
SAIDUDDIN & CO.

ADVOCATES, TAXATION, MANAGEMENT & LEGAL CONSULTANTS SINCE 1956

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PUNJAB SALES TAX ON SERVICES

- RESTRICTION OF SIX MONTHS PLACED FOR CLAIMING INPUT TAX ADJUSTMENT OF SALES UNDER ANY OTHER LAW.
- ADJUSTMENT OF INPUT TAX FOR REGISTERED PERSON REDUCED TO 80% OF THE OUTPUT TAX IN A TAX PERIOD I.E. AT LEAST 20% OF THE OUTPUT TAX HAS TO BE PAID IN THE TAX PERIOD.
- REGISTERED PERSON MAY BE ALLOWED REFUND OF TAX PAID THROUGH INADVERTENCE, ERROR OR MISCONSTRUCTION.
- ADDITIONAL RECORD TO BE MAINTAINED UNDER SECTION 31 WHICH IS SIMILAR TO THE REQUIREMENTS PROVIDED UNDER THE (FEDERAL) SALES TAX ACT, 1990
- PECUNIARY LIMITS ENHANCED UP TO RS. 10 MILLION FOR CASES TO BE ADJUDICATED BY DEPUTY/ASSISTANT COMMISSIONER. FURTHER, ENFORCEMENT OFFICER OR THE AUDIT-CUM-RISK COMPLIANCE OFFICER EMPOWERED TO ADJUDICATE CASES UPTO 5 MILLION OF TAX AMOUNT.
- NOW A DEFAULTER CAN BE ARRESTED AND IMPRISONED FOR NOT MORE THAN SIX-MONTH IF A TAX DEMAND UPHELD BY THE APPELLATE TRIBUNAL HAS NOT BEEN PAID.
- RECOVERY CAN BE MADE FROM THE FINANCIAL INSTITUTION OR A BANKING COMPANY FROM THE RUNNING AND DEMAND FINANCE FACILITY IT HAS EXTENDED TO THE TAXPAYER.
- AUTOMATIC STAY OF THE RECOVERY AMOUNT DURING APPEAL IF A PERSON DEPOSITS AT LEAST 10% OF THE DEMANDED TAX.

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- PRA MAY REQUIRE CLASS OF REGISTERED PERSON TO ISSUE INVOICE INVOICES ELECTRONICALLY AND TRANSMIT SUCH INVOICES TO PRA IN THE PRESCRIBED MANNER.
- THE AUDIT PROCEEDINGS CAN NOW BE CONDUCTED ELECTRONICALLY THROUGH VIDEO LINKS.
- THE APPEAL BEFORE COMMISSIONER (APPEALS) CAN BE FILED ELECTRONICALLY.
- THE PERIOD OF FILING AN APPEAL BEFORE THE APPELLATE TRIBUNAL IS ENHANCED FROM 30 TO 60 DAYS.
- RIDE-HAILING SERVICES NOW TAXABLE AT THE REDUCED RATE OF 4% WITHOUT INPUT TAX ADJUSTMENT.
- PROPERTY BUILDERS AND DEVELOPERS TO BE TAXED ON AREA BASED RATES I.E. RS. 100 PER SQ.FT.
- CONSTRUCTION SERVICES PROVIDED TO REGISTERED PROPERTY DEVELOPERS, BUILDERS AND PROMOTERS OTHERWISE LIABLE TO PAY TAX.
- AFFORDABLE HOUSING SERVICES PROVIDED UNDER GOVERNMENT SPONSORED HOUSING PROGRAMS.
- HEALTH INSURANCE FOR INDIVIDUAL AND MEDICAL CONSULTATION/HOSPITAL ROOM SERVICES TO BE TAXED @ 0% WITHOUT INPUT TAX ADJUSTMENT.
- SERVICES PROVIDED BY HOTELS, RESTAURANTS, PERSONAL CARE BY BEAUTY PARLOR, FRANCHISE SERVICE, MAN POWER RECRUITMENT, RENT- A-CAR, CAR/AUTOMOBILE DEALERS, BROKERAGE AND ACCOUNTANTS ARE PROPOSED TO BE TAXED AT A REDUCED RATE OF 5% (WITHOUT INPUT TAX ADJUSTMENT) ONLY UNDER CERTAIN CASES OR CONDITIONS.

