

Section	Subsection	Clause	Amendment of Sales Tax Act, 1990.- In the Sales Tax Act, 1990,-	Amended Bill 2013-14
			In the Sales Tax Act, 1990 the following further amendments shall be made, namely:-	
2		5AC	CREST" means the computerized program for analyzing and cross-matching of sales tax returns, also referred to as Computerized Risk-based Evaluation of Sales Tax;"	
		22A	"Provincial Sales Tax" means tax levied under provincial laws or laws relating to Islamabad Capital Territory, which are declared by the Federal Government through notification in the official Gazette, to be provincial sales tax for the purpose of input tax;"	
		33A	"supply chain" means the series of transactions between buyers and sellers from the stage of first purchase or import to the stage of final supply;"	
		44	TIME OF SUPPLY	
		44(a)	a supply of goods, other than under hire purchase agreement, means the time at which the goods are delivered or made available to the recipient of the supply; or the time when any payment is received by the supplier in respect of that supply, whichever is earlier	
		44(c)	"Provided that in respect of sub-clause (a), (b) or (c), where any part payment is received,—	
			(i) for the supply in a tax period, it shall be accounted for in the return for that tax period; and	
			(ii) in respect of exempt supply, it shall be accounted for in the return for the tax period during which the exemption is withdrawn from such supply;"	
3	1		SCOPE OF TAX	
			Subject to the provisions of this Act, there shall be charged, levied and paid a tax known as sales tax at the rate of <del>sixteen</del> <b>seventeen</b> per cent of the value of-	
			(a) taxable supplies made by a registered person in the course or furtherance of any taxable activity carried on by him; and	
			(b) goods imported into Pakistan.	

3	1(A)	<p>Subject to the provision of sub-section (6) of section 8 or any notification issued there under, where taxable supplies are made to a person who has not obtained registration number, there shall be charged, levied and paid a further tax at the rate of <b>two per cent</b> of the value in addition to the rate specified in sub-sections (1), (1B), (2), (5) and (6) of this section:</p> <p>Provided that the Federal Government may, by notification in the official Gazette, specify the taxable supplies in respect of which the further tax shall not be charged, levied and paid.</p>	Further tax at the rate of <b>one percent</b> of the value in addition in the rate
3	1(B)	<p>The Board may, by notification in the official Gazette, in lieu of levying and collecting tax under sub-section (1) on taxable supplies, levy and collect tax---</p> <p>(a) on the production capacity of plants, machinery, undertaking, establishments or installations producing or manufacturing such goods; or</p> <p>(b) on fixed basis, as it may deem fit, from any person who is in a position to collect such tax due to the nature of the business.";</p>	
3	5	<p>The Federal Government may, in addition to the tax levied under sub-section (1), sub-section (2) and sub-section (4), levy and collect such <b>extra amount of tax</b> tax at such extra rate or amount not exceeding <b>fifteen seventeen</b> per cent of the value of such goods or class of goods and on such persons or class of persons, in such mode, manner and at time, and subject to such conditions and limitations as it may, by rules, prescribe.</p>	
	8		<p>Notwithstanding the rate of sales tax as contained in sub-section (1) and notwithstanding anything contained in any law or notification made there under, in case of supply of natural gas to CNG stations, the Gas Transmission and Distribution Company shall charge sales tax from the CNG stations at the rate of nine percent in addition to the sales tax chargeable under sub-section (1) on the value of supply, where the value for the purpose of levy of sales tax shall include price of natural gas, charges, rents , commissions and all local provincial and Federal duties and taxes, but excluding the amount of sales tax, as provided in clause (46) of section 2. This rate shall include the rate of tax chargeable under sub-section (1) and nine percent in lieu of value addition made by the CNG stations. The rate of sales tax under this sub-section shall have effect and shall be deemed to have taken effect on and from the 1<sup>st</sup> day of July, 2007.</p>

			Explanation - The rate of nine percent in lieu of value additional is less than the standard rate of tax chargeable under sub-section (1) as all input tax adjustments have been catered for while determining the figure of nine per cent.
8	1	caa	Tax credit not allowed:- purchases, in respect of which a discrepancy is indicated by CREST or input tax of which is not verifiable in the supply chain.";
21	3		<b>De-registration, blacklisting and suspension of registration.-</b> <del>Unless the registered buyer has fulfilled his responsibilities under section 73</del>
21	4		Notwithstanding anything contained in this Act, where the Board, the Commissioner or any officer authorized by the Board in this behalf has reasons to believe that a registered person is engaged in issuing fake or flying invoices, claiming fraudulent input tax or refunds, does not physically exist or conduct actual business, or is committing any other fraudulent activity, the Board, Commissioner or such officer may after recording reasons in writing, block the refunds or input tax adjustments of such person and direct the concerned Commissioner having jurisdiction for further investigation and appropriate legal action.";
22			<b>Records</b>
		e	in clause (e), the word " and ", at the end, shall be omitted;
		ea	record relating to gate passes, inward or outward, and transport receipts.";
25	5		<b>Access to record, documents, etc:-</b> After sub-section 5, the following explanation shall be added <b>Explanation</b> For the purpose of sections 25, 38, 38A, 38B and 45A and for removal of doubt, it is declared that the powers of the Board, Commissioner or officer of Inland Revenue under these sections are independent of the powers of the Board under section 72B and nothing contained in section 72B restricts the powers of the Board, Commissioner or officer of Inland Revenue to have access to premises, stocks, accounts, records, etc. under these sections or to conduct audit under these sections.";
40B			<b>Posting of Sales Tax Officer:-</b> after the word "Board" the words "or Chief Commissioner" shall be inserted.
40C	1		<b>Monitoring or tracking by electronic or other means:-</b> Subject to such conditions, restrictions and procedures, as it may deem fit to impose or specify, the Board may, by notification in the official Gazette, specify any registered person or class of registered persons or any good or

