



URBAN IMMOVIABLE PROPERTY ACT 1958

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OBJECTIVES

- To grasp the new amendments introduced in UIP ACT 1958.
- To have clear understanding of the update status of UIP ACT 1958.



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1. SHORT TITLE AND COMMENCEMENT
2. DEFINATION
3. LEAVY OF TAX
4. EXEMPTIONS
5. ASCERTAINMENT OF ANNUAL VALUE



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1.SHORT TITLE AND EXTENT

1. This Act may be called the N.W.F.P.1 Urban Immovable Property Tax Act, 1958.
2. It extends to the whole of N.W.F.P,1 except the Tribal Areas.



2. DEFINATIONS

- 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 N.W.F.P.



DEFINATIONS

[(dd) "member of the family of the owner" means his:

- wife or husband, as the case may be;
- sons and daughters; and
- father and mother]: **[1]**.

[(e) "Owner" includes a mortgagee with possession, a lessee in perpetuity, a trustee having possession of a trust property has been transferred provisionally or permanently under the Displaced Persons (Compensation and Rehabilitation) Act, 1958);] **[2]**

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

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



DEFINATIONS

- f) “Prescribed” means prescribed by rules made under this Act;
- g) “Rating Area” means urban area where Tax is levied under the provisions of this Act;
- (ga) “Schedule” means the Schedule to this Act;” [3]
- h) “Tax” means the tax leviable under the provisions of section 3;

[3] Clause (ga) inst. vide N-W.F.P Finance Act 1997, 7th July, 1997



DEFINATIONS

- i) 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 (current shape)

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. ^[1] [“(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

{ (b) at the rate specified in Schedule II in respect of commercial buildings:}]

[2]

[*****] [3]

Substituted Vide N.W.F.P Finance Act 2001

- Amended Vide N.W.F.P Finance Act 2008.
- Proviso deleted Vide N.W.F.P Finance Act 2008.



FINANCE ACT 1997 AMENDMENTS:

- 1. In Section 2, after clause(g), the following new clause shall be inserted namely:**
 - 1. “(ga) “Schedule means the Schedule to this Act”;**
 - 2. In section 3, for sub-section(2) the following shall be substituted, namely**
 - 1. “(2) There shall be levied, charged and paid a tax on the buildings, lands in rating areas at such rates and in respect of such buildings and lands as specified in the schedule:**
 - 1. Provided that different rates may be prescribed for different categories of buildings and lands including building and lands located in different areas:**
 - 2. Provided further that Government may, by notification, for reasons to be recorded, remit in whole or in part, the payment of the tax by any class of person in respect of any category of property.”;**



FINANCE ACT 1997 AMENDMENTS:

- 3. for section 4 the following shall be substituted, namely:**
- **“4. Exemptions:- The tax shall not be leviable in respect of the following properties, namely:**
 - a) buildings and lands, other than those leased in perpetuity, vesting in the Federal Government;**
 - b) buildings and lands, other than those leased in perpetuity , vesting in Government and not administered by a local authority, or owned or administered by a local authority when used exclusively for public purposes and not used or intended to be used for purposes of profit;**
 - c) buildings and lands the area whereof does not exceed three marlas;**
 - d) public parks, playgrounds and libraries;**



FINANCE ACT 1997 AMENDMENTS:

- 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:**

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, name:-

- 1. buildings in or land on which any trade or business is carried on unless the rent derived from such buildings or land is applied exclusively to religious purposes or such public charitable institutions as may be prescribed;**
 - 2. buildings or land in respect of which rent is derived, and such rent is not applied exclusively to religious purposes or to public charitable institutions; and**
- e. buildings and lands belonging to widows and minor orphans who are not assessed to income tax.”;**



FINANCE ACT 1997 AMENDMENTS:

4. in section 7,-
 - a) in sub-section (1), for the words “five years,” the words “three years” shall be substituted; and
 - b) after sub-section (2) the following new sub-section shall be added, namely:
 - c) “(3) After every three years the tax shall be increased at the rate of fifteen per cent of the tax last assessed and a new valuation list shall accordingly be prepared.”; and
 - d) the Schedule specified in Schedule I shall be added at the end.



