.2024, then the tax shall be payable as given below until such tax payable becomes equal to or greater than the tax payable under above table:

| Sr# | Taxable Value                                     | Residential Properties           | Commercial Properties              |
|-----|---------------------------------------------------|----------------------------------|------------------------------------|
|     |                                                   | Rate of Tax                      | Rate of Tax                        |
| 1.  | Up to Rs.5 million                                | Exempted                         | Tax on and before 31.12.2024       |
| 2.  | Exceeding Rs. 5 million and up to Rs.10 million   | Tax on and before 31.12.2024+10% | Tax on and before 31.12.2024+10%   |
| 3.  | Exceeding Rs. 10 million and up to Rs. 25 million | Tax on and before 31.12.2024+10% | Tax on and before 31.12.2024+10%   |
| 4.  | Rs. 25 million and above                          | Tax on and before 31.12.2024+20% | Tax on and before 31.12.2024+20%". |

**5. Amendment of Act XXXII of 1958.-** In the Punjab Motor Vehicles Taxation Act, 1958 (XXXII of 1958), in the **SCHEDULE**:

(1) In S.No.1, in column 2:

(a) for clause (a), the following shall be substituted:

"(a) An amount of Rs.1500/- shall be charged for a motorcycle and scooter at the time of registration, and if the registration of such motorcycle and scooter is transferred within ten years of such registration, an amount of Rs.1500/- with a rebate equal to 10% for each financial year, shall be charged."; and

(b) for clause (c), the following shall be substituted:

"(c) An amount of Rs.1500/- shall be charged for a motorcycle drawing a side trailer or cabin at the time of registration, and if the registration of such motorcycle is transferred within ten years of such registration, an amount of Rs.1500/- with a rebate equal to 10% for each financial year, shall be charged.".

(2) For S.No.4, in columns 1 to 3, the following shall be substituted:

"4. Motor Vehicles other than those mentioned above or below:

- (a) with engine power up to 1000 cc, an amount of Rs.20,000/- shall be charged at the time of registration, and if the registration is transferred within ten years of such registration, an amount of Rs. 20,000/- with a rebate equal to 10% for each financial year, shall be charged.
- (b) with engine power exceeding 1000 cc but not exceeding 2000 cc. 0.2% of invoice value
- (c) with engine power exceeding 2000 cc. 0.3% of invoice value

If the annual rate of tax given against clauses (b) and (c) is less than the rate provided against erstwhile clauses (b) and (c), in such case the annual tax shall be paid at the rate provided in erstwhile clauses."

**6. Amendment of Act VIII of 1967.-** In the Excise Duty on Minerals (Labour Welfare) Act, 1967 (VIII of 1967), in section 3, subsection (1), for the words "one rupee" and "five rupees", the words "thirty rupees" and "fifty rupees" shall be substituted respectively.

**7. Amendment of Act XLII of 2012.-** In the Punjab Sales Tax on Services Act 2012 (XLII of 2012), in section 39, in sub-section (1), the words "in the prescribed manner and" and "in the official Gazette" shall be omitted and deemed to be so omitted with effect from 1<sup>st</sup> July 2012.

### STATEMENT OF OBJECTS AND REASONS

The Board of Revenue has proposed to amend the Court Fees Act, 1870 (VII of 1870) for the enhancement of fees mentioned in the Schedule I and II of the Act *ibid* since such fees have not been revised for a considerable time. The proposed changes are necessary for maintaining the equilibrium between the rates of fees and the rate of inflation.

The Board of Revenue has further proposed to amend the Stamp Act, 1899 (II of 1899) with an aim to revising the current rates of Stamp Duties mentioned in Schedule I of the Act *ibid*.

The ET&NCD intends to impose life time token tax on subsequent purchasers for 10 years with 10% depreciation in tax rate for each financial year after registration in order to mobilize the revenue as subsequent owner does not pay token tax.

Moreover, token tax regime is being shifted from engine capacity to invoice base value in order to collect more tax from high value vehicles keeping in view the great variation in prices of various make/model vehicles with same engine capacity.

Proposed changes to Urban Immoveable Property Tax aim to enhance transparency and public benefit by transitioning from a rental-based valuation system to a capital value system. This shift will provide a clearer and more equitable method of assessing property taxes. Introducing self-assessment will further promote transparency, as property owners will have a direct role in determining their tax obligations, fostering a sense of accountability within the community.

The Mines and Minerals Department has proposed to amend the Excise Duty on Minerals (Labour Welfare) Act, 1967 (VIII of 1967). Consequent to the 18<sup>th</sup> amendment in the Constitution of Pakistan 1973, the subject of "Welfare of Labour" was devolved to the provinces. The cess duty imposed for promoting the welfare of labour employed in the mining industry ranging from Rs. 1/- to Rs. 5/- per ton was fixed during 1979 and after 45 years, the expenditure on welfare projects has increased to 500%. To expand the coverage of welfare facilities and fill the deficit gap in needs and available monetary resources by the Mines & Minerals Department, the enhancement in the rate of excise duty (Mines Labour Welfare Cess) ranging from Rs. 30/- to Rs. 50/- per ton has been proposed.

Through the legislative proposal, the Administrative Department has proposed to amend the Punjab Sales Tax on Services Act 2012 (XLII of 2012) for amending section 39 of the Act *ibid* to bring the said Act in conformity with the other fiscal statutes. The proposed amendment will end the litigation being faced by the Punjab Revenue Authority in respect of the adversely impacting the provincial revenues. Hence, this Bill.

**MINISTER-IN-CHARGE**