

**Provincial Receipts,
Expenditure &
Receipts of
Autonomous Bodies
(Application)**

Summer-2022

PROVINCIAL RECEIPTS AND EXPENDITURE & RECEIPTS OF AUTONOMOUS BODIES

(APPLICATION)

(AGP-GAA) (PUNJAB PROVINCE)

Level: 4

Marks: 100

Marks – 100

Duration: 3 hours

(Instructions)

- Ensure that the question paper delivered to you is the same, in which you intend to appear.
 - Read the instructions given on the title page of Answer Script
 - Start each question from fresh page.
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Books Allowed

1. Acts/Ordinances and Rules of relevant duties and taxes of the concerned province.
 2. HR, Accounts/Treasury Rules of the universities, BISE and other autonomous bodies.
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ATTEMPT ALL QUESTIONS

Q. No. 1 Calculate registration charges, withholding tax, professional tax and other taxes on purchase of new 1500cc car for private use being a filer. The vehicle was purchased on 25.3.2022 at the cost of Rs3,570,000/-. The yearly tax was recovered by the department up to 31.12.2022.

Registration charges 2%	Rs70,000
Token tax	Rs6000 for filer
Income Tax	Rs3750 for filer
Withholding tax	<u>Rs50,000</u>
Total	<u>Rs129,750/-</u>

Q. No. 2 What is the rate of sales tax on the following items to be charged by Punjab Revenue Authority as per Punjab Sales Tax Act, 2012? (Marks 15)

- a) Information technology-based services including software development, software customization, software maintenance and system support. (5%)
- b) Services provided by advertising agents (16%)
- c) Services provided by tour operators (and travel agents including all their allied services or facilities) other than Hajj and Umrah. (5%)
- d) Services provided by persons for carriage of goods by rail or road (15%)

- e) Services provided by Photography studios and event or occasion photographers/film-makers (5%)
- f) Services provided by Packers including handling and packaging services (16%)
- g) Entertainment services (including cinemas, theatres, concerts, circus, sports events, film, fashion shows and mobile stage shows (Zero percent)
- h) Services provided by banking companies, cooperative financing societies, Modarbas, musharikas and leasing companies. (16%)
- i) Apartment house management, real estate management (5%)
- j) Freight forwarding agents (Rs1000 per bill of lading)

Q. No. 3 Calculate the value of immoveable property; 10 Marla residential house situated at Walton Road, Lahore and calculate Stamps duty, Income tax, capital gain tax and registration charges to be charged on its sale/registration as per new valuation table announced by the Government as on 2.3.2022. The purchaser is registered with FBR as tax payer.

Per marla cost Rs2,500,000 x 10 marla Rs25,000,000

Stamp duty charges 1%	Rs250,000
Town/City tax 1%	Rs250,000
Capital value tax 2% in the question when it was last purchased)	Rs500,000 (conditional – not mentioned
Withholding tax 1% being filer	Rs250,000
Registration fee (Fixed)	Rs500
Total	Rs750,500 or 12,50,500 with capital gain tax

Q. No. 4 Define the procedure to be adopted when the entertainment duty stamps are not available for payment of entertainment duty under the Entertainment Duty Rules, 1958.

According to rule 23 of the west Pakistan Entertainment Duty Rules, 1958, (1) when the entertainment duty stamps are not available, or cannot be obtained, or for any other reasons to be recorded and reported to the Commissioner, the Collector thinks it necessary, he may authorize the proprietor of an entertainment in respect of which the entertainment duty is payable, to pay the duty in the manner hereinafter provided.

(2) The proprietor of the entertainment shall have bound in books serially numbered tickets which he intends to use at the entertainment. He shall credit into the treasury the amount of the entertainment duty which may be recoverable on such tickets and shall, at least twenty four hours before the commencement of the entertainment, submit the tickets to the District Excise and taxation Officer.

(3) The District Excise & Taxation Officer shall seal every ticket submitted to him under the last preceding sub-rule, sign the affixed foil of the first and the last ticket, add a certificate that all the tickets in between the first and the last have been sealed in their serial order, and return the tickets duly sealed to the proprietor or his authorized agent under a receipt.

(4) The District Excise and Taxation Officer shall maintain a register showing the particulars of the tickets received, sealed and returned by him, and shall as soon as possible, forward under registered cover a copy of the entries made in the register to the Collector for information.

(5) The District Excise and Taxation Officer shall be personally responsible for the safe custody of the seal used for sealing such tickets.

(6) Subject to the provisions of sub rule (1) to (3) the provisions of these rules shall apply mutatis mutandis to the tickets sealed under this rule the seal put on the ticket being treated for purposes of these rules as a stamp.

Q. No. 5 What penalties can be imposed on a person for committing the following offenses under Punjab Sales Tax on Services Act, 2012?

a) Where a person avoids, denies or obstructs installation of electronic invoice monitoring system at a business premises.

