

SALES TAX

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The amendments are applicable from July 01, 2009 specified otherwise.

SECTION	PRESENT POSITION AS ON 30 TH JUNE, 2009	AMENDMENTS THROUGH FINANCE ACT 2009
2(14A)	Non Existent;	“KIBOR” means Karachi Inter Bank Offered Rates prevalent on the first day of each quarter of the financial year;
8B(2)	A registered person, subject to section (1), may be allowed adjustment of input tax not allowed under sub-section (1) subject to the following conditions, namely:	The technical amendment has been made, the word “or refund” has been inserted in order to cover condition of refund or adjustment of input tax, as the case maybe.
11(4)	<p>No order under this section shall be made by an officer of Sales Tax unless a notice to show cause is given within five years to the person in default specifying the grounds on which it is intended to proceed against him and the officer of Sales Tax shall take into consideration the representation made by such person and provide him with an opportunity of being heard:</p> <p>Provided that order under this section shall be made within forty-five days of issuance of show cause notice or within such extended period as an officer of Sales Tax may, for reasons to be recorded in writing, fix provided that such extended period shall in no case exceed ninety days.</p>	<p>Extended period has been restricted to 60 days instead of 120 days as previously was available, the new proviso shall be added namely;</p> <p>“Provided further that any period during which the proceedings are adjourned on account of a stay order or Alternative Dispute Resolution proceedings or the time taken through adjournment by the petitioner not exceeding thirty days shall be excluded from the computation of the periods specified in the first proviso;”</p> <p>The addition of the above proviso is very rational, now the adjudicating proceeding shall be on more principle of natural justice if the registered person is needed any adjournment on reasonable ground, adjudicating officer can accommodate the request.</p>
33	In Serial No. 12, Section 25, 28 & 38A were covered.	Now Section 40B, in addition to the other present provisions has been included.
34 (1) (a)	<p>Default Surcharge.–</p> <p>the person liable to pay any amount of tax or charge or the amount of refund erroneously made, shall pay default surcharge at the rate of one and half per cent per month, of the amount of tax due or the amount of refund erroneously made; and</p>	<p>Instead of default surcharge at 1.5% per month, it has been amended that default surcharge shall be “KIBOR plus three per cent per annum”.</p> <p>The rate has been linked with prevailing market rate, however, 3% above KIBOR shall be always higher than bank rate in order to discourage registered person to hold Government dues.</p>

<p>36(3)</p>	<p>Provided that order under this section shall be made within one hundred and twenty days of issuance of show cause notice or within such extended period as the Collector [***] may, for reasons to be recorded in writing, fix, provided that such extended period shall in no case exceed one hundred and twenty days:</p>	<p>Extended period has been restricted to 60 days instead of 120 days as previously was available, the new proviso shall be added namely;</p> <p>“Provided further that any period during which the proceedings are adjourned on account of a stay order or Alternative Dispute Resolution proceedings or the time taken through adjournment by the petitioner not exceeding thirty days shall be excluded from the computation of the periods specified in the first proviso;”</p> <p>The addition of the above proviso is very rational, now the adjudicating proceeding shall be on more principle of natural justice if the registered person is needed any adjournment on reasonable ground, adjudicating officer can accommodate the request.</p>
<p>38</p>	<p>Authorized officers to have access to premises, stocks, accounts and records – (1) any officer authorized in this behalf by the Board or the Collector shall have free access to business or manufacturing premises.....</p>	<p>Authorized officers to have access to premises, stocks, accounts and records – (1) any officer authorized in this behalf by the Board shall have free access to business or manufacturing premises.....</p> <p>By virtue of Finance Act, collector’s power to free access to business to premises has been withdrawn.</p>
<p>45B</p>	<p>Appeals:</p> <p>Provided that such order shall be passed not later than one hundred and twenty days from the date of filing of appeal or within such extended period as the Collector (Appeals) may, for reasons to be recorded in writing fix:</p>	<p>Extended period has been restricted to 60 days instead of 120 days as previously was available, the new proviso shall be added namely;</p> <p>“Provided further that any period during which the proceedings are adjourned on account of a stay order or Alternative Dispute Resolution proceedings or the time taken through adjournment by the petitioner not exceeding thirty days shall be excluded from the computation of the aforesaid periods;”</p> <p>The addition of the above proviso is very rational, now the adjudicating proceeding shall be on more principle of natural justice if the registered person is needed any adjournment on reasonable ground, adjudicating officer can accommodate the request.</p>

