

**THE PUNJAB FINANCE ACT, 1963**  
**(IX of 1963)**

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**TEXT**

**<sup>1</sup>THE <sup>2</sup>[PUNJAB] FINANCE ACT, 1963  
(IX of 1963)**

[<sup>1st</sup> July, 1963]

**An  
Act**

*to continue, levy and abolish certain taxes and duties in <sup>3</sup>[the Punjab].*

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

It is hereby enacted as follows:—

**1. Short title, commencement and extent.**— (1) This Act may be called the <sup>5</sup>[Punjab] Finance Act, 1963.

(2) It shall come into force on and from the first day of July, 1963.

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

**2. Definitions.**— In this Act—

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

(b) “Government” means the <sup>7</sup>[Provincial Government of the Punjab];

(c) “revenue year” means the revenue year as defined in the Sind Land Revenue Code, 1879 (Sind Act, V of 1879).

<sup>8</sup>[3. *Surcharge on land revenue in certain districts.*—\* \* \* \* \* ]

<sup>9</sup>[4. <sup>10</sup>[*Development cess*].—\* \* \* \* \* ]

<sup>1</sup>This Act was passed by the West Pakistan Assembly on 29th June, 1963, assented to by the Governor of West Pakistan on 30th June 1963; and, published in the West Pakistan Gazette (Extraordinary), dated 1st July, 1963, pages 2873-84. For statement of objects and reasons, see Gazette of West Pakistan, 1963 (Extraordinary), p.2544.

<sup>2</sup>Substituted 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.

<sup>3</sup>Substituted 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.

<sup>4</sup>Substituted 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.

<sup>5</sup>Substituted 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.

<sup>6</sup>Substituted 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.

<sup>7</sup>Substituted for the words “Government of 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.

<sup>8</sup>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.

**5. 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 <sup>11</sup>[\* \* \*], Campbellpur, Dera Ghazi Khan, Gujranwala, Gujrat, Jhelum, Jhang, Lahore, Lyallpur<sup>12</sup>, Mianwali, Montgomery, Multan, Muzaffargarh, Rawalpindi, Sargodha, Sheikhpura and Sialkot, on the land revenue payable in the agricultural year 1962-63, an additional amount of agricultural income-tax by way of surcharge at the rates specified in the Second Schedule to this Act.

(2) The provisions of <sup>13</sup>[the] <sup>14</sup>[\* \* \*] 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.

<sup>15</sup>**[5-A. Amendment of Schedule I to Act II of 1899.**— Until the 30th June, 1964, Schedule I to the Stamp Act, 1899 (Act II of 1899), shall have effect as if—

(a) in Article I for the entries in the first and second columns, the following were substituted, namely:—

“ACKNOWLEDGMENT<sup>16</sup> of a debt exceeding twenty rupees in amount or value written or signed by, or on behalf of, a debtor in order to supply evidence of such debt in any book (other than a banker’s pass book) or on a separate piece of paper, when such book or paper is left in the creditor’s possession; provided that such acknowledgment does not contain any promise to pay the debt or any stipulation to pay interest or to deliver any goods or other property—

- |      |   |             |
|------|---|-------------|
| (i)  | if the amount or value does not exceed one hundred rupees | 12 paise.   |
| (ii) | in other cases  | 25 paise.”; |

(b) in Article 53 for the entries except the exemptions in the first and second columns the following were substituted, namely:—

“RECEIPT (as defined by section 2(23) for any money or other property the amount or value of which—

- |     |   |           |
|-----|---|-----------|
| (i) | exceeds twenty rupees but does not exceed | 12 paise. |
|-----|---|-----------|

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<sup>9</sup>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.

<sup>10</sup>Not printed in the Gazette.

<sup>11</sup>Deleted 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.

<sup>12</sup>Now ‘Faisalabad’.

<sup>13</sup>Not substituted by the amending Law and may be read once.

