

THE PUNJAB FINANCE ACT 2022
(IX of 2022)

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TEXT

**THE PUNJAB FINANCE ACT 2022
(IX OF 2022)**

[24 June 2022]

An
Act

to levy, alter and rationalize certain taxes and duties.

It is necessary in public interest to levy, alter and rationalize certain taxes 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 2022.

- (2) This Act extends to whole of the Punjab.
- (3) This Act shall come into force on the first day of July 2022.

2. Amendment of Act II of 1899.- In the Stamp Act, 1899 (II of 1899), in SCHEDULE I:

- (a) in Article 18, in column 3, against clause (a) in column 2, for the word “One”, the word “Two” shall be substituted;
- (b) in Article 23, in column 3:
 - (i) against clause (a) in column 2, for the word “One”, the word “Two” shall be substituted; and
 - (ii) the existing “**Note**” shall be renumbered as “**Note-I**”, and the following “**Note-II**” shall be added:

“**Note-II:** The rate of the stamp duty shall be 0.5 percent of the value of a property to be transferred to a Real Estate Investment Trust (**REIT**), and the rate of the stamp duty shall be one percent of the value of a property which is to be transferred by REIT to the end users.

Explanation. The term “value” means the real value but not below the one prescribed in valuation table issued under section 27-A of this Act.”;

- (c) in Article 27-A, in column 3, against clause (a) in column 2, for the word “One”, the word “Two” shall be substituted;
- (d) in Article 31, in column 3:
 - (i) against clause (a) in column 2, for the word “One”, the word “Two” shall be substituted; and

¹This Act was passed by Provincial Assembly of the Punjab on 24 June 2022; assented to by the Governor of the Punjab on 24 June 2022; and, was published in the Punjab Gazette (Extraordinary), dated: 24 June 2022, pp. 6339-6345.

- (ii) against clause (c) in column 2, for the word “One”, the word “Two” shall be substituted;
- (e) in Article 33, in column 3, against clause (a) in column 2, for the word “One” occurring twice, the word “Two” shall be substituted;
- (f) in Article 55, in column 3:
 - (i) against sub-clause (i) of clause (a) in column 2, for the figure “1”, the figure “2” shall be substituted; and
 - (ii) against sub-clause (i) of clause (b) in column 2, for the figure “1”, the figure “2” shall be substituted.
- (g) in Article 63, in column 3, against clause (i) in column 2, for the word, “One”, the word “Two” shall be substituted; and
- (h) in Article 63-A, in column 3, for the word, “One” the word “Two” shall be substituted.

3. Amendment of Act XXXII of 1958.- In the Punjab Motor Vehicles Taxation Act, 1958 (XXXII of 1958):

- (a) in section 3, after subsection (3), the following new subsection (4) shall be added:

“(4) For the purposes of calculation of the tax in respect of electric vehicles, 1 kilowatt shall be equal to engine power of 18.77 cc.”; and
- (b) in the SCHEDULE, at S.No.4, in column 2, the existing **Explanation** shall be omitted.

4. Amendment of Act XLII of 2012.- In the Punjab Sales Tax on Services Act 2012 (XLII of 2012):

- (a) in section 16A, in subsection (1), for the words “payment of the tax amount for a transaction exceeding value of fifty thousand rupees”, the words “payment of amounts of one or more transactions made to the same person in one tax period where the aggregate of such amounts exceeds fifty thousand rupees including the amount of sales tax but excluding any payments made on account of utilities” shall be substituted;
- (b) in section 16C, in subsection (1), for the word “eighty”, the word “ninety” shall be substituted;
- (c) in section 24:
 - (i) in subsection (2), after the words “the assessment relates”, the words “for tax periods ending before 1st of July 2022, and within five years from the end of the financial year in which the tax period to which the assessment relates falls for tax periods ending on or after 1st July 2022” shall be inserted;
 - (ii) for subsection (3), the following shall be substituted:

“(3) An order under subsection (1) shall be made within one year from the end of the financial year in which the show cause notice is issued.”; and

