

**AZAD GOVERNMENT OF THE STATE OF JAMMU AND KASHMIR  
LAW JUSTICE PARLIAMENTARY AFFAIRS AND HUMAN RIGHTS  
DEPARTMENT MUZAFFARABAD”**

Dated: 10th July, 2012

No. LD/Legis/383-93/2012. The following Act of Assembly received the assent of the President on 5th day of July, 2012, is hereby published for general information.

**(ACT I OF 2012)**

**An  
Act**

to give effect to the financial proposals of Azad Government of the State of Jammu and Kashmir

WHEREAS it is expedient to make provisions to give effect to the financial proposals of Azad Government of the State of Jammu and Kashmir to consolidate and amend certain fiscal laws for the purposes hereinafter appearing;

Therefore, It is hereby enacted as follows:

1. **Short title, Extent and Commencement.**- (1) This Act may be called the Azad Jammu and Kashmir Finance Act, 2012.
  - (2) It shall extend to the whole of Azad Jammu and Kashmir.
  - (3) It shall come into force at once.
2. **Adaptation of the Amendments of Sales Tax Act, 1990 (Act, VIII of 1990).**- (1) In the Sales Tax Act, 1990 (Act VIII of 1990), as adapted and enforced in Azad Jammu and Kashmir, hereinafter referred to as the Said Act, except otherwise legislated by an Act of the Assembly, all the amendments made in the Said Act and all rules, notifications, circulars and orders made or issued thereunder, as enforced in Pakistan at any time on or after the 17th July, 2009 and before the commencement of this Act, shall as far as practicable, be deemed to have been made, at the same time, in the said Act, as enforced in the Azad Jammu and Kashmir by virtue of the Sales Tax (Adaptation) Act, 1993 (Act IV of 1993), subject to the substitution of clause (e) of sub-section (14) of Section 2 of the said Act, as under:-
  - “(e) levied under the Sales Tax Act, 1990 as enforced in Pakistan, on the supply of goods received by that person for purposes of adjustment against the tax liability on the finished goods.”

(2) Notwithstanding any judgment or decision of any court, including Supreme Court and High Court of Azad Jammu and Kashmir, anything done, tax levied, charged or collected, proceedings initiated, notices issued, orders passed, penalties imposed, appointments made, powers exercised or powers conferred on any authority on or after the 17<sup>th</sup> July, 2009, in accordance with the amendments made in the said Act, as enforced in Pakistan, shall be deemed always to have been validly levied, charged, collected, initiated, issued, taken, passed, made, imposed, exercised or conferred, done and so much of such tax have not been levied, charged, paid or collected, before coming into force of this Act, shall be leviable, chargeable and recoverable in accordance with the said amendments.

3. **Adaptation of the amendments in Federal Excise Act, 2005.-**

(1) In the Federal Excise Act, 2005, as adapted in Azad Jammu and Kashmir, hereinafter referred to as the Said Act, except otherwise legislated by an Act of the Assembly, all the amendments made in the Said Act and all rules, notifications, circulars and other orders made or issued thereunder, as enforced in Pakistan at any time on or after the 17<sup>th</sup> July, 2009, and before the commencement of this Act, shall also, as far as practicable, be deemed to have been made, at the same time, in the said Act, as enforced in the Azad Jammu and Kashmir by virtue of the Azad Jammu and Kashmir Finance Act, 2005 (Act VIII of 2005).

(2) Notwithstanding any judgment or decision of any court, including Supreme Court and High Court of Azad Jammu and Kashmir, anything done, tax levied, charged or collected, proceedings initiated, notices issued, orders passed, penalties imposed, appointments made, powers exercised or powers conferred on any authority on or after the 17<sup>th</sup> July, 2009, in accordance with the amendments made in the said Act, as enforced in Pakistan, shall be deemed always to have been validly levied, charged, collected, initiated, issued, taken, passed, made, imposed, exercised or conferred, done and so much of such tax have not been levied, charged, paid or collected, before coming into force of this Act, shall be leviable, chargeable and recoverable in accordance with the said amendments.