<sup>14</sup>Deleted the words and brackets “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.

<sup>15</sup>Inserted by the West Pakistan Finance (Amendment) Ordinance, 1963 (XXVI of 1963), s.2; and published in the Gazette of West Pakistan (Extraordinary), dated 31.8.1963, pages 3555-3556.

<sup>16</sup>Any acknowledgment receipt executed on or after the first day of July 1963, but before the coming into operation of by the West Pakistan Finance (Amendment) Ordinance, 1963 (XXVI of 1963) in respect of which duty has been properly paid under Schedule I to the Stamp Act, 1899 (Act II of 1899), as if the amendment had not been made shall be deemed to have been validly stamped and the deficiency in stamp duty, if any, shall not be recovered, see *ibid.*, section 2(2).

- one hundred rupees
- (ii) in other cases 25 paisa.”.]

**6. 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 1963-64:—

- |       |   |                      |
|-------|---|----------------------|
| (i)   | In the case of a cinema classed as 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.  |

**7. Tax on callings, professions, etc.**— There shall be levied and collected from the following classes of persons a tax of the amount specified against each for the financial year 1963-64:—

<i><b>Class of persons</b></i>	<i><b>Amount of tax</b></i>
(i) Legal practitioners of not less than five years standing.	Twenty rupees.
(ii) Income-tax practitioners.	Twenty rupees.
(iii) Clearing agents, licensed or approved as Custom House Agents.	One hundred rupees.
(iv) Contractors supplying goods, commodities and services to the <sup>17</sup> [Federal] Government or the Provincial Government or any Local Authority.	Two hundred rupees or one hundred rupees or fifty rupees according to classification.

**8. Tax on Trades, Import and Export Licences.**— (1) For the financial year 1963-64 there shall be levied and collected from every person engaged in the import and export trade who holds a licence issued under the Imports and Exports (Control) Act, 1950 (Act XXXIX of 1950), a tax on the value of the goods imported or, as the case may be, exported against such licence, according to the scale set out in the Third Schedule to this Act.

(2) Government may, by a notification in the official Gazette, exclude any class of licence issued as aforesaid from the purview of sub-section (1) or, by a general or a special order in writing, exempt a person holding such licence from the payment of the whole or a part of the tax payable by him in respect of the goods imported or exported against such licence.

<sup>17</sup>Substituted for the word "Central" 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.

**9. 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 1963-64:—

- (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.

**10. Tax on railway fares and freights.**— Until the 30th day of June, 1964 there shall be levied and paid on railway fares and freights a tax according to the scale set out in the Fourth and Fifth Schedules to this Act.

<sup>18</sup>[11. *Tolls on vessels plying in inland waters.*— \* \* \* \* \* ]

<sup>19</sup>[12. *Toll on fares and freights on inland traffic by vessels.*— \* \* \* \* \* ]

<sup>20</sup>[13. *Surcharge on Betting Tax.*— \* \* \* \* \* ]

<sup>21</sup>[14. *Enhanced tax on motor vehicles.*— \* \* \* \* \* ]

**15. Primary Education Surcharge.**— (1) For the financial year 1963-64, a tax, called the Primary Education Surcharge, shall be levied on and collected from all persons who use the amenities and entertainment provided by any residential hotel.

**Explanation**— For the purposes of this section residential hotel shall mean a hotel as is equipped with a liquor bar and possesses not less than twenty-five rooms for lodging.

(2)(a) The surcharge shall be calculated at 13<sup>1</sup>/<sub>3</sub> per cent of the amount charged by the management on account of the amenities and entertainment provided by the hotel.

(b) The charge on account of amenities and entertainment shall include the charge on account of sale of liquor consumed in the hotel, and service charges, if any.

(c) The charge on account of amenities and entertainment shall be calculated at 75 per cent of the gross amount charged by the hotel, the remaining 25 per cent being deemed to be the charge on account of foodstuffs and manufactured goods sold.

