

THE PUNJAB FINANCE ACT 1977
(XV of 1977)

CONTENTS

1. Short title, extent and commencement
2. Amendment of the Punjab Motor Vehicles Taxation Act, 1958 (W.P. Act No. XXXII of 1958)
3. Tax on persons engaged in professions, trades, callings or employments
4. Amendment of West Pakistan Act No. X of 1958
5. Amendment of Schedule of Act No. II of 1899
6. Application of existing laws
7. Bar of suits in civil courts
8. Power to make rules

SCHEDULES

1. FIRST SCHEDULE
2. SECOND SCHEDULE

TEXT

**¹THE PUNJAB FINANCE ACT 1977
(XV of 1977)**

[28th June, 1977]

**An
Act**

to enhance the rates of certain taxes and duties in the Province of the Punjab.

Preamble.— **WHEREAS** it is expedient to enhance the rates of certain taxes and duties in the Province of the Punjab;

It is hereby enacted as follows:—

1. Short title, extent and commencement.— (1) This Act may be called in the Punjab Finance Act, 1977.

(2) It shall extend to the Province of the Punjab.

(3) It shall come into force on and from the first day of July, 1977.

2. Amendment of the Punjab Motor Vehicles Taxation Act, 1958 (W.P. Act No. XXXII of 1958).— For the Schedule to the Punjab Motor Vehicles Taxation Act, 1958, the Schedule given in the First Schedule to this Act shall be substituted.

3. Tax on persons engaged in professions, trades, callings or employments.— (1) With effect from 1st July, 1977, there shall be levied and collected from the persons or classes of persons mentioned in column 2 of the Second Schedule to this Act engaged in a profession, trade, calling or employment²[wholly or partly] in the province of the Punjab a tax for each financial year at the rates mentioned in column 3 of the said Schedule.

(2) If a person is engaged in more than one profession, trade, calling or employment he shall pay the tax only in respect of one such profession, trade, calling or employment for which rate of tax is the highest.

(3) The Government may exempt any person or class of persons from the payment of the tax.

(4) Section 11 of the Punjab Finance Act, 1964 (W.P. Act XXXIV of 1964) is hereby repealed.

¹This Act was passed by the Punjab Assembly on 27th June, 1977; assented to by the Governor of the Punjab on 28th June; and, published in the Punjab Gazette (Extraordinary) dated 28th June, 1977, paged 909-914.

²Inserted by the Punjab Finance Ordinance, 2000 (III of 2000); and published in the Punjab Gazette (Extraordinary), dated 30.6.2000, pages 587-595, see s.7, which will remain in force under the Provisional Constitution (Amendment) Order 1999 (9 of 1999), Article 4, notwithstanding the maximum limit of three months prescribed under Article 128 of the Constitution of the Islamic Republic of Pakistan.

³[(5) A person who fails to pay the tax within the prescribed time, shall, in addition to the amount of tax, be liable to pay a penalty not exceeding the amount of tax.]

4. Amendment of West Pakistan Act No. X of 1958.— In the Punjab Entertainments Duty Act, 1958, in section 3, for sub-section (1), the following shall be substituted:—

“(1) There shall be levied and paid to the Government on all payments for admission to any entertainment, a duty, hereinafter referred to as the 'entertainment duty', at the rate of one hundred and twenty-five per cent of such payment including air-conditioning surcharge, if such payment exceeds one rupee and at the rate of one hundred per cent if such payment does not exceed one rupee:

Provided that if the amount of duty at the afore-mentioned rates is not a multiple of five paise, the amount of duty shall be rounded to the next higher multiple of five paise:

Provided further that where the proprietor of an entertainment admits any person to any place of entertainment without any payment or on payment of an amount less than the amount normally charged for admission thereto, the entertainment duty shall nevertheless be levied and paid on the amount which would have been normally charged for admission to that place.

EXPLANATION I.— In case there be different classes in connection with an entertainment, the phrase “place of entertainment” means the class to which a person is admitted.

EXPLANATION II.— The fact that any such person as is mentioned in the proviso to this sub-section has been admitted to a class more advantageously placed for viewing the entertainment than the class of which the others making larger payments are admitted, may be taken into account for determining whether the payment made is not that normally charged.”

5. Amendment of Schedule of Act No. II of 1899.— In the Stamp Act, 1899, in Schedule I, for the existing Article 23, the following shall be substituted:—

“23. CONVEYANCE as defined by section 2(10) not being a TRANSFER charged or exempted under No.62—

(a)	In case of agricultural land.	Rupees four for every rupee one hundred or part thereof of the value of land.
(b)	In any other case.	Rupees five and a half for every rupee one hundred or part thereof of the value of the property.

