

**THE PUNJAB FINANCE ORDINANCE, 1978**  
**(XIII of 1978)**

<b>CONTENTS</b>
-----------------

1. \*\*\*\*\*
2. \*\*\*\*\*
3. \*\*\*\*\*
4. \*\*\*\*\*
5. \*\*\*\*\*
6. \*\*\*\*\*
7. \*\*\*\*\*
8. \*\*\*\*\*
9. \*\*\*\*\*
10. **Application of existing laws**
11. **Bar of suits in Civil Courts**
12. \*\*\*\*\*

**TEXT**

**THE PUNJAB FINANCE ORDINANCE, 1978**  
**(XIII of 1978)**  
**(Provisions Relating to Hotel Tax)**

[27<sup>th</sup> June, 1978]

**An**  
**Ordinance**

*to levy and enhance the rates of certain taxes and duties, in the Province of the Punjab.*

**WHEREAS** it is expedient to levy and enhance the rates of certain taxes and duties in the Province of the Punjab:

**Now, therefore**, in pursuance of the Proclamation of Fifth day of July, 1977, read with the Laws(Continuance in Force) Order, 1977 (C.M.L.A. Order No.1 of 1977), the Governor of the Punjab is pleased to make and promulgate the following Ordinance:—

1. (1) This Ordinance may be called the Punjab Finance Ordinance, 1978.  
(2) It shall extend to the Province of the Punjab.  
(3) It shall come into force on and from the first day of July, 1978
2. [\* \* \* \* \* ]
3. [\* \* \* \* \* ]
4. [\* \* \* \* \* ]
5. [\* \* \* \* \* ]
6. (1) For the existing section 12 of the Punjab Finance Act, 1965, the following shall be substituted, namely—  
<sup>1</sup>“12 (1) There shall be levied and collected every year a tax on hotels, payable by the owner or management thereof, at the rate of <sup>2</sup>[Eight] percent of the daily charges for the lodging units of a hotel actually occupied:  
Provided that no tax shall be levied if daily charges for a lodging units are less than rupees twenty five:  
Provided further that a hotel at a Hill Station shall be charged in tax at half of the prescribed rate”].  
(2) The tax shall be paid in one or more instalments in the manner fixed by Government.

<sup>1</sup>Subs vide Punjab Finance Act, 1990

<sup>2</sup>Subs vide Punjab Finance Act, 1996

(3) The assessment and collection of the tax and the assessment of the total number of lodging units shall be made by such agency and in such manner as may be prescribed and the assessing authority may for this purpose—

- (a) require the owner or the management of a hotel to produce any book of accounts. Documents or other papers in his possession or power which are believed to contain information relating to the hotel; and
- (b) enter, and by written order authorize, an officer subordinate to him to enter, any hotel.

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

- (a) “charges” include charges in respect of fans, air-condition, light, heating , telephone, bedding and all other payments connected with the lodging unit except the portion if any directly attributable to the supply of food-stuffs.
- (b) “hotel” means an establishment where lodging with or without boarding or other services are provided for a monetary consideration but shall not include-
  - i) any home or hotel maintained exclusively for aged or such persons, or as the case may be, for students. By or under the control of charitable, medical or educational institution; and
  - ii) any rest house, mess or other premises belonging to or in the possession of the Federal or a Provincial Government, where lodging, boarding or other services are provided for Government officials or members of the Defence Force.
- (c) “lodger” means a person who is in possession or enjoyment of a residential accommodation provided by a hotel;
- (d) “lodging unit” means a bed or other sleeping accommodation which is, or is intended to be, provided to a lodger staying over-night in a room for lodging ; and
- (e) “room for lodging” means a room, part of a room or a suite of rooms in a hotel which is normally let as a unit or residential accommodation and shall include a room or a part of a room or a suite of rooms provided free of charge to any person other than a regular employee of the hotel.”

7. [ \* \* \* \* \* ]

8. [ \* \* \* \* \* ]

9. [ \* \* \* \* \* ]

**10. Application of existing laws.—** where any tax or duty levied by this Ordinance is by way of an addition to any existing tax or duty imposed by or under any enactment or rules in force in the Punjab, the procedure provided in such enactment and rules framed there under for the assessment collection and recovery

of such tax or duty shall, as far as applicable, apply to the assessment, collection and recovery of additional tax or duty as the case may be.

**11. Bar of suits in Civil Courts.**— No suit shall lie in any civil court to set aside or modify any assessment, levy or collection of a tax or duty made under this Ordinance and the rules framed there under.

**12. (1)** Government may make rules for carrying into effect the purposes of this Ordinance and such rules may, among other matter, prescribe the procedure for the assessment, collection and payment of any tax or duty levied or the imposition of any penalty under this Ordinance, in so far as the procedure is not provided in this Ordinance.

(2) Any rules made or deemed to have been made under the corresponding provisions of the Provincial laws concerned shall, as far as may be, continue in force and be deemed to have been made under this Ordinance.