	2	<p>class of goods in respect of which monitoring or tracking of production, sales, clearances, stocks or any other related activity may be implemented through electronic or other means as may be prescribed.</p> <p>From such date as may be prescribed by the Board, no taxable goods shall be removed or sold by the manufacturer or any other person without affixing tax stamp, banderole, stickers, labels, etc. in any such form, style and manner as may be prescribed by the Board in this behalf.";</p>
45B		<b>Power of Adjudication</b>
	1(A)	<p>Where in a particular case, the Commissioner (Appeals) is of the opinion that the recovery of tax levied under this Act, shall cause undue hardship to the taxpayer, he, after affording opportunity of being heard to the Commissioner or officer of Inland Revenue against whose order appeal has been made, may stay the recovery of such tax for a period not exceeding thirty days in aggregate.";</p>
57		<p><del>Correction of clerical errors, etc.,-</del></p> <p><del>Clerical or arithmetical errors in any assessment, adjudication, order or decision may, at any time, be corrected by the officer of Sales Tax who made the assessment or adjudication or passed such order or decision or by his successor in office-</del></p> <p><del>Provided that before such correction, a notice shall be given to the registered person or to a person affected by such correction.</del></p>
57		<b>Restriction of mistake</b>
	1	<p>The Commissioner, the Commissioner (Appeals) or the Appellate Tribunal may, by an order in writing, amend any order passed by him to rectify any mistake apparent from the record on his or its own motion or any mistake brought to his or its notice by a taxpayer or, in the case of the Commissioner (Appeals) or the Appellate Tribunal, the Commissioner.</p>
	2	<p>No order under sub-section (1) which has the effect of increasing an assessment, reducing a refund or otherwise applying adversely to the taxpayer shall be made unless the taxpayer has been given a reasonable opportunity of being heard.</p>
	3	<p>Where a mistake apparent on the record is brought to the notice of the Commissioner or Commissioner (Appeals), as the case may be, and no order has been made under sub-section (1), before the expiration of the financial year next following the date on which the mistake was brought to their notice, the mistake shall be treated as rectified and all the provisions of this Act shall have effect accordingly.</p>
	4	<p>No order under sub-section (1) shall be made after five years from the date of the order sought to be rectified.";</p>

72C			Reward to inland Revenue officers and officials.
	1		In cases involving concealment or evasion of sales tax and other taxes, cash reward shall be sanctioned to the officers and officials of Inland Revenue for their meritorious conduct in such cases and to the informer providing credible information leading to such detection, as may be prescribed by the Board, only after realization of part or whole of the taxes involved in such cases.
	2		The Board may, by notification in the official Gazette, prescribe the procedure in this behalf and specify the apportionment of reward sanctioned under this section for individual performance or to collective welfare of the officers and officials of Inland Revenue.";
73			Certain transactions not admissible.
			<b>Explanation</b> — For the purpose of this section, the term "business bank account" shall mean a bank account utilized by the registered person for business transactions, declared to the Collector in whose jurisdiction he is registered through Form STR 1 or change of particulars in registration database

THE THIRD SCHEDULE (see clause (a) of sub-section (2) of section 3		
Serial No	Description	Heading Nos. of the First Schedule to the Customs Act, 1969(IV of 1969)
22	Finished or made-up articles of textile and leather, including garments, footwear, and bed ware, sold in retail packing	Respective headings
23	Household electrical goods, including air conditioners, refrigerators, deep freezers, televisions, recorders and players, electric bulbs, tube-lights, fans, electric irons, washing machines and telephone sets	Respective headings
24	Household gas appliances, including cooking range, ovens, geysers and gas heaters.	Respective headings
25	Foam or spring mattresses, and other foam products for household use	Respective headings
26	Auto parts and accessories sold in retail packing	Respective headings
27	Lubricating oils, brake fluid, transmission fluid, and other vehicular fluids and maintenance products in retail packing.	Respective headings
28	Tyres and tubes	Respective headings
29	Storage batteries	Respective headings
30	Arms and ammunition	Respective headings
31	Paints, distempers, enamels, pigments, colours, varnishes, gums, resins, dyes, glazes, thinners, blacks, cellulose lacquers and polishes sold in retail packing	Respective headings
32	Fertilizers	Respective headings
33	Cements sold in retail packing	Respective headings
34	Tiles sold in retail packing	Respective headings
35	Biscuits, confectionary, chocolates, toffees and candies	Respective headings
36	Other goods and products sold in retail packing	Respective headings

THE SIXTH SCHEDULE [see section 13(1) ]		
TABLE - 1 (IMPORTS OR SUPPLIES)		
Serial No	Description	Heading Nos. of the First Schedule to the Customs Act, 1969(IV of 1969)
25	<del>Milk preparations obtained by replacing one or more of the constituents of milk by another substance, whether or not packed for retail sale.</del>	<del>1901.1000, 1901.9020 and 1901.9090</del>

TABLE - 2 (LOCAL SUPPLIES ONLY)		
Serial No	Description	Heading Nos. of the First Schedule to the Customs Act, 1969(IV of 1969)
12	<del>Supplies against international tender</del>	<del>Respective heading</del>