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- SERVICES PROVIDED BY MARRIAGE HALLS AND LAWNS, CATERING SERVICES, IT ENABLED OR IT BASED SERVICES, TOUR OPERATORS AND TRAVEL AGENTS, PROPERTY DEALERS AND REALTORS, TOLL MANUFACTURING, HEALTH CARE AND GYMS AND CABLE TV OPERATORS TO BE TAXED AT A REDUCED RATE OF 5% (WITHOUT INPUT TAX ADJUSTMENT) WITHOUT ANY CONDITION AND RESTRICTION.

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KPK SALES TAX ON SERVICES

- REVERSE CHARGE DEFINE, NOW THE PERSON RECEIVING SERVICE IS LIABLE TO DEDUCT AND DEPOSIT THE TAX, EVEN IF HE IS NOT A REGISTERED WITH KPRA, IF THE SERVICE PROVIDER DOES NOT DISCHARGE ITS LIABILITY ACCORDING TO PRINCIPAL OF ORIGIN.
- PRIOR PERMISSION REQUIRED FROM KPRA TO SWITCH TO REDUCED RATE WHICH IS SPECIFIED IN THE SECOND SCHEDULE OR THE NOTIFICATIONS ISSUED BY KPRA.
- THE TERM "SHORT PAYMENT" DEFINED WHICH INCLUDE SUCH SHORT PAYMENT WHICH HAS RESULTED OR MAY HAVE RESULTED FROM TAKING INADMISSIBLE ADJUSTMENT OF INPUT TAX.
- WITHHOLDING AGENT DEEMED TO BE A REGISTERED PERSON AND WILL HAVE TO COMPLY WITH ALL THE REQUIREMENTS APPLICABLE TO REGISTERED PERSON.
- PERSON PROVIDING EXEMPT SERVICES AND/OR NON-TAXABLE SERVICES WILL BE REQUIRED TO FILE MONTHLY OR PERIODICAL RETURNS, IF REQUIRED. FAILURE TO DO SO WILL RESULT IN IMPOSITION OF PENALTY IN RESPECT OF NON-FILING.

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BALUCHISTAN SALES TAX ON SERVICES

- RECORD MAINTAINED UNDER BALUCHISTAN SALES TAX ON SERVICES ACT, 2012 IN RESPECT OF TAXABLE AS WELL AS EXEMPT SERVICES.
- THE AUDIT PROCEEDINGS CAN NOW BE CONDUCTED ELECTRONICALLY THROUGH VIDEO LINKS.
- SCOPE OF AUDIT ENHANCED, NOW THE DOCUMENTS AND RECORDS AVAILABLE WITH AGENT OF THE REGISTERED PERSON OR IN ANY ELECTRONIC MEDIA, CAN BE SUBJECT TO AUDIT.
- PENALTY AMOUNT INCREASED IN CERTAIN DEFAULTS.
- THE APPEAL BEFORE COMMISSIONER (APPEALS) CAN BE FILED MANUALLY OR ELECTRONICALLY AND TIME LIMIT OF 30 DAYS FOR FILING OF APPEAL IS NOW BEEN WITHDRAWN.
- FUNCTIONS AND PROCEDURE OF APPELLATE TRIBUNAL IS DEFINED.
- AUTOMATIC STAY FOR 30 DAYS FROM RECOVERY OF DEMAND FROM THE DATE OF ORDER.
- RECOVERY CAN NOW BE MADE FROM THE PERSONS OWES MONEY ON BEHALF OF THE DEFAULTER.
- SERVICES PROVIDED BY RESTAURANTS, CONTRACTS OF BUILDING, MULTIDISCIPLINARY WORKS, PROPERTY DEVELOPERS OR PROMOTERS ARE PROPOSED TO BE TAXED AT A REDUCED RATE ONLY UNDER CERTAIN CASES OR CONDITIONS.
