

The logo of the Punjab Revenue Authority (PRA) is a circular emblem. It features a green outer ring with the text "PUNJAB REVENUE AUTHORITY" in white. Inside the ring, the letters "PRA" are written in a large, blue, serif font. Below "PRA" is the tagline "Gateway To Development" in a smaller, blue, sans-serif font. At the bottom of the inner circle, there is a blue gear icon flanked by two golden wheat stalks. Below the gear and wheat are three blue wavy lines representing water.

**THE PUNJAB SALES TAX**  
**ON**  
**SERVICES ACT 2012**

**Government of Punjab**

**Punjab Revenue Authority**

Government of Punjab

## **CHAPTER II SCOPE OF TAX**

### **10. Scope of tax and allied matters.–**

- (1) Subject to the provisions of this Act and the rules, there shall be charged, levied, collected and paid the tax on the value of a taxable service at the rate or rates specified in the Second Schedule.
- (2) The Government may, on the recommendation of the Authority and subject to such conditions and restrictions as the Government may impose, by notification in the official Gazette, declare that in respect of any taxable service provided by a registered person or a class of registered persons, the tax shall be charged, levied and collected at such higher, lower, fixed or specific rate or rates as may be specified in the said notification.
- (3) Notwithstanding other provisions of this Act, the Authority may, with the prior approval of the Government and by notification in the official Gazette and subject to the conditions, restrictions, limitations or otherwise, fix the limit or threshold of annual turnover of any service or class of services provided by any person or class of persons below which such person or class of persons shall be exempt from payment of tax under the Act.
- (4) A person required to pay tax under this Act shall be entitled to deduct from the payable amount, the amount of tax already paid by him on the receipt of taxable services used exclusively in connection with taxable services provided by such person subject to the condition that he holds a true and valid tax invoice not older than six tax periods, showing the amount of tax earlier charged and paid under the Act on the services so received but the Authority may, by notification in the official Gazette, disallow or restrict such deduction in case of any service or services as it may deem appropriate.

### **11. Person liable to pay tax.–**

- (1) Where a service is taxable by virtue of sub-section (1) of section 3, the liability to pay the tax shall be on the registered person providing the service.
- (2) Where a service is taxable by virtue of sub-section (2) of section 3, the liability to pay the tax shall be on the person receiving the service.
- (3) The Authority may, by notification in the official Gazette, specify the service or services in respect of which the liability to pay tax shall be on any person, other than the person providing the taxable service, or the person receiving the taxable service.
- (4) Nothing contained in this section shall prevent the collection of tax from a different person if that person is made separately or jointly or severally liable for the tax under section 19.

### **12. Exemptions.–**

- (1) Notwithstanding the provisions of sections 3 and 10, the Authority may, with the approval of the Government and subject to such conditions, limitations or restrictions as it may impose, by notification in the official Gazette, exempt–
  - (a) taxable service or services from the whole or any part of the tax;
  - (b) taxable service or services provided by a person or class of persons from the whole or any part of the tax;
  - (c) recipient or recipients of service or services, including international organizations and institutions, from the payment of the whole or any part of the tax; and
  - (d) a class of persons, any area or areas of the Punjab from the whole or any part of the tax.
- (2) The exemption under sub-section (1) may be allowed from any previous date specified in the notification issued under sub-section (1).

### **13. Effect of change in the rate of tax.–** If there is a change in the rate of tax, the taxable services shall be charged to tax at such rate as is in force at the time the service is provided.

**14. Special procedure and tax withholding provisions.–**

- (1) Notwithstanding anything contained in this Act, the Authority may, by notification in the official Gazette, prescribe a special procedure for the payment of tax, registration, book keeping, invoicing or billing requirements, returns and other related matters in respect of any service or class of services, as may be specified.
- (2) Notwithstanding other provisions of this Act, the Authority may require any person or class of persons whether registered or not for the purpose of this Act to withhold full or part of the tax charged from such person or class of persons on the provision of any taxable service or class of taxable services and to deposit the tax so withheld, with the Government within such time and in such manner as it may, by notification in the official Gazette, specify.

**15. Delegation of power to collect, administer and enforce tax on certain services.–**

- (1) The Government may, in accordance with Article 147 of the Constitution of the Islamic Republic of Pakistan, authorize the Federal Board of Revenue or any other Federal agency or person to administer, collect and enforce the levy of tax on such taxable services as it may notify and in such mode and manner and for such period as may be prescribed and subject to such limitations, restrictions and conditions as it may deem appropriate.
- (2) The Government may, by notification in the official Gazette, authorize any Provincial agency, department, organization or person to administer, collect and enforce the levy of tax on such taxable services as it may notify in such mode and manner and for such period as it may prescribe and subject to such restrictions and conditions as it may impose.
- (3) At the end of the period prescribed under sub-section (1), the tax on taxable services notified under sub-section (1) shall be administered, collected and enforced by the Authority in the same mode and manner as all other taxable services.

**16. Adjustments.–**

- (1) The Authority may, subject to such conditions and restrictions as it may specify, allow registered persons to claim adjustments or deductions, including refunds arising as a result thereof, in respect of the tax paid under any other law on any account in respect of any taxable service or goods or class of taxable services or goods provided by them.
- (2) For purposes of sub-section (1), the Authority may adopt the principles or concepts laid down in such other law in respect of adjustments, deductions or refunds including zero-rating principle.
- (3) For the purpose of removal of any doubt it is clarified that no adjustment or deduction of any tax payable under any other law shall be claimed by any person except in the manner and to the extent specified in the notification issued under sub-section (1).

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