

THE BALOCHISTAN FINANCE ACT, 1963

(W.P. Act IX of 1963)

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¹THE ²[BALOCHISTAN³] FINANCE ACT, 1963

(West Pakistan Act IX of 1963)

[1st July, 1963]

An Act to continue, levy and abolish certain taxes and duties in the Province of ²[Balochistan].

Preamble. WHEREAS it is expedient to continue, levy and abolish certain taxes and duties in the Province of ²[Balochistan];

It is hereby enacted as follows:—

Short title, commencement and extent. 1. (1) This Act may be called the ²[Balochistan] 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 ²[Balochistan], except the Tribal Areas.

Definitions. 2. In this Act—

(a) "agricultural year" means the agricultural year as defined in the ⁴Punjab Land Revenue Act, 1887 (Act XVII of 1887);

(b) "Government" means the Government of ²[Balochistan];

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

Surcharge on land revenue in certain districts. 3. (1) There shall be levied and collected from every owner of land which is assessed to land revenue in the districts of Karachi, Dadu, Hyderabad, Tharparkar, Sanghar, Jacobabad, Larkana, Sukkur, Nawabshah and Thatta an additional amount of land revenue by way of surcharge on the land revenue payable in the revenue year 1962-63 at the rates specified in the

¹ For statement of objects and reasons, see West Pakistan Gazette (Extraordinary) 1963, p. 2544. 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.

² Substituted by Balochistan Laws (Adaptation) Order 1975, for the words "West Pakistan".

³ Spelling of the word "Baluchistan", wherever it appears in this Act, is corrected by insertion of letter "o" instead of "u"; as per Government of Balochistan, S&GAD's Notification No. SORI (4) 6/ S&GAD-89, dated 18th June, 1989.

⁴ Repealed by West Pakistan Act XVII of 1967; and by Balochistan Regulation I of 1973; in its application to Tribal Areas of Balochistan.

First Schedule to this Act.

Explanation.— For purposes of this section land revenue includes any water rate payable in respect of irrigated land.

(2) The provisions of the Sind Land Revenue Code, 1879 (Sind Act V of 1879) shall, as far as may be, apply to the assessment, collection, and recovery of the surcharge imposed under this section.

Development Cess.

4. ¹[(1) A toll tax shall be levied on Hub River Bridge in the Province of Balochistan on all Private Cars Trucks/Buses Mini Buses except Government vehicles and the Vehicles Registered in the Lasbela District.)

(2) The cess shall be payable by the person liable for the payment of land revenue.

(3) Government may, by notification, exempt any class of persons from the payment of the whole or any part of the cess or reduce the rate of the cess leviable on any class of land.

(4) The cess levied on the basis of land revenue shall be assessed, collected and recovered in the manner prescribed, from time to time, by Government by statute, rules or orders for the assessment, collection and recovery of land revenue.

(5) Government may, by notification, modify the rules or orders referred to in sub-section (4) and may make further rules for the assessment, collection and recovery of the cess.

Surcharge on agricultural income-tax in certain districts.

5. (1) There shall be levied and collected from every owner of land which is assessed to agricultural income-tax in the districts of Bannu, Dera Ismail Khan, Hazara, Mardan, Kohat, Peshawar, Campbellpur, Dera Ghazi Khan, Gujranwala, Gujrat, Jhelum, Jhang, Lahore, Lyallpur, Mianwali, Montgomery, Multan, Muzaffargarh, Rawalpindi, Sargodha, Sheikhupura 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 the North-West Frontier

¹ Sub-Section (1) substituted first by Balochistan Act IV of 1975 and then by Balochistan Ordinance IX of 1980.

Province Agricultural Income-tax Act, 1948 (North- West Frontier Province Act XVII of 1948) and 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.

Amendment of
Schedule I to
Act II of 1899.

¹[5-A. 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:—

"ACKNOWLEDGEMENT² 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 acknowledgement 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

- (ii) in other cases ...25 paisa.";

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

"RECEIPT³ (as defined by section 2(23) for any money or other property the amount or value of which—

¹ Inserted by West Pakistan Ordinance XXVI of 1963.

² Any acknowledgement receipt executed on or after the first day of July 1963, but before the coming into operation of West Pakistan Ordinance 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*, s. 2 (2).

