

SIND ACT NO. VII OF 1977  
THE SINDH FINNACE ACT, 1977

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**THE SINDH FINNACE ACT, 1977**

[29<sup>th</sup> June, 1977]

**An Act** to rationalize, levy and enhance certain taxes and duties in the Province of Sind and to amend certain laws.

**WHEREAS** it is expedient to rationalize, levy and enhance certain taxes and duties in the Province of Sind and to amend certain laws, in the matter hereinafter appearing;

**Preamble.**

It is hereby enacted as follows:-

**Short title and commencement.**

1. (1) This act may be called the Sind Finance Act, 1977.

(2) It shall come into force on and from the 1<sup>st</sup> day of July, 1977, except sub-section (3) and sub-section (6) of section 3 and section 5, which shall be deemed to have come into force on and from the 1<sup>st</sup> day of January, 1977.

2. In the Stamp Act, 1899, in its application to the Province of Sind, in Schedule I, for article 37, the following shall be substituted:-

**Amendment of Act II of**

“37. LETTER OF CREDIT (*i.e.*, an instrument One rupee.” by which one person authorizes another to give credit to the person in whose favour it is drawn), for the value of every one thousand rupees or part thereof.

3. In the Sind Urban Immovable Property Tax Act, 1958-

**Amendment of West Pakistan Act V of 1958.**

(1) in section 3-

(i) In sub-section (2)-

(a) in clause (a), the brackets, letter and the words “(a) in the rating areas of Karachi District;” shall be omitted;

(b) clauses (b) and (c) shall be omitted;

(ii) for sub-section (3), the following shall be substituted:-

“(3) Where a building is occupied and used for residential purposes-

(a) by a person other than the owner thereof, the tax shall be charged, levied and collected at the rate of twenty percent of the annual value of such building;

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(b) by the owner thereof who does not own any other building in the same rating area, the tax shall be charged, levied and collected at the rate of fifteen percent of the annual value of such building.”;

(2) for section 3-A including the Explanation, the following shall be substituted:-

Share in  
the tax

“3-A. The tax collected from a rating area shall, after deducting two percent thereof as collection charges, be shared by Government and the Local Council or, as the case may be, the Cantonment Board of such rating area in the ratio of 3:2.”;

(3) in section 4, for clause (c) and the proviso thereto, the following shall be substituted:-

“(c) (i) a building or land the annual value of which does not exceed two hundred and fifty rupees;

(ii) a single storeyed building together with open space, if any, appurtenant thereto, occupying an area of not more than one hundred square yards;

(iii) one flat with covered area not exceeding three hundred and fifty square feet on any floor of a building used for residential purpose;

*Explanation—*

“Flat” means a self-contained portion of a multi-storeyed building.”;

(4) for section 5, the following shall be substituted:-

Annual  
value

“5. (1) The annual value of any land or building shall be the gross annual rent at which such land or building together with any fixtures such as lifts, or electric or other such fittings, may be let out.

(2) The gross annual rent shall be the prescribed amount not exceeding ten percent of the total value of the land or building.

(3) The total value of any land or building shall, in the prescribed manner, be determined by the prescribed officer or authority on the basis of the market value thereof and the value of fixtures, if any, therein.

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(4) For the purpose of determining the market value, a rating area may be divided in such sub-rating areas, and each rating or sub-rating area may comprise one or more such categories of lands or buildings and there may be such different rates for determination of the market value for the lands or buildings in each rating area, sub-rating area or category, as the case may be, as may be prescribed;

Provided that the annual value of a building which is subject to any law for the time being in force relating to restriction of rent shall not be greater than the annual value of such building immediately before the coming into force of this section.”;

(5) in section 7, in sub-section (1), in the proviso, for clause (b), the following shall be substituted:-

“(b) for the purpose of preparation of new valuation list, divide any rating area into parts, each part comprising such areas or types of properties as may be specified in the order and appoint date or dates on which new valuation lists in respect of such part or parts shall come into force.”

