

West Pakistan Act V of 1958

An Act to consolidate the law relating to the levy of a Tax on urban immovable property in the Province of Khyber Pakhtunkhwa

Preamble. Whereas it is expedient to consolidate the law relating to the levy of a tax on Urban Immovable Property in the Province of Khyber Pakhtunkhwa¹

It is hereby enacted as follows:—

1. Short title and extent. — (1) This Act may be called the Khyber Pakhtunkhwa¹ Urban Immovable Property Tax Act, 1958 (West Pakistan Act V of 1958).

(2) It extends to the whole of Khyber Pakhtunkhwa,¹ except the Tribal Areas.

2. Definitions. In this Act unless the context otherwise requires, the following expressions shall have the meanings hereby respectively assigned to them, that is to say:—

- (a) "Assessing Authority" means constituted under this Act;
- (b) "Collector" means an officer appointed by Government by name, or by virtue of his office, to discharge the functions and to perform the duties of a Collector under this Act in any specified area;
- (c) "Commissioner" means an officer appointed by Government by name, or by virtue of his office, to discharge the functions and to perform the duties of a Commissioner under this Act in any specified area;
- (d) "Government" means Government of Khyber Pakhtunkhwa¹;
 - ²[(dd) "member of the family of the owner" means his:
 - (i) wife or husband, as the case may be;
 - (ii) sons and daughters; and
 - (iii) father and mother];²
- ³[(e) "Owner" includes a mortgagee with possession, a lessee in perpetuity, a trustee having possession of a trust party and a person to whom an evacuee property has been transferred provisionally or permanently under the Displaced Persons (Compensation and Rehabilitation) Act, 1958);]³
 - (i) "Prescribed" means prescribed by rules made under this Act;
 - (ii) "Rating Area" means urban area where Tax is levied under the provisions of this Act;

1 Substituted for West Pakistan by Khyber Pakhtunkhwa Ordinance, IV of 1975.

2 Clause (dd) inst. by the W.P. Urban Immovable Property Tax Act (Amendment) Ordinance, XXVIII of 1963.

3 Clause (e) subs. by the W.P. Urban Immovable Property Tax Act (Amendment) Ordinance, XXVIII of 1963.

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¹[(ga) "Schedule" means the Schedule to this Act;"]¹

- (iii) "Tax" means the tax leviable under the provisions of section 3; and
- (iv) "Urban area" means an area within the boundaries of a Municipal Corporation, Municipal Committee, Cantonment Board, Small Town Committee, or other authority (not being a District Board) legally entitled to or entrusted by Government with the control of management of a municipal or a local fund.

3. Levy of tax. (1) Government may by notification specify urban areas where tax shall be levied under this Act:

Provided that one urban area may be divided into two or more rating areas or several urban areas may be grouped as one rating area.

²[(2) Subject to the provisions of section 4, there shall be levied, charged and paid a tax, on the basis of annual rental value of buildings and lands in the rating areas (heretofore notified or as may hereafter be notified under this Act)

- (a) at the rate specified in Schedule I in respect of residential buildings; and
- ³[(b) at the rate specified in Schedule II in respect of commercial buildings:]²]³

⁴[Explanation-I. Residential buildings are the buildings which are used for the purpose of dwelling whereas commercial buildings are the buildings along with any appurtenances and installations that may be attached therewith, which are used as office establishment or for carrying on any commerce or trade.

Explanation-II. In case when compartmentalization and partition is carried out in the buildings in such a way to collectively use the building for residential as well as commercial purposes or to house more than one dwellings, the tax in respect of such compartments and partitions shall be levied in a manner as if they are separate buildings."] ⁴

⁵[*****] ⁵

(2a) ⁶[A rebate at the rate of 10% of the tax assessed under sub-section(2) shall be admissible to those assessee who pay the tax in advance for the whole year by 31st day of August of the year to which it relates] ⁶

Explanation. The annual value for the purposes of this section shall be the aggregate annual value of all buildings and lands owned by the same person in a rating area."