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46	<p>Appeals to Appellate Tribunal.</p> <p>(2) The Appellate Tribunal may admit an appeal preferred after the period of limitation specified in sub-section (1) if it is satisfied that there was sufficient cause for not presenting it within the specified period.</p> <p>(3) The appeal shall be accompanied by a fee of one thousand rupees paid in such manner as the Board may prescribe.</p> <p>(4) The Appellate Tribunal, after giving the parties to the appeal, an opportunity of being heard may pass such orders in relation to the matter before it as it thinks fit:</p> <p>Provided that when any such order amounts to an interim order staying the recovery of tax, such order shall cease to have effect on the expiration of a period of six months following the day on which it is made unless the case is finally decided, or the interim order is withdrawn by the Tribunal earlier:</p> <p>Provided further that such interim order or orders, as the case may be, shall cease to have effect on the expiration of a total period of six months following the day on which the first interim order is made, unless the case is finally decided, or the interim order is withdrawn by the Appellate Tribunal earlier.</p> <p>(5) The Appellate Tribunal shall send a copy of its order disposing the appeal to the appellant and to the concerned Officer of Sales Tax.</p> <p>(6) All appeals relating to the Sales Tax Act, 1951, pending before the Income Tax Appellate Tribunal at the commencement of the Finance Act, 1997 shall stand transferred for disposal to the Appellate Tribunal.</p> <p>(7) Order under this section shall be passed within eight months of filing of appeal.</p>	<p>The Appellate Tribunal may admit, hear and dispose of the appeal as per procedure laid down in Sections 194A, 194B and 194C of the Customs Act, 1969 (IV of 1969), and rules made thereunder.</p> <p>Omitted.</p> <p>Omitted.</p> <p>Omitted.</p> <p>Omitted.</p> <p>Omitted.</p> <p>Omitted.</p> <p>Omitted.</p> <p>Omitted.</p>
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	<p>(8) Subject to the provisions of this Act or any other law for the time being in force, the Appellate Tribunal shall have power to regulate its own procedure and the procedure of the Benches thereof in all matters arising out of the exercise of its powers or of the discharge of its functions, including the places at which the Benches shall hold their sittings.</p> <p>(9) The Chairman or any other member of the Appellate Tribunal authorized in this behalf by the Chairman may, sitting singly, dispose of any case which has been allotted to the bench of which he is member where —</p> <p>(a) in any disputed case, other than a case where the determination of any question having a relation to the rate of sales tax or to the value of taxable goods for purposes of assessment is in issue or is one of the points in issue, the difference in tax involved or the tax involved does not exceed ten million rupees; or</p> <p>(b) the amount of fine or penalty involved does not exceed ten million rupees.</p>	<p>Omitted.</p> <p>Omitted.</p> <p>This provision has been inline with power confer under section 196 of the Customs Act, 1969, wherein details has been provided, therefore, amendment by omitting other sub-section has been made.</p>
<p>47A(3)</p>	<p>(3) The committee constituted under sub-section (2) shall examine the issue and may, if it deems necessary, conduct inquiry, seek expert opinion, direct any officer of sales tax or any other person to conduct an audit and make recommendations within sixty days of its constitution, in respect of the resolution of the dispute as it may deem fit:</p> <p>Provided that the Board may extend the period of sixty days stipulated for making the recommendations for another sixty days on specific request of the committee.</p>	<p>(3) The committee constituted under sub-section (2) shall examine the issue and may if it deems fit, conduct inquiry, seek expert opinion, direct any officer of the sales tax or any other person to conduct an audit and shall make recommendations within ninety days of its constitution in respect of the dispute. If the committee fails to make recommendations within the said period the Board shall dissolve the committee and constitute a new committee which shall decide the matter within a further period of ninety days. If after the expiry of that period the dispute is not resolved the matter shall be taken up by the appropriate forum for decision.</p>

