

THE PUNJAB FINANCE ACT, 1964
(XXXIV OF 1964)

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TEXT

¹THE ²[PUNJAB] FINANCE ACT, 1964

(XXXIV of 1964)

[29th June, 1964]

An

Act

to continue, levy and abolish certain taxes and duties in ³[the Punjab].

WHEREAS it is expedient to continue, levy and abolish certain taxes and duties in the Province of ⁴[the Punjab];

It is hereby enacted as follows:—

1. Short title, commencement and extent.— (1) This Act may be called the ⁵[Punjab] Finance Act, 1964.

(2) It shall come into force on and from the first day of July, 1964.

(3) It shall extend, unless otherwise specified hereinafter, to the whole of ⁶[the Punjab] except the Tribal Areas.

2. Definitions.— In this Act, unless there is anything repugnant in the subject or context—

(a) “agricultural year” means the agricultural year as defined in the Punjab Land Revenue Act, 1887 (Act XVII of 1887);

¹This Act was passed by West Pakistan Assembly on 27th June, 1964; assented to by the Governor of West Pakistan on 28th June, 1964; and, published in the West Pakistan Gazette (Extraordinary), dated 29th June, 1964, page 2175-85. For statement of objects and reasons, see Gazette of West Pakistan (Extraordinary), dated 6th June, 1964, pages 1925-A to 1925-M.

²Substituted for the words “West Pakistan” by the Punjab Laws (Adaptation) Order, 1974 (P.O. No. 1 of 1974), w.e.f. 14.8.1973, Article 2 and the Schedule; and published in the Punjab Gazette (Extraordinary), dated 20.11.1974, pages 1425-A to 1425-PP.

³Substituted for the words “West Pakistan” by the Punjab Laws (Adaptation) Order, 1974 (P.O. No. 1 of 1974), w.e.f. 14.8.1973, Article 2 and the Schedule; and published in the Punjab Gazette (Extraordinary), dated 20.11.1974, pages 1425-A to 1425-PP.

⁴Substituted for the words “West Pakistan” by the Punjab Laws (Adaptation) Order, 1974 (P.O. No. 1 of 1974), w.e.f. 14.8.1973, Article 2 and the Schedule; and published in the Punjab Gazette (Extraordinary), dated 20.11.1974, pages 1425-A to 1425-PP.

⁵Substituted for the words “West Pakistan” by the Punjab Laws (Adaptation) Order, 1974 (P.O. No. 1 of 1974), w.e.f. 14.8.1973, Article 2 and the Schedule; and published in the Punjab Gazette (Extraordinary), dated 20.11.1974, pages 1425-A to 1425-PP.

⁶Substituted for the words “West Pakistan” by the Punjab Laws (Adaptation) Order, 1974 (P.O. No. 1 of 1974), w.e.f. 14.8.1973, Article 2 and the Schedule; and published in the Punjab Gazette (Extraordinary), dated 20.11.1974, pages 1425-A to 1425-PP.

- (b) "Government" means the Government of ⁷[Punjab];
- (c) "prescribed" means prescribed by rules made under this Act;
- (d) "revenue year" means the revenue year as defined in the Sind Land Revenue Code, 1879 (Sind Act V of 1879).

⁸[3. *Surcharge on land revenue in certain districts.*— * * * * *]

4. Surcharge on agricultural income-tax in certain districts.— (1) There shall be levied and collected from every owner of land which is assessed to agricultural income-tax in the districts of ⁹[* * *], Campbellpur¹⁰, Dera Ghazi Khan, Gujranwala, Gujrat, Jhelum, Jhang, Lahore¹¹, Lyallpur¹², Mianwali, Montgomery¹³, Multan¹⁴, Muzaffargarh, Rawalpindi, Sargodha, Sheikhpura and Sialkot, on the land revenue payable in the agricultural year 1963-64, an additional amount of agricultural income-tax by way of surcharge at the rates specified in the Second Schedule.

(2) The provisions of ¹⁵[* * *] the Punjab Agricultural Income-tax Act, 1951 (Punjab Act XVI of 1951) shall, so far as may be, apply to the assessment, collection and recovery of the surcharge imposed under this section.