- (iii) in subsection (4), the words “or the time taken through adjournments by the person” shall be omitted;
- (d) in section 27, in subsection (3), for the words “The Authority may, by notification in the official Gazette”, the words, “The Commissioner may, by an order in writing” shall be substituted;
- (e) in section 32, in subsection (1), after the words “eight years after the end of the tax period to which such record or documents relate”, the words “for tax periods before July 2022, and six years from the end of the financial year to which such record or documents relate for tax periods after 1st July 2022” shall be inserted;
- (f) in section 48, in the Table:
 - (i) at S.No.3, in column 3, in clause (a), for the full stop at the end, a colon shall be substituted, and thereafter the following proviso shall be inserted:

“Provided that if the amount of tax or any part thereof is paid within ten days from the due date, the defaulter shall pay a penalty of five hundred rupees for each day of default.”;
 - (ii) at S.No.4, in column 3, the following shall be substituted:

“Such person shall be liable to pay a penalty which may range from ten thousand rupees to one hundred thousand rupees or five percent of the total tax payable for the period for which he has failed to maintain the required record, whichever is higher.”;
 - (iii) at S.No.5:
 - (1) in column 2, for the full stop at the end of the existing provision, a colon shall be substituted, and thereafter, the following proviso shall be added:

“Provided that if the record is not produced despite issuance of three notices, it shall be considered as sufficient evidence that the person has failed to maintain the record.”; and
 - (2) in column 3, for the existing provision, the following shall substituted:

“Such person shall pay a penalty of twenty five thousand rupees for the first default and one hundred thousand rupees for each subsequent default.”;
 - (iv) at S.No.6, in column 2, in clause (c), for the full stop at the end, the expression “; or” shall be substituted, and thereafter, the following new clause (d) shall be added:

“(d) fails to pay, recover, or deposit the actual amount of tax, or claims inadmissible tax credit or adjustment or deduction or refund.”;
 - (v) at S.No.6, in column 3, for the words “twenty five”, the word “fifty” shall be substituted;

- (vi) at S.No.9, in column 3, for the words “twenty five”, the words “one hundred”, and for the words “ten percent of”, the words “equal to” shall be substituted;
- (vii) at S.No.11, in column 3, for the words “five thousand rupees or three per cent of the tax payable for the tax period to which the offence relates”, the words “ten thousand rupees or five per cent of the amount of tax involved” shall be substituted;
- (viii) at S.No.12, in column 3, for the word “three”, the word “five” shall be substituted;
- (ix) at S.No.18, in column 2, for the words “branches etc. within fourteen days”, the words “business bank account, changes in taxable / economic activity etc. in accordance with the requirements prescribed under this Act and rules made thereunder within fourteen days of such change” shall be substituted;
- (x) at S.No.18, in column 3, for the existing provision, the following shall be substituted:

“Such person shall be liable to a penalty which may range from fifty thousand rupees to one hundred thousand rupees.”;
- (xi) at S.No.21, in column 3, for the existing provision, the following shall be substituted:

“Such person shall be liable to pay a penalty of twenty thousand rupees on first default and fifty thousand rupees for each subsequent default:

Provided that in case of three defaults, the business premises of such person may be liable to sealing for a period which may extend to one month.”; and
- (xii) after S.No.21, the following shall be added:

“22	Where any person unauthorizedly issues an invoice in which an amount of tax is specified.	Such person shall be liable to pay a penalty of ten thousand rupees per invoice or five percent of the amount of tax involved, whichever is higher.	30
23	Where a bank fails to attach, or delays in attaching the bank account of a person, specified in the notice issued by an officer of the Authority, from whom tax is sought to be recovered, or fails to pay or	Such bank shall be liable to pay a penalty of one hundred thousand rupees or one hundred percent of the tax sought to be recovered, whichever is higher. The concerned manager or officer in-charge of such bank shall further be liable, upon conviction by a Special Judge, to imprisonment, which may	70

	delays payment of such amount.	extend to one year or with fine, which may extend to an amount equal to the amount of tax sought to be recovered or with both.	
24	Where any person refuses to receive any notice or order issued by an officer of the Authority.	Such person shall be liable to pay a penalty of fifty thousand rupees or one hundred percent of the tax payable for the tax period to which the offence relates, whichever is higher.	78” .