¹ Clause (ga) inst. vide Khyber Pakhtunkhwa Finance Act 1997, 7th July, 1997

² Substituted Vide Khyber Pakhtunkhwa Finance Act 2001.

³ Amended Vide Khyber Pakhtunkhwa Finance Act 2008.

⁴ Inserted vide Khyber Pakhtunkhwa Finance Act, 2011 (Khyber Pakhtunkhwa Act No.XIII of 2011)

⁵ Proviso deleted Vide Khyber Pakhtunkhwa Finance Act 2008.

⁶ Inserted vide Khyber Pakhtunkhwa Finance Act 1999.

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Unit of property in Rating Area. Under the proviso to sub-section (1) of this section the Government has power to split up a specified area into two or more rating areas or to group together several rating areas into one. The explanation to sub-section (2) of this section adds that the annual value for the purposes of this section shall be the aggregate value of all the buildings and lands owned by the same person in a rating area. In other words, if a person owns (not necessarily possesses) separate buildings and lands in a rating area, the annual value of each of the buildings or the lands may be separately ascertained but the tax is to be paid on the aggregate annual value of all the buildings and lands lumped together or their annual value may be ascertained as a whole in one lump and assessed.

Tax Rates. The consolidated Acts levied a flat rate tax but this Act has levied it on slab rates. No tax is to be paid on the property the annual value of which is Rs. 90. On the next Rs. 90, 5%, i.e., Rs. 2.50 on the next Rs. 180 or any part of it, 7% i.e., Rs.13.50, on the next Rs.700 or any part of it, 15% i.e., 162 on the next Rs.1400 and any amount over and above it, 20% , i.e., Rs. 288. In other words, when the annual value of a building or land is less than Rs.180, no tax is due: when it is rate. 180 or more and less than Rs. 360, tax due is Rs. 2.50 plus Rs. 13.50, i.e., Rs. 16. When the annual value is Rs. 360 and more but less than Rs. 1,080 tax due is Rs. 16 plus Rs. 162, i.e., Rs 178, and when the annual value is Rs.1,080 or any amount over and above it; the tax due is Rs. 162 plus Rs. 288, i.e., Rs. 450 is the maximum tax leviable and payable under this Act.

Under proviso to sub-section (2) of this section, the Government can remit, by notification, for reasons to be recorded, in whole or in part, the payment of the tax by any class of persons in respect of any category of property. It is clear from the proviso that the tax on any category of property other than that exempted under the provisions of section 4 may also be remitted by the Government. Remission and exemption are distinct. The power of the Government to remit payment of the tax by any class of persons in respect of any category of property does not appear to include that the property itself is not to be taxed. Remission itself implies that the property is liable to tax or has been taxed. This power of the Government is not equivalent to the power to exempt. The power to remit implies the power to cancel the remission as well.

Under the West Pakistan Urban Immovable Property Tax Act, 1958, the following rating areas were specified: ----

Abbotabad Municipality	Bannu Municipality
Abbotabad Cantonment	Bannu Cantonment

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Baffa Notified Area	Charsadda Municipality
Takhat Bahi Municipality	Mardan Cantonment
Amangarh Notified Area	Nowshera Notified Area
Akora Khattak Municipality	Nowshera Cantonment
Pabbi Municipality	Nowshera kalan Notified Area
Hangu Notified Area	Jhangira Municipality
Haripur Municipality	Peshawar Municipal Corporation
Hoti Mardan Municipality	Peshawar Cantonment
Kalachi Notified Area	Tank Notified Area
Kohat Municipality	Thal Notified Area
Kohat Cantonment	Risalpur Cantonment
Lakki Notified Area	Havilian Rating Area
Mansehra Notified Area	
Gallis(Galliat) Notified Area	Zaida Rating Area
Lakki Marwat Municipality	Shabqadar Rating Area
Utmanzai Rating Area	Dera Ismail Khan Municipality
Karak Municipality	Dera Ismail Khan Cantt.
Khalabat Municipality	Tangi Rating Area
Topi Municipality	Zaida Municipality

(3) The tax shall be due from the owner of buildings and lands.

