

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 wavy blue lines representing water.

THE PUNJAB SALES TAX
ON
SERVICES ACT 2012

Government of Punjab

Punjab Revenue Authority

Government of Punjab

CHAPTER III
PAYMENT AND COLLECTION OF TAX ON TAXABLE SERVICES

17. Collection of excess tax.–

- (1) Any person who has collected or collects the tax or charge, whether under misapprehension of any provision of this Act or otherwise, which was not payable as tax or charge or which was in excess of the tax or charge actually payable and the incidence of which had been passed on to the person to whom the service was provided, shall pay the amount of tax or charge so collected to the Government.
- (2) Any amount payable to the Government under sub-section (1) shall be deemed to be an arrear payable under the Act and shall be recovered accordingly.
- (3) The burden of proof that the incidence of tax or charge referred to in sub-section (1) has been or has not been passed to the person to whom the service is provided shall be on the person collecting the tax or charge.

18. Time, manner and mode of payment.–

- (1) The tax in respect of a taxable service provided during a tax period shall be paid by a person at the time of filing the return in respect of that period under Chapter VI.
- (2) For purposes of sub-section (1), a taxable service shall be considered to have been provided in the tax period during which—
 - (a) It was provided to the recipient;
 - (b) An invoice for the value of the taxable service was issued or was due to be issued or sent or due to be sent to the recipient; or
 - (c) Consideration for the same was received—,

Whichever is earlier.

- (3) Notwithstanding anything contained in sub-section (1), the Authority may, by a notification in the official Gazette, direct that the tax in respect of any taxable service or such class of taxable services shall be charged, collected and paid in any other way, mode, manner or time as may be specified in the notification.
- (4) The tax due on taxable services shall be paid by any of the following modes:-
 - (a) Through deposit in a bank designated by the Authority; or
 - (b) Through such other mode and manner as may be specified by the Authority.

19. Joint and several liability of registered persons where tax unpaid.–

- (1) Where a registered person receiving a taxable service from another registered person is in the knowledge of or has reasonable grounds to suspect that some or all of the tax payable in respect of that taxable service provided would go unpaid as against the requirements of this Act, such person as well as the person providing the taxable service shall be jointly and severally liable for payment of such unpaid amount of the tax.
- (2) The Authority may, by notification in the official Gazette, exempt any person, service or transaction or class of persons, services or transactions from the provision of sub-section (1).

20. Sales of taxable activity or transfer of ownership.–

- (1) Where the ownership of any business providing taxable services is sold, transferred or otherwise disposed of as an ongoing concern or activity, the fact of such sale, transfer or other disposition shall be intimated to the Commissioner within one month of the occurrence of such fact by the former owner.
- (2) The tax chargeable on the taxable services provided in the business referred to in sub-section (1) shall be accounted for and paid by the person to whom sale or other disposition of such business is made or ownership thereof is transferred and every such person shall be liable to registration under this Act.

21. Estate of deceased person.–

The tax liability of a deceased registered person under this Act shall be the first charge on his estate in the hands of his successors.

22. Estate in bankruptcy.–

- (1) Where a registered person is declared bankrupt, the tax liability under this Act shall pass on to the estate in bankruptcy if it continues to operate the business.
- (2) Where the tax liability is incurred by an estate in bankruptcy, the tax shall be deemed to be a current expenditure in the operations of the estate in bankruptcy and shall be paid before the claims of all other creditors are settled.

23. Liability for payment of tax in case of private companies or business enterprises.–

Where any private company or business enterprise is wound up and any tax chargeable on or payable by the company or business enterprise, whether before, or in the course, or after its liquidation, in respect of any tax period cannot be recovered from the company or business enterprise, every person who was an owner of, or partner in, or director of the company or business enterprise during the relevant period shall, jointly and severally with such persons be liable for payment of such tax.

24. Assessment of tax.–

- (1) Where on the basis of any information acquired during an audit, inquiry, inspection or otherwise, an officer of the Authority is of the opinion that a registered person has not paid the tax due on taxable services provided by him or has made short payment, the officer shall make an assessment of the tax actually payable by that person and shall impose a penalty and charge default surcharge in accordance with sections 48 and 49.
- (2) No order under sub-section (1) shall be made unless a notice to show cause is given to the person in default within five years from the conclusion of the tax period to which the assessment relates specifying the grounds on which it is intended to proceed against him and the said officer shall take into consideration the representation made by such person and provide him with an opportunity of being heard if the person so desires.
- (3) An order under sub-section (1) shall be made within one hundred and twenty days of issuance of the show cause notice or within such extended period as the officer may, for reasons to be recorded in writing, fix provided that such extended period shall ordinarily not exceed sixty days.
- (4) In computing the period specified in sub-section (3), any period during which the proceedings are adjourned on account of a stay order or proceedings under section 69 or the time taken through adjournments by the person shall be excluded.
- (5) An order passed by an officer under sub-section (1) may be further amended as may be necessary when on the basis of any additional information acquired during an audit, inquiry, inspection or otherwise, the officer is satisfied that—
 - (a) any tax has been under-assessed or assessed at a low rate; or
 - (b) any taxable service provided by the person has escaped assessment.
- (6) The provisions of sub-sections (2), (3) and (4) shall be applicable to an order passed under sub-section