FINANCE ACT 1997 AMENDMENTS:



SCHEDULE - I PART-I RESIDENTIAL BUILDINGS

<i>S.N o</i>	<i>Category</i>	<i>Rate of tax at Provincial and Divisional Headquarters for old city and new extended area</i>	<i>Rate of tax in suburban areas(other than areas covered by column 3) of the Provincial and Divisional Headquarters</i>	<i>Rate of tax at District Headquarters for old city and extended area not covered by column No.4</i>	<i>Rate of tax at District Headquarters (other than areas covered by column 5) of the District Headquarters</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>
1.	Exceeding 3 Marlas but not exceeding 5 Marlas.	Rs. 750 Per Annum	Rs. 325 Per Annum	Rs. 300 Per Annum	Rs. 150 Per Annum
2.	Exceeding 5 Marlas but not exceeding 10 Marlas.	Rs. 1500 Per Annum	Rs. 750 Per Annum	Rs. 750 Per Annum	Rs. 500 Per Annum
3.	Exceeding 10 Marlas but not exceeding 15 Marlas.	Rs. 2000 Per Annum	Rs. 1000 Per Annum	Rs. 1000 Per Annum	Rs. 500 Per Annum
4.	Exceeding 15 Marlas but not exceeding 20 Marlas.	Rs. 3000 Per Annum	Rs. 1500 Per Annum	Rs. 1500 Per Annum	Rs. 750 Per Annum
5.	Exceeding 20 Marlas.	Rs. 3000 Per Annum for first 20 Marlas plus Rs.200 per additional Marlas.	Rs.1500 Per Annum for the first 20 Marlas plus Rs.100 per additional Marlas.	Rs. 1500 Per Annum for the first 20 Marlas plus Rs. 50 Per additional Marlas.	Rs. 750 Per Annum for the first 20 Marlas plus Rs. 50 per additional Marlas.



FINANCE ACT 1997 AMENDMENTS

PART-II COMMERICAL BUILDINGS

<i>S.No</i>	<i>Category</i>	<i>Rate of Tax for Provincial Headquarters</i>	<i>Rate of tax for Divisional Headquarters(other than Peshawar)</i>	<i>Rate of Tax for District Headquarters(other than these covered by column 4)</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
1.	Ground/First Floor	Rs. 7 Per Sqft	Rs. 4 Per Sqft	Rs. 2 Per Sqft
2.	Basement/Upper Stories	Rs. 3 Per Sqft	Rs. 2 Per Sqft	Rs. 1 Per Sqft



FINANCE ACT 1997 AMENDMENTS

PART-III OFFICES

Building required for use as offices by Government or Semi-Government Organizations or by Banks and Development Financial institutions and lands shall be assessed for the purpose of tax on the basis of 20 percent of the annual value of such buildings or lands.



FINANCE ACT 1997 AMENDMENTS

PART-IV PETROL PUMPS

- **Petrol Pumps with convenience stores Rs. 10000 Per
Annum**
- **Petrol Pumps without convenience stores Rs. 5000 Per Annum**



FINANCE ACT 1997 AMENDMENTS

PART-V INDUSTRIAL BUILDINGS

Industrial Buildings within the limits of Urban areas shall be assessed for the purpose of this tax at the rate of one rupee per square foot”.



FINANCE ACT 1999 AMENDMENTS:

in section 3,-

- 1. in sub-section (2), the full-stop appearing at the end of second proviso shall be replaced by a colon and thereafter the following new proviso shall be added, namely:**

“Provided also that a surcharge at the rate of 10% of the tax shall be levied in addition to the tax in respect of each commercial building the annual tax whereof has been assessed to one lac rupees or more.”; and

- 2. after sub-section (2), as so amended, the following new sub-section(2a) shall be inserted, namely:**

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



N.W.F.P. Ordinance No. II of 2000

PART – II COMMERCIAL BUILDINGS AT PROVINCIAL HEADQUARTER

S.No	Category of locality where the property is situated.	Rate of tax per square feet of covered area.		
		Ground Floor.	1 st Floor & Basement.	Upper Stories.
1.	2.	3.	4.	5.
1.	A	Rs. 10.00	Rs. 7.00	Rs. 5.00
2.	B	Rs. 7.00	Rs. 5.00	Rs. 3.00
3.	C	Rs. 5.00	Rs. 3.00	Rs. 2.00
4.	D	Rs. 3.00	Rs. 2.00	Rs. 1.00

Note:- For the purpose of column 2, the categories 'A', 'B', 'C' and 'D' shall be such as respectively notified by Government in the Official Gazettee.”;



N.W.F.P. Ordinance No. II of 2000

PART-II A COMMERCIAL BUILDINGS LOCATED AT THE PLACES OTHER THAN THE PROVINCIAL HEADQUARTER

<i>S.No</i>	<i>Category</i>	<i>Rate of tax per square feet of covered areas at Divisional Headquarters.</i>	<i>Rate of tax per square feet of covered areas in the Districts other than the District of Provincial and Divisional Headquarters.</i>
1.	2.	3.	4.
1	Ground/First Floor.	Rs. 4.00	Rs. 200
2	Basement/Upper Stories	Rs. 2.00	Rs.1.00



N.W.F.P. Ordinance No. II of 2000

PART – V INDUSTRIAL BUILDINGS

Industrial buildings within the limits of rating areas shall, for the purposes of this tax, be assessed at the rate of Rs.2.50 per square feet of the covered areas of such buildings.”



