



BUDGET MEMORANDUM 2013

SUMMARY OF PROPOSED CHANGES IN PUNJAB PROVINCIAL BUDGET



ILYAS SAEED & Co
Chartered Accountants

BRIEF SUMMARY OF CHANGES PROPOSED IN

PUNJAB PROVINCIAL BUDGET

❖ Punjab Motor Vehicles Taxation Act

A person keeping motor vehicle shall pay tax as follows;

Sr. No	Tax Period	Date of Payment
1	For the first quarter of financial year	Before the 31 st Day of July
2	For the second quarter of financial year	Before the 31 st day of October
3	For the third quarter of financial year	Before the 31 st day of January
4	For the fourth quarter of financial year	Before the 30 th day of April
5	For the whole of financial year	Before the 1 st day of October
6	For the entire life of the motor vehicle	At the time of registration of a motor vehicle or before the 1 st day of September 2013

If a person commences to keep a motor vehicle for use, he shall pay the tax before the expiration of twenty one days from the day when he commences to keep the motor vehicle for use.

❖ Punjab Agricultural Income Tax Act 1897

Where any person has declared agricultural income for any assessment year in the return filed under Income Tax Ordinance, the person shall pay the tax at the specified rates as given in Second Schedule.

❖ Luxury Tax on Houses

One time Luxury tax shall be levied and charged on residential houses located in a part of a rating area specified as category A for purposes of the Punjab Urban Immoveable Property Tax Act, 1958 at the given rates;

Sr. No	Description of Property	Rate of Tax
1	Residential house measuring two kanals and above but less than four kanals	Five Hundred Thousand Rupees
2	Residential house measuring four kanals but less than eight kanals	One Million Rupees
3	Residential house measuring eight kanals and above	One and Half Million Rupees

In case of an existing house, the luxury tax shall be paid when a year commencing from the first day of July, 2013 in four equal installments before the expiry of each of the four quarters of the year.

2% additional surcharge per month shall be charged where an installment is not paid within prescribed time.

One house belonging to widow, not exceeding four kanals, shall be exempt from this luxury tax. Legal heirs shall be liable to pay luxury tax within one year from the demise of said widow.

❖ Capital Gains Tax on Immoveable Property

Gain occurring from the sale of immoveable property by a person in a tax year shall be chargeable to tax in that year at the following rates;

Sr. No	Description	Rate
1	Sale within one year of acquisition	5% of the capital gain or 2% of the recorded value at the time of sale, whichever is higher.
2	Sale between more than one but within two year of acquisition	4% of capital gains
3	Sale between more than two but within three years of acquisition	3% of capital gains
4	Sale between more than three but within four years of acquisition	2% of capital gains
5	Sale between more than four but within five years of acquisition	1% of capital gains
6	Sale after five years of acquisition	No tax.

“Acquisition” means transfer of property through any mode including gift, bequest, will, succession, inheritance, devolution, dissolution of an association of persons or winding up or liquidation of a company.

“Recorded Value” means the value declared by the transferor in the instrument, provided that the declared value of the property shall not be less than the value specified in the valuation tale notified by the Collector of the district.

“Tax” means capital gains tax on sale of any immovable property and includes any penalty, fee and charge or any sum or amount leviable or payable under this section.



“MGI” is leading worldwide association of independent auditing, accounting and consulting firms with more than 240 offices in more than 82 countries with head office in UK.

All MGI members offer a personal service, with high partner contact, to expanding business, both locally and globally.

Worldwide, the MGI name is a symbol of valued business relationships. Each member firm operates independently with all members subjected to regular review to ensure that high standards of service, professionalism and technical support are maintained at all times.

In Pakistan, Ilyas Saeed & Co, Chartered Accountants is the member firm of MGI, which is among the nation’s leading professional services firms, providing audit and assurance, tax, consulting and management advisory services.

www.ilyassaeed.com

ILYAS SAEED & Co

Chartered Accountants

Audit & Assurance | Management Advisory | Tax

LAHORE

A-4, Sea Breeze Homes, Shershah Block
New Garden Town, Lahore
Phones: (042) 35861852 – 35868849 Fax:
(042) 35856145
Cell: 0300 8440423

KARACHI

418 Press Center
Shahrah e Kamal Attaturk,
Karachi
Tel. (021) 32635676

ISLAMABAD

Office # 26, 2nd Floor, Rose Plaza,
I – 8 Markaz, Islamabad
Tel. (051) 4102626 – 7. Fax: (051)
4102628
Cell: 0300 85584235

GUJRANWALA

B – 3, 1st Floor,
Trust Plaza, Gujranwala.
Ph: (055) 3856736, 3856782
Cell: 0300 8740402