³ Any acknowledgement receipt executed on or after the first day of July 1963, but before the coming into operation of West Pakistan Ordinance 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* West Pakistan Ordinance XXVI of 1963, s. 2(2).

(i) exceeds twenty rupees but does not exceed one hundred rupees ...12 paisa.

(ii) in other cases ... 25 paisa."]

Tax on Cinemas.

6. 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 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.

Tax on callings professions, etc.

7. 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:—

Class of Persons *Amount of Tax*

(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 ¹Central Government or the Provincial Government or any Local Authority. Two hundred rupees or one hundred rupees or fifty rupees according to classification.

Tax on Trades, Import and

8. (1) For the financial year 1963-64 there shall be

¹ Now "Federal".

Export Licences. 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.

Tax on motor vehicles. 9. 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 licenced to carry more than eight persons. Fifty rupees.

Tax on railway fares and freights. 10. 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.

Tolls on vessels plying in inland water. 11. (1) For the financial year 1963-64 there shall be levied and collected in the district of Karachi, a toll on steam vessels and motor vessels plying in inland waters at the rates specified hereunder:—

On vessels of a tonnage of—

Less than 100 tons.	One hundred rupees.
100 tons but less than 500 tons.	Two hundred and fifty rupees.
500 tons but less than 1000 tons.	Five hundred rupees.

1000 tons and upwards. One thousand rupees.

(2) The toll shall be payable by the owner or the charterer of the vessel.

(3) In this section "steam vessels" and "motor vessels" mean every description of vessel propelled wholly or in part by the agency of steam or oil, as the case may be.

Toll on fares and freights on inland traffic by vessels.

12. (1) For the financial year 1963-64, there shall be levied and collected in the district of Karachi, a toll on fares and freights charged for transport by steam vessels and motor vessels plying in inland waters, according to the scale set out in the Fourth and Fifth Schedules to this Act.

(2) The toll shall be collected by the owner or the charterer of the vessel and paid to Government.

(3) In this section "steam vessels" and "motor vessels" have the same meaning as in section 11.

Surcharge on Betting Tax.

13. Until the 30th June, 1964, there shall be levied and collected in the district of Karachi an additional tax by way of surcharge amounting to twenty-five per cent of the betting tax on horse-racing or pony-racing imposed under any enactment for the time being in force.

Explanation—The expression "betting tax" includes a tax charged in respect of moneys paid into a totalisator by way of stakes or bets.

14. [Enhanced tax on motor vehicles,] *repealed by West Pakistan Act I of 1965 (See section 11(2)).*

Primary Education Surcharge.

15. (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^{1/3} 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 percent 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.

(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).

Capital gains tax.

16. ¹[(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, 1963, within—

- (a) urban areas specified by Government under section 3 of the ²[Balochistan] Urban Immovable Property Tax Act, 1958³; *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

¹ Substituted by West Pakistan Act I of 1965; published in the Gazette of West Pakistan (Extraordinary), dated 1st July, 1965.

² Substituted by Balochistan Laws (Adaptation) Order of 1975, for the words "West Pakistan".

³ That is West Pakistan Act V of 1958.

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 or irrevocable trust [:]¹

³[Provided further that the tax shall not be levied on any profits or gains arising from assignment, re-assignment, sale or transfer of any immovable property assigned, reassigned, sold or transferred to, or by, a banking company by, or as the case may be, to its customer on account, or in consequence, of finance provided by the banking company to its customer:

Provided further that in a case of forced sale by a banking company on default by the customer the exemption contained herein shall not apply to the customer.

Explanation I.— For the purpose of this section the expressions "banking company", "customer" and "finance" shall have the same meanings as have been assigned to them in the Banking Tribunals Ordinance, 1984².

Explanation II.— A certificate issued by the banking company certifying the transaction referred to in this section shall be presumed to be correct.]

(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.

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.

(2) The amount of the capital gains shall, be computed after making the following deductions from the full value of the consideration for which the sale, exchange or transfer of property is made:-

- (a) expenditure incurred solely in connection with such transaction, *and*

¹ Full stop substituted by a colon and proviso added by the Balochistan Finance Act (Amendment) Ordinance, 1985 (Ordinance II of 1985); shall come into force on 1st January, 1985; published in the Balochistan Gazette (Extraordinary), dated 14th January, 1985.