(3) The surcharge shall be shown as a separate item in the hotel bill and shall be collected by the owner or the management of the hotel and paid to Government.

<sup>18</sup>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.

<sup>19</sup>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.

<sup>20</sup>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.

<sup>21</sup>Repealed by the West Pakistan Finance Act, 1965 (I of 1965), w.e.f. 1.7.1965, s.11; and published in the Gazette of West Pakistan (Extraordinary), dated 1.7.1965, pages 3381-3394.

(4) For the purposes of this section, Government may notify a list of such hotels as fulfil conditions mentioned in the explanation below sub-section (1).

(5) Government may, from time to time, by notification add to, delete or modify the entries in the list mentioned in sub-section (4).

<sup>22</sup>[16. *Capital gains tax.*— \* \* \* \* \* ]

**17. Penalty.**— If the person who is responsible for the payment of the toll or tax under section 7, 8, 11 or 16 or for the collection and payment of a toll or tax under section 12 or 15 fails to pay the tax or to collect and pay the tax, as the case may be, he shall be liable to pay a penalty not exceeding the amount of the toll, or tax payable.

**18. 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.

**19. Power to amend or vary an Act.**— Government may, by notification, make such omissions from, additions to, adaptations and modifications of any <sup>23</sup>[Punjab Act] as may be necessary for the purpose of the levy and collection of any tax imposed by this Act.

**20. <sup>24</sup>[Rules].**— (1) Government may make rules regarding—

- (i) classification of cinemas for the purposes of section 6;
- (ii) classification of contractors for the purposes of section 7;
- (iii) the procedure for the collection and payment of any tax or toll levied under this Act;
- (iv) any other matter incidental thereto.

(2) Any rules made or deemed to have been made under the corresponding provisions of the <sup>25</sup>[Punjab Finance Act], 1962 (West Pakistan Act No. I of 1962) shall, so far as may be, be continued and be deemed to have been made under this Act.

## FIRST SCHEDULE

(See SECTION 3)

### Surcharge

Where the total land revenue and water rate for Nil

<sup>22</sup>Repealed by the Punjab Finance Act, 1986 (IV of 1986), w.e.f.14.6.1986, s.3; and published in the Punjab Gazette (Extraordinary), pages 1307-1308.

<sup>23</sup>Substituted 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.

<sup>24</sup>Not printed in the Gazette.

<sup>25</sup>Substituted for the words "West Pakistan Finance 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.

irrigation does not exceed Rs. 1,999

Where the total land revenue and water rate for irrigation exceeds Rs. 1,999.

1½ per cent of such total.

## **SECOND SCHEDULE** (See SECTION 5)

Where the total land revenue payable does not exceed Rs. 349

Where the total land revenue payable exceeds Rs. 349 but does not exceed Rs. 499

Where the total land revenue payable exceeds Rs. 499 but does not exceed Rs. 749

Where the total land revenue payable exceeds Rs. 749 but does not exceed Rs. 999

Where the total land revenue payable exceeds Rs. 999 but does not exceed Rs. 1,999

Where the total land revenue payable exceeds Rs. 1,999 but does not exceed Rs. 4,999

Where the total land revenue payable exceeds Rs. 4,999 but does not exceed Rs. 9,999

Where the total land revenue payable exceeds Rs. 9,999

### *Surcharge*

Nil

Rupees twelve.

Rupees twenty-four.

Rupees fifty.

Rupees one hundred.

Rupees two hundred and fifty.

Rupees five hundred.

Rupees one thousand.

## **THIRD SCHEDULE** (See SECTION 8)

When the licence is for an amount not exceeding Rs. 4,999

When the licence is for an amount exceeding Rs. 4,999 but not exceeding Rs. 9,999

When the licence is for an amount exceeding Rs. 9,999 but not exceeding Rs. 19,999

When the licence is for an amount exceeding Rs. 19,999 but not exceeding Rs. 49,999

When the licence is for an amount exceeding Rs. 49,999 but not exceeding Rs. 99,999

When the licence is for an amount exceeding Rs. 99,999

### *Amount of tax*

Nil.