5. Tax on Cinemas.— There shall be levied and collected a tax on cinemas payable by the owner or management thereof at the following rates for the financial year 1964-65:—

(i)	In the case of a cinema classed as a first class cinema.	One thousand rupees.
(ii)	In the case of a cinema classed as a second class cinema.	Five hundred rupees.
(iii)	In the case of a cinema classed as a third class cinema.	One hundred rupees.

6. Tax on Motor Vehicles.— There shall be levied and collected in any area in which a tax is imposed on motor vehicles by or under any enactment, a surcharge on such tax at the following rates for the financial year 1964-65:—

⁷Substituted for the words "West Pakistan" by the Punjab Finance (Amendment) Ordinance, 2001 (LIII of 2001), w.e.f. 10.12.2001, s.2; and published in the Punjab Gazette (Extraordinary), pages 1973-1974, 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.

⁸Deleted by the Punjab Laws (Adaptation) Order, 1974 (P.O. No. 1 of 1974), w.e.f. 14.8.1973, Article 2 and the Schedule; and published in the Punjab Gazette (Extraordinary), dated 20.11.1974, pages 1425-A to 1425-PP.

⁹Deleted the words and commas "Bannu, Dera Ismail Khan, Hazara, Mardan, Kohat, Peshawar" by the Punjab Laws (Adaptation) Order, 1974 (P.O. No. 1 of 1974), w.e.f. 14.8.1973, Article 2 and the Schedule; and published in the Punjab Gazette (Extraordinary), dated 20.11.1974, pages 1425-A to 1425-PP.

¹⁰Now 'Attock'.

¹¹Now bifurcated into 'Lahore and Kasur districts'.

¹²Now 'Faisalabad'.

¹³Now 'Sahiwal'.

¹⁴Now bifurcated into 'Multan and Vehari districts'.

¹⁵ Deleted the words, brackets and commas "the North-West Frontier Province Agricultural Income Tax Act, 1948 (North-West Frontier Province Act XVII of 1948) and" by the Punjab Laws (Adaptation) Order, 1974 (P.O. No. 1 of 1974), w.e.f. 14.8.1973, Article 2 and the Schedule; and published in the Punjab Gazette (Extraordinary), dated 20.11.1974, pages 1425-A to 1425-PP.

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|------|---|---------------------|
| (i) | Motor vehicles used for the transport or carriage of goods and materials. | Twenty-five rupees. |
| (ii) | Motor vehicles plying for hire and licensed to carry more than eight persons. | Fifty rupees. |

7. Tax on railway fares and freights.— Until the 30th day of June, 1965, there shall be levied and paid on railway fares and freights a tax according to the scale set out in Third and Fourth Schedules.

¹⁶[8. *Toll on vessels plying inland waters.*—* * * * *]

¹⁷[9. *Toll on fares and freights on inland traffic by vessels.*—* * * * *]

¹⁸[10. *Primary Education Surcharge.*—* * * * *]

¹⁹[11. *Tax on trades, professions, callings and employment.*—* * * * *]

12. Sugar Cane Development Cess.— (1) With effect from the first day of July, 1964, there shall be levied a cess, called the Sugar Cane (Development) Cess, on sugar cane crushed by the Sugar Mills, at the rate of ²⁰[fifty six paise per hundred kilogram or part thereof] of sugar cane.

(2) The incidence of the cess shall be shared equally by the Sugar Mill and the person selling the sugar cane to the Mill:

Provided that in the case of sugar cane obtained from the Sugar Mill's own farm, the cess, at the rate of ²¹[fifty six paise per hundred kilogram or part thereof], shall be paid by the Mill.

²²[2-A Notwithstanding anything to the contrary contained in sub-sections (1) and (2), the rate of cess mentioned therein shall, for the financial year, 1983-84, be 3.5 per cent and, for the financial year, 1984-85 and onwards, be 5 per cent of the sugarcane price rounded to the nearest paise.]

(3) The cess payable under this section shall be collected and paid to Government by the Sugar Mill in such manner as may be prescribed.

²³[(4) The proceeds of the cess shall be utilised for—

¹⁶Deleted by the Punjab Laws (Adaptation) Order, 1974 (P.O. No. 1 of 1974), w.e.f. 14.8.1973, Article 2 and the Schedule; and published in the Punjab Gazette (Extraordinary), dated 20.11.1974, pages 1425-A to 1425-PP.