¹**[3-A.** Out of the Tax collected under the Act from within the limits of a Municipal Committee, a Town Committee or a Cantonment Board, the Government shall after retaining 5% thereof as collection charges pay 85% of the balance to such Municipal Committee, Town Committees or Cantonment Board, as the case may be]

²**[3-B.Levy of Tax in Cantonment Area.**----Notwithstanding anything to the contrary contained in this Act or in any other law for the time being in force, there shall be charged, levied and paid tax on annual value of buildings and lands in a Cantonment area at a rate not exceeding 20% and not less than 10% of such annual value as may be determined and notified by Government for such rating area or areas keeping in view the standard of development and availability of civil amenities, the general economic condition of the local population and income of the Cantonment Board concerned from other sources.]

¹ Added by the Punjab Govt. vide notification No 1673-11/467 Tax-III dated 8/7/1971

² Section 3-B added by Punjab Govt. UIP Tax (Amendment) Act,XV of 1976.

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4. Exemptions. —

1. The tax shall not be leviable in respect of the following properties, namely:—

¹[(a) buildings and lands other than those leased in perpetuity, vesting in the Federal Government;]

²[(b) buildings and lands other than those leased in perpetuity ;]

(i) Vesting in Government of Khyber Pakhtunkhwa and not administered by a local authority;

(ii) Owned or administered by a local authority when used exclusively for public purposes and not used for purposes of profit;

³[(c) residential buildings, the area whereof does not exceed five Marlas and the building is occupied by the owner himself:

Provided that the owner does not own any other residential building at the same rating area for which the owner shall submit an affidavit to this effect:

Provided further that if the owner fraudulently avails the concession under this clause, he shall be liable to pay a penalty amounting to five times of the tax so evaded in addition to the tax payable.]

⁴[Provided further that the owner of such residential buildings shall not be liable to pay arrears of the tax if any for a period falling before the 1st day of July 2004.]

⁵[(cc) residential buildings owned and occupied by widows; provided that if a widow owns more than one residential building in the same rating area, she shall be exempted from payment of tax in respect of only one building which is self occupied by her.]

(d) public parks and playgrounds and libraries;

(e) buildings and lands or portions thereof used exclusively for public worship or public charity including mosques, churches, dharamsalas, gurdwaras, orphanages, alms houses, drinking water fountains, infirmaries for the treatment and care of animals and public burial or burning grounds or other places for the disposal of the dead;

¹ Clause (a) Subs by W.P UIP Tax Act (Amendment) Ordinance, X of 1959, S. 4

² Subs for "building and lands" by the W.P UIP Tax Act,(Amendment) Ordinance, X of 1959

³ Amendment vide KHYBER PAKHTUNKHWA Finance Act (VI) 2005 29.1.2005

⁴ Amendment of Section 4 vide Notification No. Legis(1(22)71/358) dated 16/09/2009.

⁵ Substituted vide KHYBER PAKHTUNKHWA Finance Act 2008

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Provided that the following buildings and lands or portions thereof shall not be deemed to be used exclusively for public worship or for public charity within the meaning of this section, namely:-

- (i) buildings in or lands on which any trade or business is carried on unless the rent derived from such buildings or lands is applied exclusively to religious purposes or such charitable institutions as may be prescribed:
 - (ii) buildings or lands in respect of which rent is derived and such rent is not applied exclusively to religious purposes or to public charitable institutions: and
- (f) ¹[Buildings and lands belonging to minor orphans who are not assessed to income tax.]

²[2. Notwithstanding anything to the contrary contained in Section 3, there shall not be levied and charged any tax under this Act, in relation to buildings and lands occupied by industrial units in any area declared by Government as "Industrial Estates" for a period of three years with effect from the 1st day of July, 2010.]