² That is Ordinance LVIII of 1984; published in the Gazette of Pakistan, Extraordinary, Part I, dated 31st December, 1984.

- (b) actual cost to the assessee of the property including any expenditure of a capital nature incurred and borne by him in making any additions or alterations thereto:

Provided that—

- (i) where a person, who acquires a property from the assessee, whether by sale, exchange or transfer, is a person with whom the assessee is directly or indirectly connected or where the authority making the assessment has reason to believe that the sale, exchange or transfer was effected with the object of avoidance or reduction of the liability of the assessee the full value of the consideration for which the sale, exchange or transfer is made shall be taken to be the fair market value of the property on the dates on which the sale, exchange or transfer took place;
- (ii) where the immovable property was acquired by the assessee before the first day of January, 1950, he may on proof of its fair market value on the said date to the satisfaction of the assessing authority, substitute for the actual cost such market value which shall be deemed to be the actual cost to him of the immovable property;
- (iii) where the immovable property became the property of the assessee by succession, inheritance or devolution, or under any of the circumstances referred to in the proviso to subsection (1) its actual cost

allowable to him for the purpose of this sub-section shall be its actual cost to the previous owner thereof.

(3) The tax shall be levied according to the scale set out in the Seventh Schedule to this Act.

(4) Government may by notification exempt any class of immovable property from the levy of tax under this section.

Penalty.

17. 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.

Application of existing laws.

18. 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.

Power to amend or vary an Act.

19. Government may, by notification, make such omissions from, additions to, adaptations and modifications of any ¹[Balochistan] Act as may be necessary for the purpose of the levy and collection of any tax imposed by this Act.

Rules.

20. (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 [Balochistan] Finance Act, 1962 (West Pakistan Act No. I of 1962) shall, so

¹ Substituted by Balochistan Laws (Adaptation) Order 1975, for the words “West Pakistan”.

far as may be, be continued and be deemed to have been made under this Act.

(See Schedule on next page)

FIRST SCHEDULE
(SEE SECTION 3)

	<i>Surcharge</i>
Where the total land revenue and water rate for irrigation does not exceed Rs. 1,999	<i>Nil</i>
Where the total land revenue and water rate for irrigation exceeds Rs. 1,999	1 ^{1/2} per cent of such total.

SECOND SCHEDULE
(SEE SECTION 5)

	<i>Surcharge</i>
Where the total land revenue payable does not exceed Rs. 349	<i>Nil</i>
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.

THIRD SCHEDULE

(SEE SECTION 8)

	<i>Amount of tax</i>
When the licence is for an amount not exceeding Rs. 4,999	<i>Nil</i>
When the licence is for an amount exceeding Rs. 4,999 but not exceeding Rs. 9,999	Rupees ten.
When the licence is for an amount exceeding Rs. 9,999 but not exceeding Rs. 19,999	Rupees fifty.
When the licence is for an amount exceeding Rs. 19,999 but not exceeding Rs. 49,999	Rupees one hundred and fifty.
When the licence is for an amount exceeding Rs. 49,999 but not exceeding Rs. 99,999	Rupees five hundred.
When the licence is for an amount exceeding Rs. 99,999	Rupees one thousand.

FOURTH SCHEDULE
(SEE SECTION 10 and 12)

	<i>Surcharge</i>
<i>Freights (goods)—</i>	
Where the freight on any consignment does not exceed Rs. 3	<i>Nil</i>
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	One rupee.

does not exceed Rs. 100

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.

FIFTH SCHEDULE (SEE SECTION 10 AND 12)

Amount of tax

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 (REPEALED BY WEST PAKISTAN ACT I OF 1965)

[SEVENTH SCHEDULE

¹ Substituted by Balochistan Finance (Amendment) Act, 1985 (Act I of 1985); effective from 1.7.1985; published in Balochistan Gazette (Extraordinary) dated 4th July, 1985.

(SEE SECTION 16)

<i>Amount of Capital Gain</i>	<i>Rate of tax</i>
For the first Rs. 50,000/-	<i>Nil</i>
For the next Rs. 1,00,000/-	2 ^{1/2} %
For any amount exceeding rupees one lac	5 %]
