

## **New taxes imposed on property, CNG & fuel stations**

Khyber Pakhtunkhwa government in its Finance Bill 2017 for financial year 2017-18 has proposed to exempt services, money transfer, construction of bridges, gas supply, sanitation services, and registration of vehicles registered in other provinces from the imposition of General Sales Tax (GST). However, besides increase in tax ratio, new taxes on immovable urban property (IUP), CNG plus general store, petrol pumps and service stations are being levied.

The finance bill was presented by Provincial Minister for Finance Muzaffar Said in the provincial assembly on Wednesday. The provincial departments have failed to achieve the revenue targets for the outgoing financial year 2016-17 rather they declared as compare to last fiscal year.

According to the statistics of the previous financial year, the provincial government had collected 70.4% of the revenue target, but during the current fiscal year, the ratio had declined to 64.4%. According to revenue proposals of finance bill, tax ratio on immovable urban property is being increased by 50% while tax on personal residence in the provincial metropolis, the tax ratio on five marla 'category A house' has been increased from Rs 1000/- to Rs 1500, Category B from Rs 900/- to Rs 1300/- and Category C from Rs 750/- to Rs 1100/- respectively.

Similarly, tax on 5 marla to 10 marla 'category A' has been increased from Rs 1700/- to Rs 2500/-, Category B from Rs 1600/- to Rs 2400/- and Category C from Rs 1500/- to Rs 2300 respectively. Furthermore, for immovable urban property on over 10 marla to 15 marla for 'category A' has been increased from Rs 2200/- to Rs 3300/-, category B from Rs 2100/- to Rs 3100/- while tax on 'Category C' has been increased from Rs 2100 /- to Rs 3000/- respectively.

Tax on 15 marla upto 18 marla category A immovable urban property has been proposed to increase from Rs 3300/- to Rs 4800/-, Category B from Rs 3200/ to Rs 4700/- and Category C from Rs 3000/- to Rs 4500/- while increase in tax for Category A immovable property of over 30 marla to 40 marla has been proposed from Rs 20000/- to Rs 30000/-, Category B (from Rs 18000/- to Rs 27000/-) and Category C (from Rs 16000/- to Rs 24000/-) respectively.

According to budget proposals tax on category A immovable property of over 40 marla has been increased from Rs 30000/- to Rs 45000/-, Category B from Rs 25000/- to Rs 37500/- and Category C from Rs 20000 to Rs 30000/ Similarly, property tax on the CNG stations and petrol pumps having general store has been increased from Rs 15000/- to Rs 22500/- while tax on CNG stations and petrol pumps sans such facilities have been increased from Rs 7500/- to Rs 11300/-. An annual Property Tax of Rs 20000/- has been proposed on service stations.

Furthermore, ratio of professional tax on all Mudarba companies and mutual fund corporate bodies' has also been reviewed tax on income upto Rs 10 million but not exceeding Rs 25 million has been proposed at Rs 36000/-, while tax on income from over Rs 25 million to Rs 50 million has been increased from Rs 36000/- to Rs 50000/-.

Similarly, professional tax on non-specialist doctors has been proposed to increase from Rs 2000/- to Rs 10000/- and professional tax on Diagnostic Laboratory from Rs,15000/- to Rs

20000/- while professional tax on CNG station, petrol pump has been increased from Rs 8000/- to Rs 12000/- while ratio of service stations has been proposed to increase from Rs 5000/- to Rs 8000/- respectively.

Furthermore, professional tax on cable operators has been proposed to increase from Rs 1000/- to Rs 10000/- whole sale dealers, agency holders and medical stores which were earlier exempted of professional tax will pay Rs 10000. Similarly, tailors sewing only shirt and trouser will have to pay professional tax of Rs 2000/- while those sewing shirt, trouser and waistcoat will pay tax of Rs 5000/- and those beside sewing shirt, trouser and pant-shirt will have to pay Rs 10000/- annual tax.

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