



RULES FOR RECOVERY OF TOBACCO DEVELOPMENT CESS, 2004

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OBJECTIVES

- To broaden your horizons of knowledge regarding Tobacco Development Cess (TDC)
- To get some knowledge about TDC Rules 2004.
- To get some solid understanding about implementation of these rules.



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1.SHORT TITLE AND COMMENCEMENT

1. These rules may be called the North-West Frontier Province (Recovery of Tobacco Development Cess) Rules, 2004 .
2. They shall come into force at once.



2. DEFINATIONS

- In these rules, unless the context otherwise requires, the following expressions shall have the meanings hereby respectively assigned to them that is to say:-
 1. "Act" means the North West Frontier Province Finance Act, 1996 (N.W.F.P. Act No. I of 1996);
 2. "Assessee" means a factory, a company or an individual, assessable to cess under the Act and these rules;
 3. "District Officer" means Excise and Taxation Officer of the District concerned and included the officer incharge entrusted with collection of development cess on tobacco; and
 4. "Director General" -means the Director General, Excise & Taxation Department, North- West Frontier Province;



DEFINATIONS

5. "Form" means the forms annexed to these rules
6. "Government" means the Government of the North-West Frontier Province;
7. "Secretary" means Secretary, to Govt. of NWFP for Excise & Taxation Department;
8. "Tobacco" means leaves of the plants *Nicotiana Tabacum* *Nicotiana Rustica* commonly known as tobacco and used in the manufacturing of cigarettes or for consumption by other modes such as Chillum hookah, niswar, gazari and bidis and also includes Khaka, Kara and roth made of main stalk (dandi) and steam of tobacco.



3. RECOVERY OF CESS IN RELATION TO QUOTA FIXED BY P.T.B

1. On receipt of figures of quota fixed by the Pakistan Tobacco Board for the crop year in case of a factory, the District Officer shall issue a specified demand notice to the tobacco factory, hereinafter referred to as "assessee", specifying the liability of the assessee for the total amount of cess payable in two equal installments, i.e. first on or before 31st December and the second on or before 31st May of the financial year concerned.



3 RECOVERY OF CESS IN RELATION TO QUOTA FIXED BY P.T.B



2. In case of default in payment of the cess or any part thereof by the 31s1 May, the defaulter shall be liable to pay a penalty at the rate of twenty five percent in addition to the cess due
3. The amounts recoverable under these rules in default shall be recovered as arrears of land revenue.



4. DETERMINATION OF EXACT FIGURES OF QUOTA

- The cess in the case of factories, herein after preferred to as "assessee" shall be determined on the basis of tobacco purchased from open market in- addition to quota so fixed by Pakistan Tobacco Board under rule 3; provided that cess on tobacco purchased from open market, if already paid by an assessee referred to in rule 5; shall not be charged again on its re-purchase by the factories.



5. RECOVERY OF CESS OTHER THAN THE CESS RECOVERED UNDER RULE 3.

(1) Cess other than the cess recovered under rule 3; to be recovered from an assessee, including Tobacco Factories, shall be recovered at the entry point of the cigarette manufacturing factories and re-drying factories or, as the case may be, at the check points established by Government for the purpose. The collection of this cess may be outsourced through public auction or collected by Excise and Taxation Department whichever is deemed proper by Government. In case of collection of cess through contractors, provision shall be made in the agreement to be executed with the contractor to ensure that no cess on the quantity of tobacco already paid by the tobacco manufacturing factories under rule 3; is charged by the contractor. For this purpose a proper record shall be maintained by the factories and the District officer concerned in the form appended to these rules and shall be made part of the agreement executed with the contractor.



6. CHECK-POST

Check-posts for the collection of cess in respect of tobacco will, if necessary, be established at the entry point of Re-drying Centres / Cigarette Manufacturing Factories and Entry / Exit points of North-West Frontier Province or any other place that may be deemed proper by Government. Government may, in order to avoid double taxation, monitor / supervise the process of collection at the check post through the Excise & Taxation Department or any other person authorize, for the purpose.



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7. SECTION 7

In case of dispute between an assessee, and the authorized agent of Government or any other person on behalf of either side, the matter must be referred to the Excise & Taxation Officer concerned for decision, who shall decide the matter within thirty (30) days from the date of reference.



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8. SECTION 8

Any party aggrieved by the decision of the Excise & Taxation Officer may prefer an appeal to the Director General, within thirty (30) days of such order / decision whose decision in the matter, subject to rule 9 shall be final.



9. SECTION 9

Government may, on its own accord or on a revision petition filed with it by any assessee within sixty (60) days of the orders of the Director General, Excise & Taxation, NWFP call for the record of the case and pass such orders as it deems fit.



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