

THE PUNJAB FINANCE ACT, 1986
(IV of 1986)

CONTENTS

1. **Short title, extent and commencement**
2. **Amendment of Stamp Act 1899 (II of 1899)**
3. **Repeal of section 16 of Act IX of 1963**

TEXT

'THE PUNJAB FINANCE ACT, 1986 (IV of 1986)

[14th June, 1986]

An Act

to continue and levy certain taxes and fees in the Province of the Punjab

Preamble.— WHEREAS it is expedient to continue and levy certain taxes and fees in the Province of the Punjab;

It is hereby enacted as follows:—

1. Short title, extent and commencement.— (1) This Act may be called the Punjab Finance Act, 1986.

(2) It extends to whole of the Province of the Punjab.

(3) It shall come into force at once.

2. Amendment of Stamp Act 1899 (II of 1899).— In the Stamp Act, 1899 (II of 1899)—

(i) after the existing Section 27, the following new Section 27-A shall be added:—

“27-A. Valuation of Urban Land— (1) Where any instrument chargeable with ad valorem duty under sub-article (b) of article 23 or sub-article (b) of article 31 of Schedule 1, relates to land only or land with any building or structure thereon, the value of the land shall be calculated according to the valuation table notified by the Collector in respect of land situated in the area or locality concerned.

(2) Where an instrument, mentioned in sub-section (1), relates to land with building or structure thereon, it shall state the value of the land and the building or structure separately and the value of the building or structure so stated shall, subject to the provisions contained in this Act, be accepted.

(3) Where the value of land stated in an instrument to which sub-section (1) applies is more than the value fixed according to the valuation table, the value declared in the instrument shall be accepted as value for the purposes of duty.

(4) Where the value given in the valuation table notified under sub-section (1), when applied to any land, appears to be excessive, the Commissioner may, on application made to him by the

¹This Act was passed by the Punjab Assembly on 5th June, 1986; assented to by the Governor of the Punjab on 14th June, 1986; and, was published in the Punjab Gazette (Extraordinary), dated 14th June, 1986, Pages 1307-1310.

aggrieved person, determine its correct value and for that purpose the provisions of section 31 and section 32 shall apply *mutatis mutandis*.”

(ii) In Schedule 1, for 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 rupees one hundred or part thereof of the value of the land. |
| (b) | In case of immovable property in an urban area: | Rupees eight and a half for every rupees one hundred or part thereof of the value of the property. |
| (c) | In any other case: | Rupees five and a half for every rupees one hundred or part thereof of the value of the property. |

Explanation I.– For the purpose of sub-article (b)–

(1) “urban areas” shall mean–

- | | |
|------|--|
| (i) | an area specified by Government under section 3 of the Punjab Urban Immovable Property Tax Act, 1958; and |
| (ii) | any built up area including land situated within or adjoining such area, specified by notification by the Government to be an urban area for the purpose of this clause. |

Explanation.– For the purpose of sub-clause (ii), “built up area” shall mean land which is occupied as site of a building or enclosure and is not used for agricultural purpose or a purpose subservient to agriculture.

(2) Duty chargeable in respect of instruments relating to property in an urban area specified by the Government under clause (1) shall be effective from the date such area is specified as urban area.

Explanation II.– Any reference in Schedule 1 to article 23 shall mean a reference to sub-articles (a) and (c) only.”

(iii) In Schedule 1, for article 31, the following shall be substituted–

“**31. EXCHANGE OF PROPERTY**– Instrument of–

- | | | |
|-----|--|---|
| (a) | When executed in respect of agricultural land: | One rupee for every rupees one hundred or part thereof of the value of the property. |
| (b) | When executed in respect of immovable property in an urban area as defined in No.23: | Rupees eight for every rupees one hundred or part thereof of the value of the property. |
| (c) | In any other case: | Rupees five for every rupees one hundred or part thereof of the value of the property.” |

3. Repeal of section 16 of Act IX of 1963.– Section 16 of the Punjab Finance Act, 1963 (IX of 1963) is repealed.