¹⁷ Deleted by the Punjab Laws (Adaptation) Order, 1974 (P.O. No. 1 of 1974), w.e.f. 14.8.1973, Article 2 and the Schedule; and published in the Punjab Gazette (Extraordinary), dated 20.11.1974, pages 1425-A to 1425-PP.

¹⁸ Repealed by the West Pakistan Finance Act, 1965 (I of 1965), w.e.f. 1.7.1965, s.12; and published in the Gazette of West Pakistan (Extraordinary), dated 1.7.1965, pages 3381-3394.

¹⁹ Repealed by the Punjab Finance Act, 1977 (XV of 1977), w.e.f. 1.7.1977, s.3; and published in the Punjab Gazette (Extraordinary), dated 28.6.1977, pages 909-914.

²⁰Substituted for the words "twenty paise per maund" by the Punjab Finance (Amendment) Ordinance, 1978 (XI of 1978), w.e.f.27.5.1978, s.2; and published in the Punjab Gazette (Extraordinary), pages 581-582.

²¹ Substituted for the words "twenty paise per maund" by the Punjab Finance (Amendment) Ordinance, 1978 (XI of 1978), w.e.f.27.5.1978, s.2; and published in the Punjab Gazette (Extraordinary), pages 581-582.

²²Added by the Punjab Finance (Amendment) Ordinance, 1983 (XX of 1983), w.e.f.1.7.1983, s.2; and published in the Punjab Gazette (Extraordinary), dated 14.12.1983.

²³Substituted by the Punjab Finance (Amendment) Ordinance, 2001 (LIII of 2001), w.e.f. 10.12.2001, s.3; and published in the Punjab Gazette (Extraordinary), pages 1973-1974, 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

- (i) maintenance and development of roads, bridges and plant protection services in the sugarcane growing areas in the Punjab, as notified by the Government; and
- (ii) research and development of sugarcane in the province.]

²⁴[(5) Government may by an order, notified in the official Gazette, exempt any Sugar Mill or all Sugar Mills in any specified area from the payment of the whole or any part of the cess under this section.]

13. Electricity Duty.— (1) From the first day of July, 1964, there shall be levied and paid to Government, on the units of energy consumed for the purposes specified in the first column of the Fifth Schedule, excluding losses of energy in transmission and transformation, a duty (hereinafter referred to as ‘Electricity Duty’) at the rates specified in the second column of that Schedule:

Provided that Electricity Duty shall not be leviable on the energy consumed by, or in respect of the consumers enumerated in the Sixth Schedule, except to the extent specified therein:

Provided further that for reasons to be recorded, Government may, by notification in the Official Gazette, exempt any other consumer or class of consumers from the operation of this section.

Explanation— In this section, unless there is anything repugnant in the subject or context—

- (a) “consumer” means any person, other than a distributing licensee, who is supplied with energy by a licensee;
- (b) “energy” means electrical energy when generated, transmitted, supplied or used for any purpose except the transmission of a message;
- ²⁵[(c) “licensee” means a person licensed under section 15 or 20 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997) to engage in the generation and sale of energy to a consumer and includes any person generating the electric power from a generator having the capacity of more than five hundred ²⁶[kilo volt ampere] for self use.]

(2) Every licensee shall collect and pay to the Government, the Electricity Duty payable under this section in such manner as may be prescribed. The duty so payable shall be a first charge on the amount recoverable by the licensee for the energy supplied by him and shall be a debt due by him to the Government:

Constitution of the Islamic Republic of Pakistan.

²⁴Added by the West Pakistan Finance Act, 1967 (IV of 1967), w.e.f. 1.7.1967, s.8; and published in the Gazette of West Pakistan (Extraordinary), dated 30.6.1967, 1851-1857.

²⁵Substituted by the Punjab Finance Ordinance, 2001 (VI of 2001), w.e.f. 1.7.2001, s.4; and published in the Punjab Gazette (Extraordinary), dated 30.6.2001, pages 1153-1154, 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.

²⁶Substituted for the word “kilowatt” by the Punjab Finance (Amendment) Ordinance, 2002 (LXXIV of 2002), w.e.f. 25.10.2002, s.2; and published in the Punjab Gazette (Extraordinary), pages 3097-3098, 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.