4. **Amendments in Azad Jammu and Kashmir Sales Tax (Tax on Services) Act, 2001 (Act XXIV of 2001).**- In Azad Jammu and Kashmir Sales Tax (Tax on Services) Act, 2001 (Act XXIV of 2001), in sub-section (1) of Section 3, for the word, “seventeen”, the word “sixteen” shall be substituted.

5. **Substitution of Section 3 of Azad Jammu and Kashmir**

**Finance Act, 1986 (Act XL of 1986).**- In the Azad Jammu and Kashmir Finance Act, 1986 (Act XL of 1986), Section 3 shall be substituted as under:-

“3. **Levy of fee on Medical Services.**-The medical service fee shall be charged from every patient except Govt. Servants and their families, prisoners and accused persons under police custody, at such rates as may be fixed by the Government from time to time through notification in the Official Gazette.”

6. **Amendment of Section 3 of Azad Jammu and Kashmir Finance Act, 1988 (Act, VIII of 1988).**-In the Azad Jammu and Kashmir Finance Act, 1988 (Act VIII of 1988), for Section 3, the following shall be substituted:-

“3. **Levy of fee and collection of fund in Education Institutions.**- The tuition and admission fees shall be charged and school or college funds be collected, as the case may be, from students of Government schools or colleges at such rates as the Government may fix from time to time by the notification in the Official Gazette.”

7. **Amendment of Azad Jammu and Kashmir Finance Act 1991 (Act I of 1991).**-In the Azad Jammu and Kashmir Finance Act, 1991 (Act I of 1991), hereinafter referred to as the said Act, following amendments shall be made:-

(i) Section 6 shall be substituted as under:-

“6. **Kashmir Liberation Cess.**- (1) There shall be levied and collected the Kashmir Liberation Cess at the following rates:-

(a) **Public office holder:-**

President, Prime Minister, Speaker, Deputy Speaker, Ministers, Advisors, Parliamentary Secretaries, Members of Legislative Assembly Azad Jammu and Kashmir and all other public office holders getting salary from Government exchequer at the rate of 0.25% per month on pay/honorarium;

(b) **Higher Judiciary:-**

Chief Justice Supreme Court, Judges Supreme Court, Chief Justice High Court and Judges High Court the amount of Cess deducted shall be at the rate of 0.25% of monthly basic pay, but not

exceeding Rs. 1000/- per month.

**(c) Persons in Government service:-**

Including every person who is member of Civil Service of the Government or who holds a civil post in connection with the affairs of the Azad Jammu and Kashmir at the rate of 0.25% of monthly basic pay.

**(d) Persons in corporation service:-**

Means every person in the employment of a corporation, corporate body, authority, statutory body or other organizations or institutions set up, established, owned, managed or controlled by the Government or by or under any law for the time being in force or a body or organization in which the Government has a controlling share or interest and includes the chairman and the managing director or the holder of any other office therein at the rate of 0.25% of monthly basic pay.

**(e) Cess on timber:-**

Rs. 1 per cft. On timber extracted in Azad Jammu and Kashmir for commercial purposes.

**(f) Road toll:-**

Load Carriers: Rs. 2/-per trip.

**(g) On registration and transfer of property:-**

0.50% will be deducted from the value of property.

**(h) On vehicular transport:-**

- (i) Private vehicles: Rs.20/- per annum
- (ii) Light public vehicles: Rs.40/- per annum
- (iii) Heavy vehicles: Rs.80/- per annum

**(i) On registration of vehicles:-**

- (i) Motor cycle: Rs.20/-
- (ii) Cars/jeeps: Rs.100/-
- (iii) Light vehicles: Rs.200/-

(iv) Heavy vehicles: Rs.400/-

**(j) On passports:-**

(i) Ordinary issue and Rs.50/- per passport renewal:

(ii) Urgent issue and Rs.100/- per passport renewal:

**(k) Arms licenses:-**

On issue and annual renewal of all types of arms licenses Rs.50/-Per license.

