

THE PUNJAB FINANCE ACT, 1965
(I of 1965)

CONTENTS

1. Short title, commencement and extent
2. Definitions
3. Surcharge on agricultural income-tax in certain districts
4. Repealed
5. Tax on cinemas
6. Tax on motor vehicles
7. Repealed
8. Repealed
9. Tax on railway fares and freights
10. Repealed
11. Repealed
12. Omitted
13. Amendment of W.P. Act IX of 1963
14. Penalty
15. Bar of suits in Civil Courts
16. Application of existing laws
17. Power to amend or vary an Act
18. Power to make rules

SCHEDULES

1. FIRST SCHEDULE
2. SECOND SCHEDULE
3. THIRD SCHEDULE
4. FOURTH SCHEDULE

TEXT

¹THE ²[PUNJAB] FINANCE ACT, 1965 (I of 1965)

[^{1st} July, 1965]

An Act

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

Preamble.— 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, 1965.

(2) It shall come into force on and from the 1st day of July, 1965.

(3) It shall extend, unless otherwise specified here-in-after, 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) “Government” means the ⁷[Provincial Government of the Punjab];

(b) “Collector” means the Collector of the District and includes any officer appointed under any law for the time being in force relating to land-revenue, to discharge the duties of a Collector;

(c) “prescribed” means prescribed by rules made under this Act.

3. Surcharge on Agricultural Income-Tax in certain Districts.— (1) There shall be levied and collected from every owner of land which is assessed to

¹This Act was passed by the West Pakistan Assembly on 30th June, 1965; assented to by the Governor of West Pakistan on 30th June, 1965; and, published in the West Pakistan Gazette (Extraordinary), dated 1st July, 1965, pages 3381-95.

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.

⁷Substituted 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.

agricultural income-tax in the Districts of ⁸[* * *], Campbellpur, Dera Ghazi Khan, Gujranwala, Gujrat, Jhelum, Jhang, Lahore, Lyallpur⁹, Mianwali, Montgomery, Multan, Muzaffargarh, Rawalpindi, Sargodha, Sheikhpura and Sialkot, on the land-revenue payable in the agricultural year, 1964-65, and additional amount of agricultural income-tax by way of surcharge at the rates specified in the First Schedule.

Explanation.— For purposes of this section “agricultural year” means the agricultural year as defined in the Punjab Land Revenue Act, 1887¹⁰.

(2) The provisions of ¹¹[* * *] the Punjab Agricultural Income-Tax Act, 1951, shall, so far as may be, apply to the assessment, collection and recovery of the surcharge imposed under this section.

¹²[4. *Agricultural Income-Tax in certain Districts.*— * * * * *]

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, 1965-66:—

- | | | |
|-------|---|----------------------|
| (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, 1965-66:—

- | | | |
|------|---|---------------------|
| (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. |

¹³[7. *Toll on fares and freights on inland traffic by vessels.*— * * * * *]

⁸Deleted 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.

⁹Now ‘Faisalabad’

¹⁰XVII of 1887, since repealed by the Punjab Land Revenue Act, 1967.

¹¹Deleted the words “the North-West Frontier Province Agricultural Income-Tax Act, 1948, and” 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.

¹²Deleted 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.

¹³Deleted 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.

¹⁴[8. *Tolls on vessels plying in inland waters.*— * * * * *]

9. Tax on railway fares and freights.— Until the 30th day of June, 1966, there shall be levied and paid on railway fares and freights a tax according to the scale set out in the Third Schedule.

¹⁵[10. *Levy of additional Stamp Duty.*— * * * * *]

¹⁶[11. *Enhanced tax on motor vehicles.*— * * * * *]

¹⁷[12. *Tax on hotels.*— * * * * *]

13. Amendment of West Pakistan Act IX of 1963.— For sub-section (1) of section 16 of the West Pakistan Finance Act, 1963, the following sub-section shall be substituted, namely:—

“(1) A capital gains tax shall be levied on any profits or gains arising from the sale, exchange or transfer of immovable property effected after the thirtieth day of June, 1963¹⁸, within—

- (a) urban areas specified by Government under section 3 of the West Pakistan Urban Immovable Property Tax Act, 1958; and
- (b) such other urban areas as may be specified by Government under sub-section (I-A):

Provided that the tax in respect of property in the urban areas specified by Government under clause (a) or clause (b) on or after the first day of July, 1963, shall be levied on the profits or gains arising from the sale, exchange or transfer of the property effected after the date such areas are so specified as urban areas:

Provided further that the tax shall not be levied on the transfer of immovable property in consequence of the distribution of immovable property on the total or partial partition of a Hindu undivided family or the distribution of such property on the dissolution of a firm or other association of persons or on the liquidation of a company or under a deed of gift, bequest, will or transfer on irrevocable trust.