Rupees ten.

Rupees fifty.

Rupees one hundred and fifty.

Rupees five hundred.

Rupees one thousand.

## **FOURTH SCHEDULE** (See SECTIONS 10 AND 12)

Freights (goods)–

Where the freight on any consignment does not exceed Rs. 3

Where the freight on any consignment exceeds Rs. 3 but does not exceed Rs. 10

Where the freight on any consignment exceeds Rs. 10 but does not exceed Rs. 25

### *Surcharge*

Nil.

Six paise.

Twelve paise.

Where the freight on any consignment exceeds Rs. 25 but does not exceed Rs. 50	Twenty-five paisa.
Where the freight on any consignment exceeds Rs. 50 but does not exceed Rs. 75	Fifty paisa.
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.

**FIFTH SCHEDULE**  
(See SECTIONS 10 AND 12)

	<i>Amount of tax</i>
Fares (Passenger)–	
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.

**SIXTH SCHEDULE**  
(See Section 14)

1. For Article 3 of the Schedule attached to the <sup>26</sup>[Punjab] Motor Vehicles Taxation Act, the following shall be substituted:–

“3. Motor vehicles used for the transport or haulage of goods or materials (including tri-cycles weighing more than 8 cwts. in unladen weight)–

	Rs.
(a) Electrically propelled but not exceeding 25 cwts. in unladen weight	35.00
(b) Vehicles other than such electrically propelled vehicles as aforesaid, not exceeding 12 cwts. in unladen weight	25.00
(c) All vehicles with maximum laden capacity up to 5,000 lbs. (including delivery vans)	120.00

<sup>26</sup>Substituted 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.

(d)	Vehicles with maximum laden capacity exceeding 5,000 lbs. but not exceeding 8,960 lbs.	240.00
(e)	Vehicles with maximum laden capacity exceeding 8,960 lbs. but not exceeding 13,440 lbs.	400.00
(f)	Vehicles with maximum laden capacity exceeding 13,440 lbs. but not exceeding 17,920 lbs.	800.00
(g)	Vehicles with maximum laden capacity exceeding 17,920 lbs.	1,200.00
(h)	Extra charges for trailer,	100.00"

2. In Article 5, for entries (b) and (c), the following shall be substituted:–

"(b)	Other vehicles seating not more than 4 persons	240.00
(c)	Other vehicles seating more than 4 but not more than 6 persons	300.00"

3. In Article 6, for entries (b) and (c), the following shall be substituted:–

"(b)	Other vehicles seating not more than 4 persons	240.00
(c)	Other vehicles seating more than 4 but not more than 6 persons	300.00"

4. For Article 7, the following shall be substituted:–

"7. Motor Vehicles other than those liable to tax under the foregoing provision of this schedule–

(a)	Seating not more than one person	60.00
(b)	Seating not more than three persons	110.00
(c)	Seating not more than four persons	150.00
(d)	Seating more than four persons–for every additional person that can be seated.	40.00

*Note*–Station wagons used for private purposes shall be taxed under Article 7".

**SEVENTH SCHEDULE**  
(See SECTION 16)

<sup>27</sup> [Amount of gains	Rate of tax
Upto Rs. 10,000.00	Nil.
On the next Rs. 20,000.00	5 per cent.
On the next Rs. 70,000.00	10 per cent.
On the next Rs. 1,00,000.00	15 per cent.
On any amount exceeding Rs. 2,00,000.00	20 per cent.]

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<sup>27</sup>Substituted by the Punjab Finance Ordinance, 1980 (VIII of 1980), w.e.f.1.7.1980,s.2 and the first Schedule; and published in the Punjab Gazette (Extraordinary), dated 21.6.1980, pages 631-A to 631-D.