5. Ascertainment of annual value.— The annual value of any land or building shall be ascertained by estimating the gross annual rent at which such land or building together with its appurtenances and any furniture that may be let for use or enjoyment with such building might reasonably be expected to be let from year to year, less:—

- (a) any allowance not exceeding twenty per centum of the gross annual rent as the Assessing Authority in each particular case may consider reasonable rent for the furniture let with any such building;
- (b) an allowance of ten per centum for the cost of repairs and for all other expenses necessary to maintain such building in a state to command with gross annual rent. Such deduction shall be calculated on the balance of the gross annual rent after the deduction, if any, under clause (a); and
- (c) any land revenue actually paid in respect of such building or land;
- (d) Provided that in calculating the annual value of any building or land under this section the value of any machinery in such building or on such land shall be excluded.

6. Assessing authority. (1) There shall be an Assessing Authority for every rating area.

¹ Amended vide Khyber Pakhtunkhwa Finance Act 2001

² Substituted vide Khyber Pakhtunkhwa Finance Act, 2011 (Khyber Pakhtunkhwa Act No.XIII of 2011)

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(2) The Assessing Authority shall exercise such powers and perform such duties as are conferred on it by this Act or the rule made there under.

7. Making and Operation of Valuation Lists. (1) A valuation list shall be made by the prescribed authority in accordance with the rules¹ framed under this Act for every rating area so as to come into force either on the first day of [July], or the first day of [January], and thereafter a new valuation list shall be made from time to time so that the interval between the dates on which one valuation list and the next succeeding valuation list respectively come into force shall be a period of ²[three years]

Provided that Government may by order:

- (a) reduce by a period not exceeding one year or extend by period not exceeding three years the interval which would otherwise elapse between the coming into force of any two successive valuation lists for any rating area, or where valuation list has been lost or destroyed by operation, circumstances beyond control, cancel the list, direct preparation of a new list and order recovery of pending tax to be made on the basis either of the last preceding valuation list or the new list prepared under this proviso; and
- (b) Divide any rating area into parts for the purposes of a new valuation list and determine the years in which the next following valuation list for each of such parts respectively shall be made and come into force.

(2) Subject to the provisions of any such order as aforesaid, every valuation list shall come into force on the first day of July or the first day of January as the case may be, next following the date on which it is finally approved by the assessing authority and shall, subject to the provisions of this Act and the rules made there under (including the provisions with respect to the alteration of and the making of addition to the valuation list) remain in force until it is superseded by a new valuation list.

(3) After every three years the tax shall be increased at the rate of fifteen percent of the tax last assessed and a new valuation list shall accordingly be prepared.”; and

8. Draft Valuation List. (1) Where the Assessing Authority for any area has issued notice requiring returns in connection with the making of a new valuation list, the said authority shall, as soon as may be after the expiration of the period allowed for the delivery of the returns, cause a draft valuation list to be prepared for the area and publish in such manner as may be prescribed.

(2) Any person aggrieved by any entry in the draft valuation list, or by the insertion therein or omission there from of any matter, or otherwise with respect to the list, may, in accordance with the rules made under this Act, lodge an objection with the Assessing Authority at any time before the expiration of thirty days from the date on which the draft valuation list is published:

¹ See infra rules 3 (1) of the Rules frames under S.23.

² Word “three years is substituted vide KHYBER PAKHTUNKHWA Finance Act 1997.

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¹[Provided that in special circumstances the Commissioner may, by notification, extend the period to a maximum of sixty days.]

9. Amendment of Current Valuation List. Subject to such rules, if any, as the Government may think fit to make in this behalf, the assessing authority may at any time make such amendments in a valuation list as appear to it to be necessary in order to bring the list into accord with existing circumstances and in particular may:

- (a) correct any clerical or arithmetical error in the list;
- (b) correct any erroneous insertion or omission or any misdescription;
- (c) make such additions to or correction in the list as appears to the authority to be necessary by reasons of:
 - (i) a new building being erected after the completion of the valuation list;
 - (ii) a building included in the valuation list being destroyed substantially damaged or altered since its value was last previously determined; and
 - (iii) any change in the ownership or use of any building or land:

Provided that not less than fourteen days before making any such amendment in the valuation list for the time being in force, other than the correction of a clerical or arithmetical error, or the correction of an erroneous insertion, omission or misdescription, the Assessing Authority shall send notice of the proposed amendment to the owner of the building or land shall also consider any objection thereto which may be made by him.