(g) in section 52:

- (i) in subsection (1), after the words “eight years of the relevant tax period”, the words “for periods before 1st of July 2022 and within five years from the end of the financial year in which the relevant tax period falls for tax periods after 1st July 2022,” shall be inserted;
- (ii) in clause (a) of subsection (2), after the words “eight years of relevant tax period”, the words “for periods before 1st of July 2022 and within five years from the end of the financial year in which the relevant tax period falls for tax periods after 1st July 2022,” shall be inserted;
- (iii) in clause (b) of subsection (2), for the words “eight years of the receipt of such refund”, the words “five years from the end of the financial year in which the refund was received” shall be substituted;
- (iv) for subsection (4), the following shall be substituted:
“(4) Any order under subsection (3) shall be made within one year from the end of the financial year in which the show cause notice is issued.”; and
- (v) in subsection (5), the words “or the time taken through adjournments by the petitioner not exceeding thirty days” shall be omitted;

(h) in the SECOND SCHEDULE:

- (i) at S.No.6, in column 2, the expression “EXCLUDING: internet services, whether dialup or broadband including email services, data communication network services (DCNS) and value added data services when the charges do not exceed Rs.1500/- per month per student” shall be omitted;
- (ii) at S.No.22, in column 2, at the end, the following explanation shall be inserted:
“Explanation: This entry includes and shall be deemed to have always included real estate aggregators.”; and

(iii) at S.No.69, in column 2, at the end, the following explanation shall be inserted:

“Explanation: This entry includes and shall be deemed to have always included cab aggregators.”.

5. Amendment of Act XVII of 2014.- In the Punjab Finance Act 2014 (XVII of 2014), in the FIRST SCHEDULE:

- (a) in the third row of the first column, after the words “Headquarters District”, the expression “(other than Lahore)” shall be inserted;
- (b) in the third column, for the heading “**Rate of Tax**”, the heading “**Rate of Tax on Residential Houses with completion of construction from 01.01.2001 to 30.06.2022**” shall be substituted; and
- (c) after the third column, the following new fourth column shall be added:

“Rate of Tax on Residential Houses with completion of construction from 01.07.2022	
(1)	Rs.300,000/- per Kanal subject to a maximum of Rs.2,500,000/-
(2)	Rs.400,000/- per Kanal subject to a maximum of Rs.4,000,000/-
(1)	Rs.200,000/- per Kanal subject to a maximum of Rs.1,800,000/-
(2)	Rs.300,000/- per Kanal subject to a maximum of Rs.3,500,000/-
(1)	Rs.125,000/- per Kanal subject to a maximum of Rs.1,500,000/-
(2)	Rs.225,000/- per Kanal subject to a maximum of Rs.2,500,000/-”.

6. Special relaxations for financial year 2022-23.- (1) Notwithstanding anything contained in sections 3 and 12 of the Punjab Urban Immovable Property Tax Act, 1958 (V of 1958), for the financial year 2022-23:

- (a) discount equal to five percent of the tax being paid shall be allowed on payment of tax through e-payment system;
- (b) The tax shall be paid on yearly basis or half yearly basis as the assessee may choose on the such later date as the Government may, by notification, determine; and
- (c) for financial year 2022-23, the tax shall be collected as follows:
 - (i) in first quarter with five percent rebate in the amount of annual tax;
 - (ii) in second quarter, the amount of annual tax without any rebate; and
 - (iii) in third and fourth quarters, the amount of annual tax with one percent surcharge per month on the gross payable tax.

(2) Notwithstanding anything contained in sections 3 and 9 of the Punjab Motor Vehicle Taxation Act, 1958 (XXXII of 1958), for the financial year 2022-23:

- (a) discount equal to five percent of the tax being paid shall be allowed on payment of tax through e-payment system; and
 - (b) for financial year 2022-23, the tax shall be collected as follows:
 - (i) in first quarter with ten percent rebate in the amount of annual tax;
 - (ii) in second quarter, the amount of annual tax without any rebate; and
 - (iii) in third and fourth quarters, the amount of annual tax with such penalty as may be determined under section 9.
- (3) This section shall remain in force till 30th day of June 2023.