**(l) On free allotment, sale and purchase of plots:-**

(i) Residential free of Rs.100/- per marla cost 7 marl plot:

(ii) Residential other plots:-

(a) Upto 7 Marlas: Rs.200/- per marla

(b) More than 7 marlas: Rs.500/- per marla

(iii) Industrial plot: Rs.600/- per marla

(iv) Commercial plot: Rs.700/- per marla

**(m) On contractors:-**

(i) Sale of tender form: Rs.30/- per form

(ii) On enlistment and Rs.50/- per form renewal:

**(n) On application form for service:-**

Through Public Service Rs.1/- per form Commission:

**(o) On examination, nomination and domicile or state subject certificate:-**

(i) Matric: Rs.1/-

(ii) F.A/FSc: Rs.2/-

(iii) B.A/BSc: Rs.3/-

(iv) M.A/MSc: Rs.5/-

(v) Nomination application: Rs.2/-

(vi) State subject /domicile certificate: Rs.5/-

**(p) Registration of societies:-**

Rs.50/-on registration of societies under the Societies Registration Act, 1860 (XXI of 1860) and renewal thereof.

**(q) Companies owning persons:-**

Rs 300/-per annum on persons or companies owning factories /industries on registration and renewal thereof.

**(r) Registration of private educational institute:-**

(i)School registration andrenewal: Rs.100/-

(ii) Colleges/VTI's registration and renewal: Rs.200/-

**(s) Schedule banks having branches in AJK:-**

(i)Branch opening: Rs.10,000/-

(ii) Employees of banks as 0.25% per rates of persons in month on salary Government service:

**(t) Payment of bills of contractors:-**

Payment of bills of contractors of construction, suppliers to the Azad Government of the State of Jammu and Kashmir or any local authority or entity: Rs.1/1000

(2) Notwithstanding anything contained in sub section (1), the Government may, by issuing notification in the Official Gazette, include any person or class of persons or entity to pay this Cess according to such rates a may be prescribed.

(ii) In the said Act the existing Schedule shall be substituted

as under:-

**Schedule**

Sr. No.	Class of Persons	Rate of Taxes per annum
1	2	3
1	Companies registered under Companies Ordinance, 1984 (XLVII of 1984), as adapted in AJ&K, with paid up capital:- (1) Up to rupees 5 million: (2) Exceeding Rs. 5 million but not exceeding rupees 50 million: (3) Exceeding Rs. 50 million but not exceeding rupees 100 million: (4) Exceeding Rs. 100 million but not exceeding rupees 200 million: (5) Exceeding Rs. 200 million:	Rs. 5000/- Rs. 20000/- Rs. 50000/- Rs. 75000/- Rs. 100000/-
2	Person other than Companies, owing Factories as defined under the Factories Act, 1934 (XXV of 1934), as adapted in AJ&K, and having: (1) Employees not exceeding 10: (2) Employees exceeding 10 but not exceeding 25: (3) Employees exceeding 25:	Rs. 1000/- Rs. 2000/ Rs. 5000/-
3	(1) Persons other than Companies owing commercial establishment having 10 or more employees:- (a) Within Municipal Corporations limits: (b) Others: (2) All other commercial establishments other than wholesalers and retailers:	Rs. 3000/- Rs. 2000/- Rs. 1000/-
4	Persons who are engaged in Profession, Trade, calling or employment either wholly or partly within the Azad Jammu and Kashmir paying Income Tax under Income Tax Ordinance 2001 (XLIX of 2001), as adapted in AJ&K up to rupees 500 per annum or	Rs. 200/-

	above during the preceding financial year:	
5	<p>Contractors, Builders and Property Developers, who during the preceding financial year supplied to the Government or a Company or factory or a commercial establishment or an autonomous or a semi autonomous organization or any local authority, good commodities and services of the value:-</p> <p>(a) Not exceeding Rs. 1 million:</p> <p>(b) Exceeding Rs. 1 million but not exceeding Rs. 10 million:</p> <p>(c) Exceeding Rs. 10 million but not exceeding Rs. 50 million:</p> <p>(d) Exceeding Rs. 50 million:</p>	<p>Rs. 500/-</p> <p>Rs. 3000/-</p> <p>Rs. 5000/-</p> <p>Rs. 10000/-</p>
6.	<p>Persons engaged in various Professions and providing different Services such as:-</p> <p>(i) Medical consultants or Specialists/Dental Surgeons:</p> <p>(ii) Registered medical practitioners:</p> <p>(iii) Other including Homeopaths, Hakeems and Ayurvedies:</p> <p>(iv) Auditing firms (per professionally qualified persons):-</p> <p>(a) Within Municipal Corporation limits:</p> <p>(b) Others:</p> <p>(v) Management and tax Consultants, Architects, Engineering, Technical and Scientific Consultants:-</p> <p>(a) Within Municipal Corporations limits:</p> <p>(b) Others:</p> <p>(vi) Lawyer:</p> <p>(vii) (a) Members of Stock Exchanges:</p> <p>(b) Money Changers:-</p>	<p>Rs. 1000/-</p> <p>Rs. 1000/-</p> <p>Rs. 500/-</p> <p>Rs. 1000/-</p> <p>Rs. 500/-</p> <p>Rs. 3000/-</p> <p>Rs. 2000/-</p> <p>Rs. 1000/-</p> <p>Rs. 5000/-</p>