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<p style="text-align: center;">47A(3A)</p>	<p>Non existent;</p>	<p>New sub-section has been inserted namely;</p> <p>If the Committee constituted under sub-section (2) fails to make recommendations within the period stipulated under sub-section (3), the Board may dissolve the Committee and appoint a new Committee.</p> <p>The amendment is very significant to expedite proceeding under this provision.</p>
<p style="text-align: center;">47A(4)</p>	<p>The Board may, on the recommendation of the committee, pass such order, as it may deem appropriate.</p>	<p>The newly amended provision reads as under:</p> <p>The Board may, on the recommendation of the committee, pass such order, as it may deem appropriate within forty-five days of the receipt of recommendations of the Committee.</p>
<p style="text-align: center;">67</p>	<p>Delayed Refund.--</p> <p>Where a refund due under section 10 is not made within the time specified in this behalf, there shall be paid to the claimant in addition to the amount of refund due to him, a further sum equal to six per cent per annum of the amount of refund due, from the date following the expiry of the time specified as aforesaid, to the day preceding the day of payment of refund:</p>	<p>Instead of six per cent it has been replaced with KIBOR.</p>

SIXTH SCHEDULE

The following amendments have been made in Sixth Schedule.

TABLE-1

13.	Edible vegetables including roots and tubers, whether fresh, frozen or otherwise preserved (e.g. in cold storage) but excluding those bottled or canned. 0701.9000 0703.1000	Edible vegetables including roots and tubers, except ware potato and onions whether fresh, frozen or otherwise preserved (e.g. in cold storage) but excluding those bottled or canned. Omitted. Omitted.
14.	Pulses. 0713.2000	Substituted by, 0713.2010, 0713.2020, 0713.2090
19.	Cereals and products of milling industry. 1006.1000	Substituted by, 1006.1010, 1006.1090
23.	Sugar Cane. 1212.9900	Substituted by, 1212.9990
32.	Newspapers, journals, periodicals, books but excluding directories. 4901.9100, 4901.9990, 4902.1010, 4902.1090, 4902.9010, 4902.9090 and 4903.0000	Newsprint, newspapers, journals, periodicals, books but excluding directories. 4901.9100, 4801.0000, 4901.9990, 4902.1000, 4902.9000 and 4903.0000
69.	Tractors, bulldozers and combined harvesters; and CKD kits thereof imported by recognized local manufacturers as per their approved deletion programme subject to the same conditions as are envisaged for the purposes of exemption under the Customs Act, 1969 (IV of 1969).	Tractors, bulldozers and combined harvesters; and components (which include sub-components, components, sub-assemblies and assemblies but exclude consumables) imported in ay kit form and direct materials for assembly or manufacture thereof, subject to the same conditions as are conditions as are envisage for the purpose of exemption under the Customs Act, 1969 (IV of 1969).

TABLE-2

11.	Non existent;	Supply of ware potato and onions. 0701.9000 and 0703.1000
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NOTIFICATIONS

The following SROs have been notified dated: June 9, 2009.

<i>SRO</i>	<i>Brief</i>
471(I)2009	The serial no. 02 of SRO 471(I)2009, dated: 09.06.2007 regarding zero rated items monofilament, sun shedding, Nylon 63 and other respective fishing net, other fishing net, rope of poly ethylene and rope of nylon, tyre cord fabric has been excluded. The SRO effected from 14.06.2009.
472 (I)2009	There has been amendment in SRO 549(I) 2008,dated: 11.06.2008, regarding zero rated of import and supply of plant and machinery as per amendment, the items covered under chapters 1 to 83 of the first schedule of customs Act, 1969 (all types of plant, machinery and equipment) and chapter 84 of the first schedule of customs Act, 1969 (Respective headings of auto parts) chapter 85 of the first schedule of customs Act, 1969 (Respective headings of auto parts) chapter 86 to 89 of the first schedule of customs Act, 1969 (Respective headings of all types of plants, machinery and equipment) chapter 90 of the first schedule of customs Act, 1969 (Respective headings of auto parts) in serial No. 04 certain items have been re-lettered, in serial No. 07 in column (1), in column (3), after the word “manufactured”, at the end, the words, commas, figure and trackers “and in case of imported components, sub-components and parts, all the conditions, restrictions, limitations and procedures as are imposed by notification under section 19 of the Customs Act, 1969. Wheel chair has been included in the list. The SRO effected from 14.06.2009.
476 (I)2009	Sales Tax on cellular telephone set has been reduced to Rs. 250/- from Rs. 500/- rupees per set. The SRO effected from 01.07.2009.