

SINDH ACT NO. XV OF 1996
THE SINDH FINANCE ACT, 1996.

C O N T E N T S

Preamble

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THE SINDH FINANCE ACT, 1996.

[14TH July, 1996]

An Act to rationalize, levy enhance certain taxes and duties in the Province of Sindh.

WHEREAS it is expedient to rationalize, levy and enhance certain taxes and duties in the province of Sindh; **Preamble.**

It is hereby enacted as follows :—

1. (1) This Act may be called the Sindh Finance Act 1996. **Short title and commencement.**
(2) It shall come into force on and from 1st day of July, 1996.
2. In this Act, unless there is anything repugnant in the subject or context- **Definitions.**
 - (a) "Government" means the Government of Sindh;
 - (b) "Prescribed" means prescribed by rules;
 - (c) "rules" means rules made under this Act.
3. In the Stamp Act, 1899, in its application to the province of Sindh, in Schedule I **Amendment of Act II of 1899.**
 - (a) For Article 1, the following shall be substituted:—

"1. Acknowledgement of a debt 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 separated piece of paper when such book or paper is left in the creditor's possession where acknowledgement does not contain any promise to pay the debt or any stipulation to pay the interest or to deliver any goods, or other property-

 - (a) Where such amount exceeds One rupee
one hundred and sixty rupees but does not exceed five hundred rupees;
 - (b) Where such amount exceeds Two rupees".
five hundred rupees.
 - (b) after Article 6, the following Explanation shall be inserted:-

"Explanation:- For the purposes of clause (1) of this Article any letter, note, memorandum or writing relating to the deposit of title deeds whether written or made either before or at the time when or after the deposit of title is effected, and whether it is in respect of the security for the first loan or any additional loan or loans

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taken subsequently, such letter, note, memorandum or writing, in the absence of any separate agreement or memorandum of agreement relating to the deposit of such title deeds, shall notwithstanding anything contained in any judgement, decree or order of any court or order of any authority, be deemed to be an instrument evidencing an agreement relating to the deposit of title deeds”.

(c) for Article 6-A, excluding its Explanation, the following shall be substituted:—

(A) Allotment Order issued by a developer, builder, co-operative society, housing society or housing authority, or any other body or organization providing plots dwelling houses or built up commercial premises;

(i) in respect of residential plots;

(a) exceeding 200 sq. yards, but not exceeding 240 sq. yards;	Eight rupees per sq. yard.
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(b) exceeding 240 sq. yards. But not exceeding 400 sq. yards;	Ten rupees per sq. yard.
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(c) exceeding 400 sq. yard.	Twenty rupees per sq. yard.
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(ii) In respect of commercial plots; Twenty rupees per sq. yard

(iii) In respect of flats having covered area exceeding 1500 sq. ft;	One rupee per sq. ft.
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(iv) In respect of bungalows and residential houses;	Five rupees per sq. yard.
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(v) In respect of built-up commercial premises.	Three rupees per sq. ft.
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(B) Transfer of Allotment Orders before lease	One half of the rates calculated according to the rates given in Clause A above.
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(d) In Article 10, in clauses (b), (c) and (d), in column 2, for the words "Five hundred rupees", "one thousand rupees" and "One thousand and five hundred rupees", the words "One thousand rupees", "Two thousand five hundred rupees" and "Five thousand rupees" respectively, shall be substituted;

(e) in Article 19, in column 2, for the words "One rupee", the following shall be substituted:-

"0.25 percent of the face value of shares mentioned in the certificate subject to a minimum of one rupee".

(f) in Article 21, for the words "-Fifty paisa", the words "-One rupee", shall be substituted;

(g) for Article 22-A, the following shall be substituted:—

"22(A) Contract, that is to say, any instrument in the nature of memorandum or agreement made or entered into by a contractor with Government, a corporation, local body, local authority, commercial or industrial concern, whether singly owned or run through partnership, body registered under the Company Law, a cooperative society or any other organization to execute any works or to supply or to undertake cartage of stores and materials and to provide engineering consultancy services or any other services covered under above documents including a purchase order, work order, cargo bill, an airline ticket, a railway ticket of ACC, a running rate contract or agreement for an award of collection rights of octroi, export tax and other levies and taxes pertaining to local bodies—

Twenty paisa for every hundred rupees or part thereof of the amount of the contract

EXPLANATION

(a) In case of agreement wherein the amount of the purchases or services are not specified, the stamp duty shall be calculated based on the annual value of the contract or if the contract is for lesser period, then for such lesser period;

(b) in case the actual value is not available then the estimated annual value of the contract may be taken for the calculation of the stamp duty."

(h) in Article 33, in clause (b), in column 2, for the words "the same duty as is leviable on an Affidavit (No. 4)", the word "One-fourth of the duty leviable on a conveyance (No.23) for a consideration equal to the value of the property as determined in accordance with the valuation table notified by the Collector under section 27-A", shall be substituted.