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	<p>(i) Within Municipal Corporations limits: Rs. 3000/-</p> <p>(ii) Others: Rs. 1000/-</p> <p>(c) Motor Cycles/Scooter Dealers:-</p> <p>(i) Within Municipal Corporations limits: Rs. 5000/-</p> <p>(ii) Others: Rs. 3000/-</p> <p>(d) Motor Car dealers and real Estate Agents:-</p> <p>(i) Within Municipal Corporations limits: Rs. 10000/-</p> <p>(ii) Others: Rs. 5000/-</p> <p>(e) Recruiting Agents:-</p> <p>(i) Within Municipal Corporations limits: Rs. 10000/-</p> <p>(ii) Others: Rs. 5000/-</p> <p>(viii) Carriage of goods and passenger by roads:-</p> <p>(i) Within Municipal Corporations limits: Rs. 2000/-</p> <p>(ii) Others: Rs. 1000/-</p> <p>(ix) Health Clubs and Gymnasiums:-</p> <p>(i) Within Municipal Corporations limits: Rs. 2000/-</p> <p>(ii) Others: Rs. 1000/-</p> <p>(x) Tobacco venders, (whole Salers): Rs. 2000/-</p> <p>(xi) Jewelers, Departmental Stores, Electronic Goods, Cable Operators, Printing Presses and Pesticide Dealers: Rs. 1000/-</p>	
7.	<p>Persons, holding license under Import and Export (Control) Act, 1950 (XXXIX of 1950), as adapted in AJ&amp;K, and who during the preceding financial year have imported/exported goods of the values:-</p>	

(a) Exceeding Rs. 25000 but not exceeding Rs. 100000:	Nil
(b) Exceeding Rs. 100000 but not exceeding Rs. 1 million:	Rs. 2000/-
(c) Exceeding Rs. 1 million but not exceeding Rs. 5 million:	Rs. 3000/-
(d) Exceeding Rs. 5 million:	Rs. 5000/-

8. **Substitution of Schedule of West Pakistan Motor Vehicle Taxation Act, 1958 (Act XXXII of 1958).**- In West Pakistan Motor Vehicles Taxation Act, 1958 (Act XXXII of 1958), as adapted in Azad Jammu and Kashmir, the existing Schedule shall be substituted as under:-

**Schedule**

Sr. No.	Schedule Description of Motor Vehicles	Annual Rates of Tax
1	2	3
1	(1)(a) Motor Cycle and Scooters:	Rs. 1200/- once for all at the time of registration.
	(b) Motor Cycle drawing a side trailer or cabin:	Rs. 1500/- once for all at the time of registration.
	(2) Vehicles (including tricycles) used for the transport or haulage of goods or materials weighing more than 410 Kg in unladen weight:-	
	(a) Electrical propelled vehicles not exceeding 1250 kg unladen weight :	Rs. 500/-
	(b) Vehicles with maximum laden capacity exceeding 2030 Kg (including delivery vans):	Rs. 1000/-
	(c) Vehicles with maximum laden capacity exceeding 2030 Kg but not exceeding 460 Kg:	Rs. 1000/-
	(d) Vehicles with maximum laden capacity exceeding 4060 Kg but not	Rs. 2200/-

