

## Punjab Finance Act, 2011

**15 of 2011**

**[27 June 2011]**

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## Punjab Finance Act, 2011

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An Act to levy tax and alter the rate of certain taxes and duties in the Punjab. Preamble.-  
Whereas, it is expedient to levy tax and alter the rate of certain taxes and duties in the Punjab and other connected matters; It is enacted as follows:-

### **1. Short Title, Extent And Commencement :-**

- (1) This Act may be cited as the Punjab Finance Act 2011.
- (2) It extends to whole of the Punjab.
- (3) It shall come into force on the first day of July 2011.

### **2. Amendment In Act X Of 1958 :-**

In the Punjab Entertainment Duty Act, 1958 (X of 1958)-

(a) in section 3, in sub-section (1), for the words "sixty-five", the word "twenty" shall be substituted; and

(b) for section 3-A, the following shall be substituted:-

"3-A. Duty on special classes of entertainments.- Notwithstanding anything contained in section 3, the duty on the entertainments mentioned in column No.2 of the following Table shall be charged at the rate mentioned against each entertainment in column No.3:

Sr. No.	Entertainment	Rate of Duty
1.	Admission to horse racing	Two hundred percent of the payment for admission or two hundred rupees per admission ticket, whichever is higher.
2.	Circus	Twenty percent of the payment for admission; provided that the Government may, by notification, require the proprietor of the circus to pay the duty on annual fixation basis, on such terms and conditions as the Government may determine.
3.	Fashion show or musical show	Sixty-five percent of the payment for admission or sixty five percent of the total amount paid to the owner or management of the premises or total expenditure made by organizer or sponsor, whichever is higher; provided that no exemption in entertainment duty shall be allowed to any of these entertainments under this Act."

### **3. Amendment In Act Xxxii Of 1958 :-**

In the Punjab Motor Vehicles Taxation Act, 1958 (XXXII of 1958)-

(a) in section 2-

(i) in clause (g), the word "and", occurring at the end, shall be omitted;

(ii) in clause (h), for the full stop at the end, a semi-colon shall be substituted and, thereafter, the word "and" shall be inserted; and

(iii) after clause (h), the following clause (i) shall be inserted:-

"(i) "Schedule" means the Schedule appended to the Act."; and

(b) in the Schedule, at Sr.No.4, for the rider clause and sub-clauses (a) and (b), the following shall be substituted:-

Sr. No.	Description of Motor Vehicles	Annual Rate of Tax
"4.	Motor vehicles (motor cars or jeeps) other than those mentioned above and having-	
	(a) seating capacity of not more than three persons.	Rs.500/- per annum
	(b) seating capacity of more than three persons but not more than six persons-	
	(i) with engine power not exceeding 1000 cc.	Rs.600/- per annum
	(ii) with engine power exceeding 1000 cc but not exceeding 1300 cc.	Rs.1800/- per annum
	(iii) with engine power exceeding 1300 cc but not exceeding 1500 cc.	Rs.3000/- per annum
	(iv) with engine power exceeding 1500 cc but not exceeding 2000 cc.	Rs.4500/- per annum
	(v) with engine power exceeding 2000 cc but not exceeding 2500 cc.	Rs.6000/- per annum
	(vi) with engine power exceeding 2500 cc.	Rs.10,000/- per annum
	(vii) three door 4x4 vehicle with engine power exceeding 2500 cc.	Rs.4,500/- per annum"

#### **4. Amendment In Ordinance Ii Of 2000 :-**

In the Punjab Sales Tax Ordinance, 2000 (II of 2000), in section 3, in sub-section (1), for the words "seventeen per cent", the words "sixteen per cent" shall be substituted.

#### **5. Amendment In Ordinance Xiii Of 2001 :-**

In the Punjab Local Government Ordinance, 2001 (XIII of 2001), in the SecondSchedule, in Part-II, after entry at Sr. No.14, the following entry at Sr. No.15 shall be inserted:-

"15. Water conservancy charge at the rate of sixty thousand rupees per annum from the owner or occupant of a house or any other building, except an educational institution, having a swimming pool with a minimum surface area of two hundred and fifty square feet."

#### **6. Farm House Tax :-**

(1) This section shall have effect notwithstanding anything contained in any other law but it shall not apply to a rating area as defined in the Punjab Urban Immovable Property Tax Act, 1958 (V of 1958).

(2) In this section-

(a) "farm house" means a house constructed after the year 1980 on a total minimum area of four kanals with a minimum covered area of five thousand square feet, used as a single dwelling unit with or without an annexe;

Explanation: Where there are more than one dwelling units in a compound and the average area of the compound is more than four kanals for a dwelling unit, each one of such dwelling units shall be treated as a separate farm house;

(b) "Government" means Government of the Punjab; and

(c) "tax" means the farm house tax levied under the section.

(3) The Government shall levy, assess, collect and recover tax from the owner or occupant of a farm house at the following rate:-

Sr. No.	Category of Farm Houses	Rate of Tax
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Sr. No.	Category / or Farm House	Rate of Tax
1.	A farm house with covered area between 5000 to 7000 square feet.	Rs.10/- per square foot of the covered area per annum
2.	A farm house with covered area between 7001 to 10,000 square feet.	Rs.15/- per square foot of the covered area per annum
3.	A farm house with covered area of more than 10,000 square feet.	Rs.20/- per square foot of the covered area per annum

## **7. Education Cess On Clubs :-**

(1) This section shall have effect notwithstanding anything contained in any other law.

(2) In this section-

(a) "cess" means a cess for purposes of education levied under the section;

(b) "club" means an association or organization offering members social amenities, meals or temporary residence with minimum initial membership fee of two hundred thousand rupees, and notified as club by the Government;

Explanation: Initial membership fee includes all initial subscriptions or payments made by an applicant for membership of the club; and

(c) "Government" means Government of the Punjab.

(3) Notwithstanding any tax or duty levied under any other law, the Government shall levy cess on clubs at the following rates:-

Sr. No.	Activity on which cess is levied	Rate of cess
1.	Initial membership fee	10% of the initial membership fee
2.	Services rendered by the club	10% of the charge for a service rendered