(6) after section 8, the following new section shall be inserted:-

“8-A. Notwithstanding anything contained in this Act in 

Valuation
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 the valuation list which has been prepared in respect of the properties used wholly or partly for industrial purposes and situating within the limits of Karachi Rating Area and has been enforced from the 1<sup>st</sup> day of January, 1977, shall be deemed to have been validly prepared and enforced.”;

(7) for section 12 and the proviso thereto, the following shall be substituted:-

“12. 

Tax when payable.
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 The tax may be paid yearly or half yearly as the Assesse may choose, by such date or dates as may be prescribed.”;

(8) for section 15, the following shall be substituted:-

“15. (1) Where a person fails to pay the tax 

Penalty for default in payment.
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 by the date prescribed under section 12, he shall, in addition to the amount of the tax, be

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liable to pay a surcharge, not exceeding ten percent of the tax due, as may be prescribed, within a period of thirty days from the prescribed date.

(2) Where the tax and the surcharge are not paid as provided in sub-section (1), the prescribed authority, may, after giving the defaulter an opportunity of being heard, impose upon him a penalty not exceeding the amount of the tax.”;

(9) for section 16, the following shall be substituted:-

“16. (1) Where any tax, surcharge or penalty due

Recovery  
of dues.

under this Act is not paid within the time fixed for its payment, such officer of the Excise and Taxation Department as may be authorized by Government in this behalf, may, after giving the defaulter an opportunity of being heard, issue a warrant in the prescribed manner, directing the recovery to be made by distress and sale of movable property or attachment or sale of the immovable property, belonging to the defaulter.

(2) The warrant issued under sub-section (1) may be addressed to the prescribed officer of the Excise and Taxation Department, and be executed in the prescribed manner, by such officer with or without such assistance of other officials of the Department as he may deem fit.

(3) Government or any officer authorised by it in this behalf, may permit any sum recoverable under this section to be paid in instalments subject to the condition that interest shall be payable on the unpaid portion of such sum at such rate not exceeding the rate at which the scheduled banks advance loans, as may be prescribed.

(4) Notwithstanding anything contained in any law or contract, any tax, surcharge or penalty due under this Act in respect of any land or building shall be a first charge upon such land or building and upon the movable property, if any, found thereon belonging to the defaulter.”.

4. In the Sind Motor Vehicles Taxation Act, 1958-

(i) after section 4, the following new section shall be inserted:-

Annual  
payment  
of tax.

“4-A. Notwithstanding sub-section (1) of section 3 and sub-section (2) of section 4, the tax in respect of

**Amendment of  
West Pakistan  
Act XXXII of  
1958.**

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a motor vehicle which has been issued a registration plate under the Provincial Motor Vehicles Ordinance, 1965, shall be payable annually, by such date as may be prescribed.”;

(ii) for section 7, the following shall be substituted:-

“7. Grant of licence. A licensing officer shall, on first payment of the tax due, grant and deliver to the person who make such payment, a licence specifying therein the particulars of the tax paid and such other particulars, as may be prescribed and such licence shall be valid for the prescribed period.”;

(iii) in section 8, in sub-section (1), the word “quarterly” shall be omitted;

(iv) in section 13, sub-section (2) shall be omitted.

5. The Sind Tabacco Vend Act, 1958, is here by repealed.

**Repeal of West Pakistan Act XXXVIII of 1958.**

6. The Sind Finance Act, 1964-

**Amendment of West Pakistan Act XXXIV of 1964.**

(i) in section 11, in sub-section (1), for the figures “78” the figures “79” shall be substituted;

(ii) for the Fifth Schedule, the Schedule to this Act shall be substituted;

(iii) in the Seventh Schedule, after entry 78, the following entry shall be added:-

“79. All other shopkeepers excluding hawkers .....50 /-”.

7. In the Provincial Motor Vehicles Ordinance, 1965—

**Amendment of West Pakistan Ordinance XIX of 1965.**

(i) in section 25, for sub-section (4), the following sub-sections shall be substituted:--

“(4) Government may, by notification, direct that the registration under this section of any particular class or classes of motor vehicles, shall be valid for such fixed period not less than one year as Government may specify in the notification.

(5) Where a notification is issued under sub-section (4), the motor vehicles specified in the notification shall, in addition to the certificate of registration and the registration mark, be issued plates, to be called registration plates, for display thereon.