(1-A) Government may, by notification in the Official Gazette, specify any built-up area, including land situated within or adjoining such area, to be an urban area for the purposes of this section.

¹⁴Deleted 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.

¹⁵Repealed by the Punjab Finance Act, 1975 (XL of 1975), w.e.f.1.7.1975, s.4; and published in the Punjab Gazette (Extraordinary), dated 28.6.1975, pages

¹⁶Repealed by the Punjab Finance Ordinance, 1971 (XI of 1971), w.e.f.1.7.1971, s.8; and published in the Punjab Gazette (Extraordinary), pages

¹⁷Omitted by the Punjab Finance Act 2014 (XVII of 2014), w.e.f.1.7.2014, s.5; and published in the Punjab Gazette (Extraordinary), dated 26.6.2014, pages

¹⁸W.P.Act v of 1958.

Explanation.— For the purposes of this section, “built-up area” shall mean land which is occupied as the site of a building or enclosure and is not used for an agricultural purpose or purposes subservient to agriculture.”.

14. Penalty.— If the person who is responsible for the payment of the toll or tax under section 5, section 8 or section 12, or for the collection and payment of a toll or tax under section 7, fails to pay the toll or tax, as the case may be, he shall be liable to pay a penalty not exceeding the amount of the toll or tax payable.

15. Bar of suits in Civil Courts.— No suit shall lie in any Civil Court to set aside or modify any assessment of tax or toll made under this Act and the rules made thereunder.

16. 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 in force in ¹⁹[the Punjab], 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.

17. Power to amend or vary an Act.— Government may, by notification in the Official Gazette, make such omissions from, additions to, adaptations and modifications of any ²⁰[Punjab] Act as may be necessary for the purpose of the levy and collection of any tax imposed by this Act.

18. Power to make rules.— (1) Government may make rules for carrying into effect the purposes of this Act.

(2) Without prejudice to the generality of the foregoing provision, such rules may provide for all or any of the following matters, namely:—

- (i) the procedure for the assessment, collection and payment of any tax or toll levied under this Act;
- (ii) the classification of hotels for the purposes of section 12;
- (iii) any other matter incidental thereto.

(3) Any rules made or deemed to have been made under the corresponding provisions of the ²¹[Punjab] Finance Act, 1964²², shall, so far as may be, be continued and be deemed to have been made under this Act.

¹⁹Substituted 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.

²⁰Substituted 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.

²¹Substituted 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.

²²West Pakistan XXXIV of 1964.

FIRST SCHEDULE

(See section 3)

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

SECOND SCHEDULE

(See section 4)

Slab of total land-revenue	Amount of tax in respect of each slab.
Upto Rs. 450	Nil.
More than Rs. 450 but not more than Rs. 1,250	One-fourth of the land-revenue.
More than Rs. 1,250 but not more than Rs. 3,500	One-half of the land-revenue.
More than Rs. 3,500 but not more than Rs. 9,000	Equal to land-revenue.
More than Rs. 9,000	One and a half of the land-revenue.

THIRD SCHEDULE

(See sections 7 and 9)

PART I

Freight (goods)	Surcharge
Where the freight on any consignment does not exceed Rs.3.	Nil.
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 plus one rupee for every hundred rupees in excess of three hundred rupees of freight.

PART II

Fares (passengers)	Amount of tax
On a first class ticket	50 paise.
On a second class ticket	25 paise.
On an inter class ticket	12 paise.
On a third class or deck ticket	6 paise.

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

²³[FOURTH SCHEDULE]

²³Repealed by the Punjab Finance Ordinance, 1971 (XI of 1971), w.e.f.1.7.1971, s.8; and published in the Punjab Gazette (Extraordinary), pages