FINANCE ACT 2001 AMENDMENTS:

- **In section 3, for sub-section (2) the following shall be substituted, namely;**
 - “**(2) Subject to the provision 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**
 - b) at the rate specified in Schedule II in respect of commercial buildings,**



FINANCE ACT 2001 AMENDMENTS:

- **to be calculated in accordance with the factors and formulas given in the respective Schedules:
Provided that.—**
- I. a residential building owned and occupied by widow, whose annual tax, excluding the permissible rebates, is upto two thousand and five hundred rupees, shall be exempt from payment of any tax under this Act, but if the annual tax of such building, excluding rebate, exceeds the said amount, the entire tax as assessed under clause (a) shall be payable in respect of such building;**
- ii. where a residential building owned and occupied by the owner himself, he shall be entitled to a rebate of fifty percent, if he or any member of his family does not own any other residential building in the same rating area; and**



FINANCE ACT 2001 AMENDMENTS:

III. all residential buildings shall be admissible to the maintenance/age rebates at the following rates:

- a. building exceeding ten years but 10% not exceeding twenty years old;**
- b. building exceeding twenty years but 20% not exceeding thirty years old, and**
- c. buildings exceeding thirty years old 30%**



FINANCE ACT 2001 AMENDMENTS:

- B.** in section 4, in clause (f), the words “widows and” shall be deleted; and
- C.** for the existing Schedule, the Schedules I and II appended to this Ordinance shall be substituted. **[1]**



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FOR SCHEDULES-I,II

- For Schedules I,II please refer to Amendments history.



FINANCE ACT 2003 AMENDMENTS:

- 1. In SCHEDULE-I, in the entries at Serial No.4, for the existing entry at clause (c), the following shall be substituted, namely:**
 - **“(c) total of (a)and(b), multiplied by locality factor.” and**

- 2. In SCHEDULE –II, in the entries at Serial No. 5 for the existing entry at clause (c), the following shall be substituted, namely:**
 - **“(c) total of (a)and(b), multiplied by locality factor.”**

Note: for schedule-i,ii please refer to the amendments history file.



FINANCE ORDINANCE IV OF 2004

AMENDMENTS:

2. Amendment of Section 4 of W.P Act No V of 1958:-

In the West Pakistan Urban Immovable Property Tax Act, 1958 (W.P Act No V of 1958) in section 4 for clause (c), the following shall be substituted namely:

“(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 immovable property in an urban 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 five times of the tax so evaded in addition to the tax payable.



FINANCE ACT V OF 2005 AMENDMENTS:

2. Amendment of Section 4 of W.P Act No V of 1958:-

In the West Pakistan Urban Immovable Property Tax Act, 1958 (W.P Act No V of 1958) in section 4 for clause (c), the following shall be substituted namely:

“(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 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 five times of the tax so evaded in addition to the tax payable.



FINANCE ACT VIII OF 2005 AMENDMENTS:

2. Amendment of Section 4 of W.P Act No V of 1958:-

In the West Pakistan Urban Immovable Property Tax Act, 1958 (W.P Act No V of 1958) the existing section 4 shall be renumbered as sub-section (1) of that section and after sub-section (1), as so re-numbered , the following new sub-section (2) shall be added, namely:

- **“2. Notwithstanding anything to the contrary contained in Section 3 or sub-section(1) of this section, 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 five years with effect from the 1st day of July, 2005: and the owners, in respect of buildings and lands occupied by such industrial units shall also be not liable to pay arrear of the tax, in an, for any period before the day of July, 2005. “**



FINANCE ACT II OF 2007 AMENDMENTS:

3. Amendment of Section 4 of W.P Act No V of 1958:-

In the West Pakistan Urban Immovable Property Tax Act, 1958 (W.P Act No V of 1958), in section 3 , in subsection(2), in the proviso for clause (i) , the following shall be substituted namely:-

“(i) a residential building owned and occupied by widow, whose annual tax, excluding the permissible rebates, is upto two thousand and five hundred rupees, and any other building owned by a widow the total area whereof does not exceed three marlas and the annual tax in respect of such building does not exceed five thousand rupees, shall be exempted from payment of any tax under this Act, but, in case of self occupied building, if the annual tax of such building , excluding rebates, exceeds two thousand and five hundred rupees, than entire tax as assessed under clause (a) shall be payable in respect of such building;”



FINANCE ACT I OF 2008 AMENDMENTS:

- 3. Amendment of Section 4 of W.P Act No V of 1958:-**
In the West Pakistan Urban Immovable Property Tax Act, 1958 (W.P Act No V of 1958),
- i. in section 3 subsection(2)-**
 - a) the comma occurring after the word “buildings” at the end of clause (b) shall be replaced by a colon, and the words and colon “to be calculated in accordance with the factors and formula given in the respective Schedules .” appearing thereafter shall be deleted;**
 - b) the existing proviso may be deleted.**
 - ii. in section 4 in sub-section (1), after clause (c), the following new clause shall be added, namely:**
“(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 e exempted from payment of tax in respect of only one building which is self occupied be her”; and



FINANCE ACT I OF 2008 AMENDMENTS:

- iii. for the existing Schedule-I, the Schedule specified in Appendix I to this act shall be substituted.**



SCHEDULE-I OF 2008

S. No.	Category	Rate of tax at Provincial and Defunct Divisional Headquarters for old cities and new extended area	Rate of tax in suburban areas (other than areas covered by column 3) of the Provincial and Defunct Divisional Headquarters	Rate of tax at District Headquarters for old city and extended area not covered by column No.4	Rate of tax at District Headquarters (other than areas covered by column 5) of the District Headquarters
1	2	3	4	5	6
1.	Exceeding 5 Marlas but not exceeding 10 Marlas.	Rs. 1500 Per Annum.	Rs. 750 Per Annum	Rs. 750 Per Annum	Rs. 500 Per Annum
2.	Exceeding 10 Marlas but not exceeding 15 Marlas.	Rs. 2000 Per Annum.	Rs. 1000 Per Annum.	Rs. 1000 Per Annum	Rs. 500 Per Annum
3.	Exceeding 15 Marlas but not exceeding 20 Marlas.	Rs.3000 Per Annum.	Rs. 1500 Per Annum.	Rs. 1500 Per Annum	Rs. 750 Per Annum
4.	Exceeding 20 Marlas but not exceeding 40 Marlas.	Rs. 7000 Per Annum.	Rs.3500 Per Annum	Rs.2500 Per Annum	Rs. 1750 Per Annum
5.	Exceeding 40 Marlas	Rs. 10000 Per Annum.	Rs.6000 Per Annum	Rs. 5000 Per Annum	Rs. 3500 Per Annum



FINANCE ACT 2009 AMENDMENTS:

- 2. Substitution of Schedule-I to W.P. Act No. V of 1958:- In the West Pakistan Urban Immovable Property Tax Act, 1958 (W.P. Act No. V of 1958), for the existing “Schedule-I”, the Schedule, specified in Appendix-I to this Act shall be substituted.**



SCHEDULE -I



PART-A

S.No	Category	Rate of tax at Provincial and Defunct Divisional headquarters for old city and new extended area	Rate of tax in suburban areas(other than areas covered by column 3) of the Provincial and Defunct Divisional Headquarters.	Rate of tax at District Headquarters for old city and extended area not covered by column No.4.	Rate of tax at District Headquarters (other than areas covered by column 5) of the District Headquarters.
1.	2.	3.	4.	5.	6.
1.	Upto 5 Marlas(other than self occupied).	Rs. 750/- Per Annum	Rs. 325/- Per Annum	Rs. 300/- Per Annum	Rs. 150/- Per Annum
2.	Exceeding 5 Marlas but not exceeding 10 Marlas.	Rs. 1500/- Per Annum	Rs. 750/- Per Annum	Rs. 750/- Per Annum	Rs. 500/- Per Annum
3.	Exceeding 10 Marlas but not exceeding 15 Marlas.	Rs. 2000/- Per Annum	Rs. 1000/- Per Annum	Rs. 1000/- Per Annum	Rs. 500/- Per Annum
4.	Exceeding 15 Marlas but not exceeding 20 Marlas.	Rs. 3000/- Per Annum	Rs. 1500/- Per Annum	Rs. 1500/- Per Annum	Rs. 750/- Per Annum
5.	Exceeding 20 Marlas but not exceeding 40 Marlas.	Rs. 7000/- Per Annum	Rs. 3500/- Per Annum	Rs. 2500/- Per Annum	Rs. 1750/- Per Annum
6.	Exceeding 40 Marlas.	Rs. 10000/- Per Annum	Rs. 6000/- Per Annum	Rs. 5000/- Per Annum	Rs. 3500/- Per Annum



SCHEDULE-I

- **PART 'B'**
- Buildings acquired for the use as offices by Government, Semi-Government, Non Governmental Organizations, Development Financial Institutions, private commercial organizations, or by Banks shall be assessed for the purposes of tax on the basis of twenty percent of the actual annual rent; whereas the buildings heretofore mentioned, if rented out for residential purpose, shall be taxed on 15% of the actual rent during the year. 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.”



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Thanks