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(6) The registration plates shall be issued on payment of such fee and be of such material, colour and dimensions and carry such writing (including registration marks) as may be prescribed.”;

(ii) in section 30, for sub-section (2), the following shall be substituted:-

“(2) Where an application is made under sub-section (1), the requirements of section 25 shall be complied with.”;

(iii) in section 34, in sub-section (1)-

(i) in clause (f), between the word “certificate” and the word “has” the words “or plate” shall be inserted;

(ii) in the matter following clause (f), between the word “fitness” and the word “in” the words and commas “or plate, as the case may be,” shall be inserted;

(iv) after section 97, the following new section shall be inserted:-

“97-A. Whoever fabricates or counterfeits a registration plate in contravention of section 25 shall be punished with imprisonment of either description for a term which may extend to two years or with fine or with both.”.

Penalty for fabrication of registration plate.

8. (1) There shall be levied a tax on hotels to be called hotel **Tax on hotels.** tax, at the following rates, namely:--

(a) in case of a hotel charging five rupees per lodging unit not less than twenty five per day, on seventy five percent rupees and not more than of total number of lodging units. hundred rupees per lodging unit per day.

(b) in case of a hotel charging ten rupees per lodging unit per day, on seventy five percent of total number of lodging units. one rupees and not more than two hundred rupees per lodging unit per day.

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(c) in case of a hotel charging not less than two hundred and one rupees and not more than three hundred rupees per lodging unit per day. fifteen rupees per lodging unit per day, on eighty five percent of total number of lodging units.

(d) in case of a hotel charging three hundred and one rupees and above per lodging unit per day. twenty rupees per lodging unit per day, on eighty five percent of total number of lodging units.

(2) The hotel tax shall be paid, yearly or in such instalments as Government may by notification fix, by the owner of the hotel or the person who is, for the time being, performing the duties of Manger thereof.

(3) The hotel tax shall be assessed and collected in such manner and by such office, authority or agency as Government may, by notification, specify.

(4) The officer, authority, or agency specified under subsection (3) may, for the purpose of assessment and collection of hotel tax-

(a) require any person to furnish any information within his knowledge or produce any account book, document or other paper, relating to any hotel, as may be within his possession or power;

(b) authorize any person to enter any hotel and inspect any account book, document or other paper relating to such hotel, and seize such account book document or other paper.

*Explanation.-* For the purpose of this section-

(a) hotel means any premise where lodging with or without boarding is provided on payment but does not include-

(i) any home or hotel maintained exclusively for aged or sick persons or students;

(ii) any rest house, mess or other premises belonging to or in the possession of the Federal or a Provincial Government;

(b) lodging unit means single or double bed accommodation provided for staying in a hotel.



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(5) Whoever fails to pay the hotel tax shall be liable to a penalty not exceeding the amount of the tax due from him as the officer, authority or agency specified under sub-section (3) may determine.

(6) Government may, by a general or special order, exempt any hotel or class of hotels from payment of the whole or any part of the hotel tax.

(7) No suit shall lie in any civil court to set aside or modify any amount of the hotel tax.

(8) Sections 12, 14 and clause (ii) of sub-section (2) of section 18 of the Sind Finance Act, 1965, are hereby repealed.

#### Schedule

*(See Section 6)*

#### FIFTH SCHEDULE

*(See Section 13)*

1. For energy consumed in respect of premises not falling under Article 2 of this Schedule used for:-

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| (a) Residential purposes.                               | Two paisa for each unit of energy consumed.         |
| (b) Office or Commercial purposes.                      | Three paisa for each unit of energy consumed.       |
| (c) An industrial undertaking.                          | Two paisa for each unit of energy consumed.         |
| (d) Tubewells and Irrigation or agricultural machinery. | Three paisa for every two units of energy consumed. |

**EXPLANATION:-** Premises which are used wholly or principally for carrying on manufacturing processes within the meaning of section 2 of the Factories Act, 1934, shall be deemed to be used for an industrial undertaking

2. For energy consumed in respect of all premises where the supply of energy by a licensee is unmetered. Five paisa for every rupee of flat charge realized by the licensee; provided that no duty shall be levied where such a charge does not exceed five rupees during a month.