

Punjab government removes registration fee for new businesses

The Punjab government has removed registration fee for new firms in the provincial finance bill 2017. The General Sales Tax on the construction services has been reduced to 5 percent from 16 percent. Also, under the tax reforms introduced in the finance bill, the tax authorities have been barred from further action in case of appeal.

The finance bill has imposed 3.25 percent tax on leasing rural property and 5.25 percent on urban properties. The gift deeds will attract 5 percent tax of the value of the property provided that if the gift deed is executed between spouses, father, mother, son, daughter, grandparent, siblings or from one wife or widow to another wife or widow of the same husband, and the rate of stamp duty shall be three percent of the value of the property. The gift deeds in rural areas, on the other hand, will attract 3 percent tax, added the Finance Bill 2017.

The bill has also proposed imposition of 5 percent tax on internet services, whether dialup or broadband, including email services, data communication network services and value added data services, valued at more than Rs 1500 per month. However, the students are excluded from this tax, it added. Sale of public property will attract 5 percent in urban and 3 percent tax in rural areas.

The Board of Revenue, Punjab recently has introduced e-stamping project for facilitation and to eliminate the usage of counterfeit stamp papers. Owing to great success, it has been proposed to merge all the taxes/duties/fees in one head of account of stamp duty which would be issued through e-stamping system. The merger of all taxes would ease the procedure of deposits and helpful in reconciliation process as well.

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