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	<p>exceeding 6090 kg:</p> <p>(e) Vehicles with maximum laden capacity exceeding 6090 Kg but not exceeding 8120 Kg:</p> <p>(f) Vehicles with maximum laden capacity exceeding 8120 Kg but not exceeding 12000 Kg:</p> <p>(g) Vehicles with long trailers or other vehicles with maximum laden capacity exceeding 12000 Kg but not exceeding 16000 Kg:</p> <p>(h) Vehicles with long trailers or other vehicles with maximum laden capacity exceeding 16000 Kg:</p>	<p>Rs. 2200/-</p> <p>Rs. 4000/-</p> <p>Rs. 6000/-</p> <p>Rs. 8000/-</p>
2	<p>(1) Vehicles plying for hire and ordinarily used for the transport of passengers (taxies/buses):-</p> <p>(a) Tricycles propelled by mechanical power (Rickshaw cabs) with seating capacity of not more than 3 persons:</p> <p>(b) Tricycle propelled by mechanical power (Motor Cycle Rickshaw seating capacity of not more than 6 persons):</p> <p>(2) Mini buses with a seating capacity of more than 6 persons and less than 20 persons plying for hire the exclusively within the limits of Corporation, Municipality or Cantonment:</p> <p>(3) Other vehicles with seating capacity of:-</p> <p>(a) Not more than 6 persons (motor cabs):-</p> <p>(i) Not exceeding 1000CC:</p> <p>(ii) Exceeding 1000CC but not exceeding 1300CC:</p> <p>(iii) Exceeding 1300CC but not exceeding 1500CC:</p>	<p>Rs. 400/-</p> <p>Rs. 400/-</p> <p>Rs. 180/- per seat per annum</p> <p>Rs. 700/-</p> <p>Rs. 1200/-</p> <p>Rs. 2000/-</p>

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	<p>(iv) Exceeding 1500CC but not exceeding 2000CC:</p> <p>(v) Exceeding 2000CC but not exceeding 2500CC:</p> <p>(vi) Exceeding 2500CC:</p> <p>(b) More than 6 person:-</p> <p>(i) Non Air-conditioned:</p> <p>(ii) Air-conditioned:</p> <p>(4) Motor vehicles with a seating capacity of more than 20 persons plying for hire exclusively within the limits of Corporation, Municipal or Cantonment or partly within or partly outside such limits with 60% of the total length of the route falling within the limits of Corporation, Municipality or Cantonment:</p> <p>(5) Other vehicles with seating capacity of more than 4 persons every additional person that can thus be seated up to 14 in addition:</p> <p>(6) Other vehicles with seating capacity of more than 14 persons for every additional seat:</p>	<p>Rs. 3000/-</p> <p>Rs. 4000/-</p> <p>Rs. 5000/-</p> <p>Rs. 180 per seat per annum</p> <p>Rs. 300 per seat per annum</p> <p>Rs. 140 per seat per annum</p> <p>Falls in above category (3) (b)</p> <p>Falls in above category (3) (b)</p>
3	<p>(1) Motor Vehicles (Motor Cabs/Jeeps) other than those mentioned above having:-</p> <p>(a) Seating capacity of not more than 3 persons:</p> <p>(b) seating capacity of more than 3 persons, but not more than 6 persons:-</p> <p>(i) with engine power not exceeding 1000CC:</p>	<p>Rs. 500/-</p> <p>Rs. 600/-</p>

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	(ii) with engine power exceeding 1000CC but not exceeding 1300CC:	Rs. 1200/-
	(iii) With engine power exceeding 1300CC but not exceeding 1500CC:	Rs. 2000/-
	(iv) With engine power exceeding 1500CC but not exceeding 2000CC:	Rs. 3000/-
	(v) With engine power exceeding 2000CC but not exceeding 2500CC:	Rs. 4000/-
	(vi) With engine power exceeding 2500CC:	Rs. 5000/-
	(2) Seating capacity of more than 6 persons:-	
	(i) Other than buses and station wagons not plying not for hire:	Rs.180/- per seat per annum
	(ii) Buses and station wagons not plying for hire:	Rs. 140/- per seat per annum

- 10. Repeal.**- The Azad Jammu and Kashmir Finance Ordinance, 2012 (Ordinance XXIII of 2012) and the Azad Jammu and Kashmir Finance (Act 1991) (Amendment) Ordinance, 2012 (Ordinance XVIII of 2012) are hereby repealed.

Sd/-  
(Sardar Rashid Kaleem)  
Section Office Law