6. Application of existing laws.— Where any tax imposed or any duty levied by this Act is by way of an addition to any tax imposed or duty levied by or under any

³Added by the Punjab Finance Ordinance, 1978 (XIII of 1978); and published in the Punjab Gazette (Extraordinary), dated 27.6.1978, pages 773-779, s.8.

enactment and rules in force in the Punjab, the procedure provided in such enactment and rules for the assessment, collection and recovery of such tax or duty shall, as far as applicable, apply to the assessment, collection and recovery of additional tax or duty under this Act.

7. Bar of suits in civil courts.— No suit shall lie in any civil court to set aside or modify any assessment, levy or collection of a tax or duty made under this Act and the rules made thereunder.

8. Power to make rules.— The Government may make rules for the purposes of carrying out the provisions of this Act.

FIRST SCHEDULE

(See section 3)

S.No.	Description of Motor Vehicles	Annual rate of tax
1	2	3
1.	Motor-Cycles (including motor scooters) and Motor-cycles with attachment for propelling the same by mechanical power not exceeding 410 Kg in unladen weight:	
	(a) Bicycles not exceeding 90 Kg in unladen weight.	Rs.40/-
	(b) Bicycles exceeding 90 Kg in unladen weight.	Rs.52/-
	(c) Bicycles drawing a trailer or side-car.	Rate for appropriate cycle <i>plus</i> Rs. 12/-.
	(d) Tricycles.	Rs.52/-
2.	Vehicles not exceeding 250 Kg in unladen weight, adapted and used for invalids.	Rs.6/-
3.	Vehicles (including tricycles) used for the transport or haulage of goods or materials weighing more than 410 Kg in unladen weight:-	
	(a) Electrically propelled vehicles not exceeding 1,250 Kg in unladen weight.	Rs.44/-
	(b) Vehicles with maximum laden capacity upto 2,030 Kg (including delivery vans).	Rs.300/-
	(c) Vehicles with maximum laden capacity exceeding 2,030 Kg. but not exceeding 4,060 Kg.	Rs.500/-
	(d) Vehicles with maximum laden capacity exceeding 4,060 Kg. but not exceeding 6,090 Kg.	Rs.760/-
	(e) Vehicles with maximum laden capacity exceeding 6,090 Kg. but not exceeding 8,120 Kg.	Rs.1,500/-
	(f) Vehicles with maximum laden capacity exceeding 8,120 Kg.	Rs.2,260/-
	(g) Vehicles drawing a trailer.	Rate for appropriate vehicle <i>plus</i> Rs.200/-
4.	Vehicles plying for hire and ordinarily used for the transport of passengers (taxis and buses)–	

S.No.	Description of Motor Vehicles	Annual rate of tax
1	2	3
	(a) Tram Cars.	Rs.20/-
	(b) Tricycles propelled by mechanical power (rickshaw cabs) with seating capacity of not more than 3 persons.	Rs.312/-
	(c) Motor vehicles with a seating capacity of more than 20 persons plying for hire exclusively within the limits of a Corporation, Municipality or Cantonment.	Rs.68/- per seat.
	(d) Mini buses with a seating capacity of more than 6 and less than 20 persons plying for hire exclusively within the limits of Corporation, Municipality or Cantonment.	Rs.104/- per seat.
	(e) Other vehicles with a seating capacity of not more than 4 persons.	Rs.416/-
	(f) Other vehicles with a seating capacity of more than 4 but not more than 6 persons.	Rs.520/-
	(g) Other vehicles with a seating capacity of more than 6 persons.	Rs.132/- per seat.

EXPLANATION:– The seating capacity for the purpose of this Article does not include the seats meant for driver and conductor.

5. Motor vehicles other than those mentioned above and having–

(a) Seating capacity of not more than one person.	Rs.104/-
(b) Seating capacity of not more than 3 persons.	Rs.212/-
(c) Seating capacity of more than 3 persons.	Rs.76/- per seat.

NOTE: Station wagons used for private purposes shall be taxed under Article 5._____

⁴[SECOND SCHEDULE

(See section 3)

Sr.No.	Class of persons	Rate of tax per annum(rupees)
1.	Companies registered under the Companies Act, 2017 or under the relevant law for the time being in force, with paid up capital	
	i) Up to rupees 5 million	10,000/-
	ii) exceeding rupees 5 million but not exceeding rupees 50 million	30,000/-
	iii) exceeding rupees 50 million but not exceeding rupees 100 million	70,000/-
	iv) exceeding rupees 100 million but not exceeding rupees 200 million	100,000/-
	v) exceeding rupees 200 million	100,000/-
2.	Persons other than companies, owning factories as defined under the Factories Act, 1932 and having	
	i) employees not exceeding 10	1,500/-
	ii) employees exceeding 10 but not exceeding 25	5,000/-
	iii) employees exceeding 25	7,500/-
⁵ 3.	(i) Persons other than companies owning commercial establishments having 10 or more employees	
	(a) Within Metropolitan and Municipal Corporation limits	6,000/-
	(b) Others	4,000/-

⁴Substituted by the Punjab Finance Act 2019 (XV of 2019), published in the Punjab Gazette (Extraordinary), dated: 28 June 2019, pp. 4105-4114, s. 4; It was earlier substituted by the Punjab Finance Ordinance 2000 (III of 2000) ; and published in the Punjab Gazette (Extraordinary), dated 30.6.2000, pages 587-595, see s.7, which will remain in force under the Provisional Constitution (Amendment) Order 1999 (9 of 1999), Article 4, notwithstanding the maximum limit of three months prescribed under Article 128 of the Constitution of the Islamic Republic of Pakistan.