10. Appeal and Revision.— (1) Any person aggrieved by order of the appropriate authority upon an objection made before that authority under sections 8, 9, ²[14] or 15 may appeal against such order, at any time before the expiration of thirty days from the date of such order, to the Collector of the District in which the building or land to which the objection related is situated, or to such other officer as the Government may, by notification, appoint in this behalf.

³[(1A) Any person aggrieved by any entry in the valuation list' prepared under section 7, or by the insertion therein or omission therefrom of any matter, or otherwise with respect to the list may, within sixty days of the date on which the list is to come into force prefer an appeal in respect of such entry or matter, to the Collector or to such other officer as the Government may, by notification, appoint in this behalf.]

(2) The Commissioner or such officer, as may be appointed by the Government by notification in this behalf, may on his own motion at any time, or on application made within a period of one year from the date of the taking of any proceedings or passing of any order by an authority subordinate to the Commissioner call for and examine the

¹ Added by W.P. Ord XXVII of 1963.

² Added by W.P. Ord XXVIII of 1963.

³ Added by W.P. Ord XXV of 1962.

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record of the proceedings or the order for the purpose of satisfying himself as to the legality or propriety of the same and may pass such order in reference thereto as he may consider fit.

11. Tax to be Levied Notwithstanding Appeal.— The tax shall be levied in accordance with the valuation list in force for the time being and shall be collected and be recoverable notwithstanding any appeal which may be pending with respect to that list.

12. Tax When Payable.— The tax shall be payable half yearly by such dates as may be prescribed:

¹[Provided that Government may, by notification, direct in any rating area:—

- (i) the tax shall be paid yearly;
- (ii) the tax for any specified period shall be paid separately].

13. Collection of Tax.— The tax shall be paid to such person or authority and in such manner as the Government may prescribe.

14. Recovery of Tax From Tenants.— Where the tax due from any person on account of any building or land is in arrears, it shall be lawful for the prescribed authority to serve upon any person paying rent in respect of that building or land, or any part thereof, to the person from whom the arrears are due, a notice stating the amount of such arrears of tax and requiring all future payments of rent (whether the same have already accrued due or not) by the person paying the rent to be made direct to the prescribed authority until such arrears shall have been duly paid, and such notice shall operate to transfer to the prescribed authority the right to recover, receive and give a discharge for such rent. If the person paying rent willfully fails or neglects to comply with the notice aforementioned, the prescribed authority may, after giving him an opportunity of being heard, proceed against him as it would have proceeded under the provisions of this Act against the owner of the building or land in respect of which the tax is in arrears.

15. Penalty for default in payment.— (1) If any person on being served with such notice as may be prescribed fails to pay within the period specified in the notice any amount due from him on account of the tax, the prescribed authority may recover from him as penalty a sum not exceeding the amount of the tax so unpaid, in addition to the amount of the tax payable by him.

(2) No such penalty shall be imposed unless the prescribed authority is satisfied that the person liable to pay the tax has willfully failed to pay the same.

16. Recovery of unpaid dues.— (1) If any sum due on account of the tax levied under section 3 or a penalty imposed under this Act is not paid within the time allowed for its payment and the person from whom it is due does not show cause to the satisfaction of the Collector or any other person authorized by him why he should not

¹ Subs. by W.P. Ord. XXVIII of 1963.

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pay the same, such sum (inclusive of all costs of recovery) may be recovered under a warrant in the prescribed form or in a form to the like effect to be signed by the Collector.

- (i) by distress or sale of the movable property belonging to such person; or
- (ii) by attachment and sale of the immovable property belonging to him.