Provided that—

- (i) the licensee shall not be liable to pay the duty in respect of any energy supplied by him for which he has been unable to recover his dues;
- (ii) the licensee shall be entitled, for his cost of collection of the duty, to a rebate of such percentage, as may be determined by the Government, on the amount of the duty collected and paid by him under this sub-section.

(3) Where any person fails or neglects to pay the amount of Electricity Duty due from him, the licensee may, without prejudice to the right of Government to recover the amount under section 3 of the ²⁷[Punjab] Government Dues Recovery Ordinance, 1962 (West Pakistan Ordinance XXII of 1962), discontinue to supply energy to him and for this purpose, exercise the power conferred on a licensee by sub-section (1) of section 24 of the Electricity Act, 1910 for recovery of any charge or sum due in respect of energy supplied by the licensee.

(4) In the case of energy other than that supplied by a licensee, the person generating the energy shall pay to the Government the Electricity Duty payable under this section in respect of the energy consumed, in such manner as may be prescribed.

14. Penalty.— If the person who is responsible for the payment of the toll or tax under section 5, 8 or 11 or for the collection and payment of a toll or tax under section 9, 10, 12 or 13 fails to pay the tax or to collect and pay the tax, as the case may be, shall be liable to pay a penalty not exceeding the amount of the toll, or tax payable.

15. Application of existing laws.— Where any tax or surcharge imposed by this Act is by way of an addition to or a surcharge on any existing tax imposed by or under an enactment, the procedure provided in such enactment for the assessment, collection and recovery of such tax, shall, so far as applicable, apply to the assessment, collection and recovery of the additional tax or surcharge.

16. Power to amend or vary an Act.— Government may, by notification, make such omission from, additions to, adaptations and modifications of any ²⁸[Punjab Act] as may be necessary for the purpose of the levy and collection of any tax imposed by this Act.

17. Power to make rules.— (1) Government may make rules regarding—

- (i) classification of cinemas for the purposes of section 5;
- (ii) the exemption from, or remission of the whole or any portion of the tax under section 11;
- (iii) the procedure for the collection and payment of any tax or toll levied under this Act;

²⁷Substituted for the words "West Pakistan" by the Punjab Laws (Adaptation) Order, 1974 (P.O. No. 1 of 1974), w.e.f. 14.8.1973, Article 2 and the Schedule; and published in the Punjab Gazette (Extraordinary), dated 20.11.1974, pages 1425-A to 1425-PP.

²⁸Substituted for the words "West Pakistan Act" by the Punjab Laws (Adaptation) Order, 1974 (P.O. No. 1 of 1974), w.e.f. 14.8.1973, Article 2 and the Schedule; and published in the Punjab Gazette (Extraordinary), dated 20.11.1974, pages 1425-A to 1425-PP.

(iv) any other matter incidental thereto.

(2) Any rules made or deemed to have been made under the corresponding provisions of the West Pakistan Finance Act, 1963 (West Pakistan Act No.IX of 1963), shall, so far as may be, be continued and be deemed to have been made under this Act.

FIRST SCHEDULE

(See SECTION 3)

	<i>Surcharge</i>
Where the total land revenue and water rate for irrigation does not exceed Rs. 1,999.	<i>Nil.</i>
Where the total land revenue and water rate for irrigation exceeds Rs. 1,999.	1½ per cent of such total.

SECOND SCHEDULE

(See SECTION 4)

	<i>Surcharge</i>
Where the total land revenue payable does not exceed Rs. 349.	<i>Nil.</i>
Where the total land revenue payable exceeds Rs. 349 but does not exceed Rs. 499.	Rupees twelve.
Where the total land revenue payable exceeds Rs. 499 but does not exceed Rs. 749.	Rupees twenty-four.
Where the total land revenue payable exceeds Rs. 749 but does not exceed Rs. 999.	Rupees fifty.
Where the total land revenue payable exceeds Rs. 999 but does not exceed Rs. 1,999.	Rupees one hundred.
Where the total land revenue payable exceeds Rs. 1,999 but does not exceed Rs. 4,999.	Rupees two hundred and fifty.
Where the total land revenue payable exceeds Rs. 4,999 but does not exceed Rs. 9,999.	Rupees five hundred.
Where the total land revenue payable exceeds Rs. 9,999.	Rupees one thousand.

