

TOBACCO DEVELOPMENT CESS

PART-D
TOBACCO DEVELOPMENT CESS

**THE KHYBER PAKHTUNKHWA FINANCE
ACT, 1996.**

KHYBER PAKHTUNKHWA ACT NO. I OF 1996.

First published after having received the assent of Governor of Khyber Pakhtunkhwa on the Gazette of Khyber Pakhtunkhwa (Extraordinary), dated 20th June, 1996.

AN ACT

To levy and revise rates of certain taxes, duties and fees in the Khyber Pakhtunkhwa

PREAMBLE: WHEREAS it is expedient to levy, revise and modify certain taxes, cesses, duties and fees in Khyber Pakhtunkhwa.

It is hereby extended as follow:

1. Short Title, Extent and Commencement.—(1) This Act may be called the Khyber Pakhtunkhwa Finance Act, 1996.

(2) It shall extent to the whole of Khyber Pakhtunkhwa.

(3) It shall come into force with effect from the 1st day of July 1996.

Section 2-to-10 of this Act do not relate to Tobacco Development Cess.

11. ¹[Tobacco Development Cess: (1) There shall be levied and collected development cess on tobacco at the following rates, namely:

(a) ²[for Virginia (flue-cured, barley and dark-air-cured);
Rs. 2.50 per kilogram

(b) for white patta/rustica tobacco Re.
1.25 per kilogram

including khaka, kara and roth made of mainstalk
(dandi) and stem of tobacco; and

(c)for snuff/niswar. Re. 1.00 per
kilogram.]

(la) The cess shall be recovered from---

¹ Substituted vide Finance (Fourth Amendment) Act, 2003

² New rates substituted vide Khyber Pakhtunkhwa Finance Act, 2011 (Khyber Pakhtunkhwa Act No. XIII of 2011)

TOBACCO DEVELOPMENT CESS

(a) tobacco manufacturing factories on the basis of quota fixed for the factory concerned by the Pakistan Tobacco Board; and

(b) ³[persons dealing in tobacco business, who purchase tobacco from growers or any other sources or transport tobacco to-

- I. any of the cigarette manufacturing /re- drying factories, processing centers, in the Khyber Pakhtunkhwa; or
- II. any area other than the areas mentioned in clause (i) above:

Provided that no cess shall be leviable in relation to such quantity of the tobacco for which the cess has already been paid under clause (a):

Provided further that persons bringing tobacco from any place outside the province of the Khyber Pakhtunkhwa to any place within the said province shall also be liable to pay the cess at the rate specified in sub-section(1).

Explanation:- for the purpose of this section the word “person” used in this clause shall also include cigarette manufacturing / re-drying factories, processing centers, if these factories/centers are transporting tobacco, as aforesaid, in addition to the quota allocated to them by the Pakistan Tobacco Board.

(1b) The cess levied under sub-section (1) shall be collected at the entry point of the cigarette manufacturing factories and re-drying factories or, as the case may be, at the check points established for the purpose.]

⁴[(2) No other person, except the tobacco factories mentioned in sub-section

³ Substituted vide Finance Act VI of 2004

TOBACCO DEVELOPMENT CESS

(1), shall deal in the purchase and sale of tobacco, except on obtaining a licence from Government in such manner and on payment of such fee as Government may prescribe.]

- ⁵[(3) The proceeds of the cess shall be utilized for-
- (i) special maintenance and development of roads, highways and special plant protection service in the tobacco growing areas in the Province;
 - (ii) other activities directed towards the development of tobacco production in the Province⁶[.]

⁴ Substituted vide Finance (Amendment) Ordinance, 2002

⁵ Substituted vide Finance (Second Amendment) Ordinance, 2002.

⁶ Substituted vide Finance Act 2009