The warrant may be addressed to an officer of the Excise and Taxation Department for execution, and in executing it he may obtain such assistance from other servants of the Department as he may consider necessary.

(2) Notwithstanding anything contained in sub-section (1) any sum on account of the tax levied or penalty imposed under this Act remaining unrecovered shall be recoverable as arrears of land revenue.

(3) Notwithstanding anything contained in any law and notwithstanding any rights arising out of any contract or otherwise whatsoever, any sum due on account of the tax levied under section 3 or as a penalty imposed under this Act in respect of any building or land, shall, subject to the prior payment of the land revenue, if any, due to the Government thereon, be a first charge upon such building or land and upon the movable property, if any, if found within or upon such building or land belonging to the person liable for such tax or penalty.

17. Remuneration of local authority— When the tax is collected by any local authority such local authority shall be entitled to such remuneration on account of the cost of collection as may be prescribed.

18. Power of assessing authority to require returns for valuation list.— (1) In every case where a new valuation list is intended to be made for any rating area, the assessing authority shall give public notice of such intention in such manner as may be prescribed, and may serve a notice on the owner, occupier or lessee of any building or land in the said area, or on any one of them, requiring him, or them, to make a return containing such particulars, as may be prescribed.

(2) Every person on whom a notice to make a return is served in pursuance of the provisions of this section shall, within thirty days of the date of the service of the notice, make a return in such form as is required by the notice, and deliver it in the manner so required to the assessing authority.

(3) If any person on whom such notice has been served fails within the required period to submit such return, the assessing authority may proceed to value such property in such manner as it deems fit.

19. Powers of assessing authority to require returns at any time.— If the assessing authority at any time desires any person, who is the owner, lessee or occupier of any building or land wholly or partly within the rating area, to make a return with respect to any of the matters regarding which return may be prescribed, it may serve a notice on that person requiring the return, and that person shall, within thirty days from the service of the notice send the required return to the assessing authority:

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Provided that the assessing authority may, in its discretion, extend the period for the delivery of any such return.

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"Land" includes agricultural and waste or vacant land. The word "land" in its ordinary meaning includes agricultural and waste or vacant land. The Act appears to include this sort of land in its ambit. A Rating Area may be carved out and be specified, including in it agricultural and waste land, other than a building site in an urban area, and taxed under the Act. Its annual value for the purpose of this Act may be ascertained and fixed under its provisions. Thus an agricultural land may be the subject of Income Tax and also under this Act unless exempted under this Act or the former Act. This Act does not appear to exclude it. The only decision under the repealed Punjab Urban Immovable Property Tax Act, 1940, in Letters Patent Appeal and appeal to Federal Court related to agricultural land but no question was raised that the Act was inapplicable to such land.

20. Valuation list not to be rendered invalid by certain failures or omissions.— Any failure on the part of the assessing authority to complete any proceedings with respect to the preparation of a valuation list within the time required by this Act or the rules made thereunder, or the omission from a valuation list of any matters required by the rules to be included therein shall not, of itself, render the list invalid.

21. Assessing authorities, officers and servants to be deemed public servants.— Every assessing authority and every officer working under the orders of such authority for the purposes of this Act, shall be deemed to be a public servant within the meaning of section 21 of the Pakistan Penal Code.

22. Exclusion of jurisdiction Civil Courts.— No civil Court shall have jurisdiction in any matter which the Government or an assessing authority or any officer or servant is empowered by this Act or the rules made thereunder to dispose of, or take cognizance of the manner in which the Government, or any assessing authority, officer or servant exercise any powers vested in it or him by or under this Act or the rules made thereunder.

23. Power to make rules. — (1) The Government may make "Rules"¹ for carrying out the purposes of this Act.

(2) Without prejudice to the generality of the foregoing provisions such rules may provide for any or all of the following matters, namely:—

- (a) the appointment, powers and duties of assessing authorities and other provisions with respect to such authorities;

¹ For Urban Immovable Property Tax Rules, 1958, see p.53. infra.