⁵ Substituted by the Punjab Finance Act 2021 (XIX of 2021), published in the Punjab Gazette (Extraordinary), dated: 30th June 2021, pp. 10047-10050 s.4.

Sr.No.	Class of persons		Rate of tax per annum(rupees)
	ii) All other commercial establishments other than wholesalers and retailers		2,000/-]
4.	Persons engaged in the import or export of goods who, during the preceding financial year, imported or exported goods of the value		
	i)	exceeding rupees 1 lac but not exceeding rupees 1 million	2,000/-
	ii)	exceeding rupees 1 million but not exceeding rupees 5 million	3,000/-
	iii)	exceeding rupees 5 million	5,000/-
5.	Contractors, builders and property developers, who during the preceding financial year supplied to the Federal or the Provincial Government or a company or a factory or a commercial establishment or an autonomous or a semi autonomous organization or any Local Authority; goods, commodities and services of the value:		
	i)	not exceeding rupees 1 million	1,000/-
	ii)	exceeding rupees 1 million but not exceeding rupees 10 million	6,000/-
	iii)	exceeding rupees 10 million but not exceeding rupees 50 million	10,000/-
	iv)	exceeding rupees 50 million	20,000/-
6.	Persons engaged in various professions and providing different services such as:		
	i)	Medical Consultants or Specialists/Dental Surgeons	5,000/-
	ii)	Registered Medical Practitioners	4,000/-
	iii)	Others including Homoeopaths, Hakeems and Ayurvedics– (a) Within Metropolitan and	3,000/-

Sr.No.	Class of persons		Rate of tax per annum(rupees)
		Municipal Corporation limits	1,000/-
		(b) Others	
	iv)	Auditing firms (per professionally qualified person)	
		(a) Within Metropolitan and Municipal Corporation limits	6,000/-
		(b) Others	4,000/-
	v)	Management and Tax Consultants Architects, Engineering, Technical and Scientific Consultants–	
		(a) Within Metropolitan and Municipal Corporation limits	6,000/-
		(b) Others	4,000/-
	vi)	Lawyers	1,000/-
	vii)	(a) Members of Stock Exchanges	10,000/-
		(b) Money Changer:	
		(i) Within Metropolitan and Municipal Corporation limits	6,000/-
		(ii) Others	2,000/-
		(c) Motorcycle/Scooter dealers–	
		(i) Within Metropolitan and Municipal Corporation limits.	10,000/-
		(ii) Others	6,000/-
		(d) ⁶ [Motor Vehicle] Dealers and Real Estate Agents–	

⁶ Substituted for word "Motor Car" by the Punjab Finance Act 2021 (XIX of 2021), published in the Punjab Gazette (Extraordinary), dated: 30th June 2021, pp. 10047-10050 s.4.

Sr.No.	Class of persons		Rate of tax per annum(rupees)
		(i) Within Metropolitan and Municipal Corporation limits (ii) Others	20,000/- 10,000/-
		(e) Recruiting Agents– (i) Within Metropolitan and Municipal Corporation limits (ii) Others	20,000/- 10,000/-
	viii)	Carriage of goods and passengers by road: (i) Within Metropolitan and Municipal Corporation limits (ii) Others	4,000/- 2,000/-
	ix)	Health Clubs and Gymnasiums– (i) Within Metropolitan and Municipal Corporation limits (ii) Others	4,000/- 2,000/-
	x)	Jewelers, departmental stores, electronic goods stores, cable operators, printing presses and pesticide dealers	2,000/-
	xi)	Tobacco venders– Wholesalers	4,000/-
7.	Franchisee, Authorized dealers/Agents and distributors		5,000/-

Sr.No.	Class of persons	Rate of tax per annum(rupees)
8.	Property Developers / Builders & Marketing Agent/Company engaged in the development marketing and management of residential, commercial or industrial properties	50,000/-
9.	Hotels, Hostels (except hostels owned and operated by an educational institution itself) / Guest Houses / Motels / Resorts providing lodging facilities	5,000/-
10.	Restaurants / Eateries / Fast Food Points / Ice Cream Parlors / Bakeries / Confectioners / Sweets Shops with air conditioning facility	5,000/-
7[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/-]

⁷ Inserted by the Punjab Finance Act 2021 (XIX of 2021), published in the Punjab Gazette (Extraordinary), dated: 30th June 2021, pp. 10047-10050 s.4.