(i) in Article 37, against the entries in clauses (a), (b) and (c), in column 2, for the words "Ten rupees", "Twenty Five rupees" and "One hundred rupees", words "One hundred rupees" "Two hundred rupees" and "Five hundred rupees" respectively shall be substituted;

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- (j) in Article 39, against the entries in clauses (a) and (b), in column 2, for the words "Seventy Five rupees" and "Five hundred rupees", the words "Two thousand rupees" and "Five thousand rupees" respectively shall be substituted;
- (k) In Article 48, against the entries in clauses (b), (c) and (d), in column 2, for the words, "Seventy Five rupees" "One hundred rupees" and "One hundred rupees", the words "One hundred rupees", "Two hundred rupees" and "Three hundred rupees" respectively shall be substituted;
- (l) in Article 52, in column 2, for the words "two rupees", the words "Five rupees" shall be substituted;
- (m) for Article 53, except the Exemptions, the following shall be substituted:—
- "53. Receipts as defined by section 2(23) for any money or other property the amount or value of which—
- (a) exceeds One hundred rupees and sixty rupees One rupees but does not exceed five hundred rupees;
- (b) exceeds five hundred rupees Two rupees
- (n) in Article 55, against the entry in clause (b), in column 2, for the words "One hundred rupees", the words "Two rupees for every one hundred rupees of the value of the property determined in accordance with the Valuation Table notified by the Collector under section 27-A", shall be substituted;
- (o) in Article 57, in column 2, against the entry in clause (b), for the words "Fifty rupees", the words "One hundred rupees" shall be substituted;
- (p) in Article 62, in clause (a), in entry in column 2, the full stop at the end shall be replaced by a semi-colon and thereafter the following proviso shall be added—
- "provided that in the case of shares transferred to or through the Central Depository Company the duty shall be 0.10 percent of the face value of shares."
- (q) Article 63-A shall be omitted.
4. In the Sind Urban Immovable Property Tax Act, 1958—
- (i) In section 3, for sub-section (3), the following shall be substituted:—
- "(3) where a building is occupied and used for residential purposes, the tax shall be charged, levied and collected at the rate of twenty percent of the annual rental value of such building."

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

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(ii) In section 4—

(a) for clause (d) the following shall be substituted:-

“(d) buildings and lands or portions thereof used exclusively for libraries;”;

(b) In clause (f), the words and commas “hospitals, dispensaries” shall be omitted;

(iii) After section 7-C, the following shall be inserted:-

“7-D. Notwithstanding anything contained in this Act, the existing gross annual rental values of the lands and buildings shall be raised by twenty percent and the tax shall be levied and collected accordingly, until the enforcement of new valuation list”.

**Enhancement of
annual rental
values.
Amendment of
Sindh Act No. XIII
of 1994**

5. In the Sindh Finance Act, 1994—

(1) For section 9, the following shall be substituted:—

“9 Infrastructure Fee on goods:- There shall be levied and collected infrastructure fee on the movement of goods entering or leaving the Province from or for outside the Country, through air or sea, at the rates and in the manner as may be prescribed.

Explanation:—For the purposes of this section, the word “infrastructure” includes roads, streets, bridges, culverts, lights on passages, plantation on passages, beaches, by passes, first aid centres road side rest-houses, safety and protection on rail roads and construction of connected roads to railway stations, regulation and control of traffic for smooth flow and movement of goods, public order, police force, patrol for safety of goods, stands for loading and unloading of goods, markets and development, improvement, maintenance and protection of such matters.

9-A. Validation:—Anything done, action taken, assessment made and collected, order passed, or purported to have been done, taken, made, assessed, collected or passed on or before the coming into force of this section or on or after the enforcement of the Sindh Development and Maintenance of Infrastructure Fee Rules, 1994, by the authority specified in the said rules shall be deemed to have been validly done, taken, made, assessed, collected or passed and shall have and shall be deemed always to have effect accordingly”.

6. In the Sindh Agricultural Income tax act, 1994—

(a) in section 2, in sub-section (1), clause (g) shall be omitted;

**Amendment of
Sindh Act No.
XVII of 1994.**

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(b) for section 3, the following shall be substituted:—

“3(1) No tax shall be charged on land which is less than sixteen acres:

Provided that nothing in this sub-section shall apply to an owner whose total land whether in pieces of less than sixteen acres situated in the same deh or indifferent dehs is sixteen acres, or more.

(2) The tax shall be charged on the cropped area only at the following rates:—

BARRAGE AREA

- | | |
|--|-------------------|
| (I) 16 acres but not exceeding 50 acres; | Rs. 20/- per acre |
| (II) exceeding 50 acres. | Rs. 40/- per acre |

NON—BARRAGE AREA

- | | |
|--|--------------------|
| (i) 16 acres but not exceeding 50 acres; | Rs. 10/- per acres |
| (ii) exceeding 50 acres | Rs. 20/- per acre |

BARRANI AREA/WAHI CHAHI

- | | |
|--|-------------------|
| (I) 16 acres but not exceeding 50 acres; | Rs. 5/- per acre |
| (II) exceeding 50 acres. | Rs. 10/- per acre |

(c) after section 6, the following new section 6-A shall be added:-

“6-A(1) Utilization of Tax.

The tax collected from a particular district shall be used exclusively on the development schemes of the same district in addition to the schemes included in the Provincial Annual Development Programme for that district.

(2) The tax shall be used in the manner as may be prescribed.”.

7. “There shall be levied and collected a tax at such rate not exceeding 0.5 percent as may be notified by Government on the amount charged on the services rendered by travel agents,

“7-Tax on sale of services.

couriers, caterers, hotels (excluding room charges), restaurants, engineers, doctors, lawyers, chartered accountants, surveyors, architects, builders and developers, estate agents, car dealers, clearing and forwarding agents, shipping agencies, stevedors, indentors, contractors and non-fund or fee based income of banks, modarbas, leasing companies advertising companies, enterprises providing software services, management, consultants, tax consultants, entities providing port services, security services, investment banks, development financial institutions, stock brokers, brokerage houses, companies rendering investment advisory

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services and money changers and other entities as may be prescribed.".

8. Government may make rules for carrying into effect the purpose of this Act and such rules may among other matters, prescribe the procedure for the assessment, collection and payment of and exemption from the taxes and duties levied under this Act.

Power to make Rules.