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- (b) the placing of identification marks on, and entry into or upon, any building or land;
- (c) the preparation and publication of valuation lists, including publication and inspection of draft valuation lists, notices of objections and hearing of objections and other matters incidental thereto;
- (d) the practice and procedure to be followed or and in connection with appeals, including: —
 - (i) notice of appeals;
 - (ii) prescription of scales of costs;
 - (iii) prescription of fees to be charged in connection with appeals;
- (e) the prescription of the form of any notice, valuation list, statement, return, or other document, whatsoever which is required or authorized to be used under or for the purposes of this Act;
- (f) the mode of service of any notice, order or document required or authorized to be served;
- (g) the inspection and taking copies of and extracts from any draft, valuation list, valuation list, notice of objections, proposal for amendment to the valuation list, notice of appeal valuation made by valuer, and fees for such inspection or copies;
- (h) the appointment of valuers to advise or assist in connection with the valuation of buildings or lands and their powers and duties;
- (i) the time at and the manner in which the amount of tax shall be paid to the Government;
- (j) the portion of the tax to be refunded or remitted and the manner in which and the conditions subject to which such refund or remission may be granted;
- (k) the prescription of fees to be charged in connection with any application made under this Act or the rules made thereunder;
- (l) any matter which is required by this Act to be prescribed.

(3) In making any rules under sub-sections (1) and (2) (Government may direct that the prescribed authority may impose a penalty not exceeding two hundred rupees on a person who is guilty of a breach of the provisions thereof.

(4) Rules made under this section shall be laid before the provincial Assembly of ¹[Khyber Pakhtunkhwa] as soon as may be after they are made.

24. Repeal and saving.— (1) The Khyber Pakhtunkhwa Urban Immovable Property Tax Act, 1948, are hereby repealed.

¹ Substituted for West Pakistan by KHYBER PAKHTUNKHWA Ordinance, IV of 1975

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(2) Notwithstanding the repeal of the Acts mentioned in subsection (1), everything done, action taken, obligation, liability, penalty or punishment incurred, inquiry or proceeding commenced, officer appointed or person authorized, jurisdiction or power conferred, rule made and order or notification issued under any of the provisions of the said Acts, shall, if not inconsistent with the provisions of this Act, be continued, and so far as may be, be deemed to have been respectively done, taken incurred commenced, appointed authorized, conferred, made or issued under this Act.

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¹[SCHEDULE-I

[See section 3(2)]

PART 'A'

Sr. No	Category	Rate of tax for areas of Provincial headquarter as notified by the Government (per annum)			Rate of tax at Divisional headquarters (per annum)		Rate of tax in suburban areas of Divisional Headquarters (per annum)		Rate of tax at District Headquarters (per annum)		Rate of tax at District other than District Headquarters (per annum)	
		A	B	C	Townships	Other than Townships	Townships	Other than Townships	Townships	Other than Townships	Townships	Other than Townships
1	Up to 5 Marlas (other than self occupied)	Rs.1000/-	Rs.900/-	Rs.750/-	Rs.900/-	Rs.750/-	Rs.500/-	Rs.325/-	Rs.400/-	Rs.300/-	Rs.200/-	Rs.150/-
2	Exceeding 5 Marlas but not exceeding 10 Marlas	Rs.1700/-	Rs.1600/-	Rs.1500/-	Rs.1600/-	Rs.1500/-	Rs.900/-	Rs.750/-	Rs.800/-	Rs.750/-	Rs.600/-	Rs.500/-
3	Exceeding 10 Marlas but not exceeding 15 Marlas	Rs.2200/-	Rs.2100/-	Rs.2000/-	Rs.2100/-	Rs.2000/-	Rs.1100/-	Rs.1000/-	Rs.1100/-	Rs.1000/-	Rs.600/-	Rs.500/-
4	Exceeding 15 Marlas but not exceeding 20 Marlas	Rs.3300/-	Rs.3200/-	Rs.3000/-	Rs.3200/-	Rs.3000/-	Rs.1700/-	Rs.1500/-	Rs.1700/-	Rs.1500/-	Rs.900/-	Rs.750/-
5	Exceeding 20 Marlas but not exceeding 40 Marlas	Rs.7400/-	Rs.7200/-	Rs.7000/-	Rs.7200/-	Rs.7000/-	Rs.3700/-	Rs.3500/-	Rs.2700/-	Rs.2500/-	Rs.2000/-	Rs.1750/-
6	Exceeding 40 Marlas	Rs.10600/-	Rs.10300/-	Rs.10000/-	Rs.10300/-	Rs.10000/-	Rs.6300/-	Rs.6000/-	Rs.5200/-	Rs.5000/-	Rs.4000/-	Rs.3500/-