THIRD SCHEDULE

(See SECTIONS 7 AND 9)

	<i>Surcharge</i>
Freight (goods).	
Where the freight on any consignment does not exceed Rs. 3.	<i>Nil</i>
Where the freight on any consignment exceeds Rs. 3 but does not exceed Rs. 10.	Six paise.
Where the freight on any consignment exceeds Rs. 10 but does not exceed Rs. 25.	Twelve paise.
Where the freight on any consignment exceeds Rs. 25 but does not exceed Rs. 50.	Twenty-five paise.

Where the freight on any consignment exceeds Rs. 50 but does not exceed Rs. 75.	Fifty paise.
Where the freight on any consignment exceeds Rs. 75 but does not exceed Rs. 100.	One rupee.
Where the freight on any consignment exceeds Rs. 100 but does not exceed Rs. 150.	Two rupees.
Where the freight on any consignment exceeds Rs. 150 but does not exceed Rs. 225.	Three rupees.
Where the freight on any consignment exceeds Rs. 225 but does not exceed Rs. 300.	Four rupees.
Where the freight on any consignment exceeds Rs. 300.	Four rupees <i>plus</i> one rupee for every hundred rupees in excess of three hundred rupees of freight.

FOURTH SCHEDULE
(See SECTIONS 7 and 9)

	<i>Amount of tax</i>
Fares (Passengers)–	
On a first class ticket	50 paisa.
On a second class ticket	25 paisa.
On an inter-class ticket	12 paisa.
On a third class or deck ticket	6 paisa.

Provided that no tax shall be levied where the fare does not exceed Rs.3.

²⁹**[FIFTH SCHEDULE**

(see Section 13 of the Punjab Finance Act, 1964)

1. In case of energy supplied by a licensee to consumers of any of the following categories:	Electricity Duty on the amount of the variable charges or the supply charges worked out according to electricity tariff:
(a) Domestic;	1.5 percent
(b) Commercial;	1.5 percent
(c) Industrial undertakings;	1.0 percent
(d) Tubewells for irrigation and agricultural machinery; and	1.0 percent
(e) Premises where the supply of energy by a licensee is un-metered.	1.5 percent
2. In case of energy not supplied by a licensee to consumers of any of the following categories:	Electricity duty per unit
(i) Domestic; and	5.5 Paisa
(ii) Industrial undertakings.	1.5 Paisa

EXPLANATION-I.– “Electricity tariff” means the schedule of tariff made under section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 and notified by the Federal Government for a licensee.

EXPLANATION-II.– Supply charges and variable charges are sale rate per kilowatt hour as a single rate or part of a two part tariff applicable to actual unit consumed by the consumer.

²⁹Substituted by the Punjab Finance Act, 2007 (IV of 2007), w.e.f. 1.7.2007, s.2; and published in the Punjab Gazette (Extraordinary), dated 30.6.2007, pages 5665-5666.

EXPLANATION-III.— Premises which are used wholly or principally for manufacturing processes within the meaning of section 2 of the Factories Act, 1934 shall be deemed to be used for an industrial undertaking.]

SIXTH SCHEDULE

(See SECTION 13)

³⁰[EXEMPTIONS:

- (1) The Federal ³¹[,] Provincial ³²[and Local] Governments, save in respect of premises used for residential purposes.
- (2) Local Authorities in respect of public lighting.
- (3) Mosques, Churches and other places of public worship.]

³⁰Substituted by the Punjab Finance Ordinance, 1980 (VIII of 1980), w.e.f.1.7.1980, s.4 and the third Schedule; and published in the Punjab Gazette (Extraordinary), dated 21.6.1980, pages 631-A to 631-D.

³¹Substituted for the word "and" by the Punjab Finance Act 2003 (XI of 2003), w.e.f. 1.7.2003, s.5; and published in the Punjab Gazette (Extraordinary), dated 28.6.2003, pages1137-1138.

³²Inserted by the Punjab Finance Act 2003 (XI of 2003), w.e.f. 1.7.2003, s.5; and published in the Punjab Gazette (Extraordinary), dated 28.6.2003, pages1137-1138.