¹ Substituted vide Khyber Pakhtunkhwa Finance Act 2011 (Khyber Pakhtunkhwa Act No.XIII of 2011)

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PART 'B'

Buildings acquired for the use by Government, Semi-Government, Non Governmental Organizations, Development Financial Institutions, private commercial organizations, guest houses, hostels or by Banks shall be assessed and taxed twenty percent of the actual annual rent. In case buildings other than those exempted under section 4 of the Act, which are owned and occupied by such organizations, tax shall be levied on the assessed annual rental value of such buildings on the rate prescribed hereinbefore.

PART 'C'

Tax on properties let out on rent, lease or other arrangement and not in use of their registered owners will be double of the above, except for the category-1 (upto 5 marlas).

Explanation: Categorization of area in Provincial Headquarter into Category "A", "B" or "C" shall be by way of notification by the Local Government & Rural Development Department, to be notified from time to time. In Divisional and District Head Quarters, Townships are approved Townships and include those areas, which are declared so by Local Government & Rural Development Department from time to time.]

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²⁸**[SCHEDULE-II]**

[See section 3(2)]

1. The commercial areas shall be divided into five localities namely A1, A, B, C and D, depending on the area and the business being carried therein.
2. The “A1 and A” localities shall, for the time being, be defined in Provincial Capital.
3. The locality factors as worked out for computing the tax are-

(a) For A1 locality. (located within 100 yards of either sides of the Main road of Peshawar).	Twelve
(b) For A locality.	Nine
(c) for B locality.	Seven
(d) for C locality.	Five
(e) for D locality.	Three
4. The above factors are for the Provincial Headquarter, that is for Peshawar. There shall be a rebate of 30% on the total tax calculated on the basis of the above factor value in respect of former Divisional Headquarters and 50% rebate on the total tax so calculated in respect of all other rating areas.
5. The tax shall be calculated as under:
 - a. area in square yards;
 - b. covered area in square feet; provided that open sheds in the commercial units shall be counted as one half of its total measurements, while calculating the covered area; and
 - c. (a) + (b) multiplied by the locality factor.
6. For educational Institutions:
 - a. The tax shall be calculated on the basis of covered area only. The area of the plot as required per item 5(a) above shall not be taken for computing the tax. This is to encourage the institutions in providing sports and other recreational facilities to their students; and
 - b. The tax calculated on the basis of (a) above shall get a special thirty percent rebate, being provided to all the educational institutions.
7. Petrol pumps and CNG Stations with convenience store shall be charged at flat rate of Rs.10,000/- and those without store at Rs. 5,000/- per annum.

²⁸ Substituted vide Khyber Pakhtunkhwa Finance Act 2011 (Khyber Pakhtunkhwa Act No. XIII of 2011)

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8. Industrial buildings with in the limits of rating areas shall be assessed for the purpose of this tax at a flat rate of Rs. 2.50 per square foot of the building. The provision of item 5(b) above shall be applicable to all the industrial areas as well.
9. Buildings acquired for the use as offices by government, semi-government, non-governmental organizations, Development Financial Institutions, private commercial organizations, guest houses, hostels, banks or for the establishment of mobile phone towers/antennas shall be assessed for the purpose of tax on the basis of twenty percent of the actual annual rent.]