Such person shall be liable to pay penalty of upto one hundred thousand rupees, but not less than twenty five thousand rupees. Further business premises of such person may be liable to be sealed for a period which extend to one month.

b) Where any person fails to declare, conceal any of business bank accounts or gives misleading declaration or fails to intimate any change in business bank account within fourteen days of such change.

Such person shall be liable to pay a penalty which may range from one hundred thousand rupees to five hundred thousand rupees.

c) Where any person obstructs any officer of the Authority in the performance of his official duties under this Act or the rules.

Such person shall be liable to pay a penalty of one hundred thousand rupees or one hundred percent of the tax payable for the tax period for which the offence relates, whichever is higher. Such person shall be further liable upon conviction by a Special Judge for imprisonment for a term which may extend to one year or with fine not exceeding fifty thousand rupees or with both.

d) Where any person fails to intimate any change in particulars of registration including the particulars relating to business address, branches etc. within fourteen days.

Such person shall be liable to pay a minimum penalty of fifty thousand rupees.

e) Where any person commits, causes to commit or attempts to commit tax fraud, or abets or connives in the commission of tax fraud equal to twenty five thousand rupees or more.

Such person shall be liable to pay a penalty of up to five hundred thousand rupees, but not less than twenty five thousand rupees, or one hundred percent of the tax payable for the tax period to which the offence pertains or whichever is higher. Such person shall, further be liable upon conviction by a Special Judge to imprisonment for a term which may extend to five years or with fine which may extend to an amount equal to the tax payable for the period to which the offence relates, or with both.

Q. No. 6 What are the restrictions and limitations on partition of land under Punjab Land Revenue Act, 1967?

According to section 136 of the Punjab Land Revenue Act, 1967, notwithstanding the provisions of section 135 and 135A, there shall be restrictions and limitations on partition:

- a) Places of worship and burial grounds held in common before partition shall continue to be so held after partition; and
- b) Partition of any of the following properties, namely:
 - I) Any embankment, water-course, well or tank and any land on which the supply of water to any such work may depend;
 - II) Any grazing ground; and
 - III) Any land which is occupied as the site of a town or village, may be refused if, in the opinion of the Revenue Officer, the partition of such property is likely to cause inconvenience to the co-sharers of other persons directly or indirectly interested therein, or to diminish the utility thereof to those persons.

Q. No. 7 Prepare pay fixation statement in respect of an employee of a University who was promoted to the post in B-17 (30370-2300-76370) w.e.f. 25.6.2020. He was drawing salary of Rs31, 070/- in B-16 (18910-1520-64510) as on 24.6.2020.

Pay drawn as on 25.6.2020 in B-16	Rs31, 070
Promoted in B-17 w.e.f. 26.6.2020	Rs32, 670
Granted one premature increment	Rs34, 970
Date of next increment	1.12.2021

Option 2

Pay drawn as on 25.6.2020 in B-16	Rs31, 070
Granted on increment in B-16 as on 1.12.20	Rs32, 590
Promoted in B-17 w.e.f. 2.12.2020	Rs32, 670
Granted on premature increment	Rs34, 970
Next increment due	1.12.2021

Option No. 2 not beneficial

Q. No. 8

Define at least ten matters/subjects for which the Civil Courts have no jurisdiction to entertain cases under the Punjab Land Revenue Act, 1967.

According to Section 172 of the Public Land Revenue Act, 1967 (1) except as otherwise provided by this Act, no civil court shall have jurisdiction in any matter which Government, the Board of Revenue, or any Revenue Officer, is empowered by this Act to dispose of, or take cognizance of the matter in which Government, the Board of Revenue, or any Revenue Officer exercises any powers vested in it or him by order under this Act.

(2) without prejudice to the generality of the provisions of sub section (1) a Civil court shall not exercise jurisdiction over any of the following matters, namely:-

- i) any question as to the limits of any land which has been defined by a Revenue Officer as land to which this Act does or does not apply;
- ii) any claim to compel the discharge of any duties imposed by this Act or any other enactment for the time being in force of any Revenue Officer as such;
- iii) any claim to the office of a village officer, or in respect of any injury caused by exclusion from such office, or to compel the discharge of the duties or a division of the emoluments thereof;
- iv) any notification directing the making or revision of a record of rights;
- v) the framing of a record of rights or periodical record, or the preparation, signing or attestation of any of the documents included in such a record;
- vi) the correction of any entry in a record of rights, periodical record or register of mutations;
- vii) any objection to the amount or rate of any assessment of land revenue or the period thereof authorize by the Government.
- viii) any notification of the undertaking of the general reassessment of a District or Tehsil having been sanctioned by the Government;
- ix) the claim of any person to be liable for an assessment of land revenue or of any other revenue as assessee under this Act;
- x) the amount of land revenue to be assessed on any estate or to be paid in respect of any holding under this Act.

PROVINCIAL RECEIPTS AND EXPENDITURE & RECEIPTS OF AUTONOMOUS BODIES

(APPLICATION)

(AGP-GAA) (SINDH PROVINCE)

Marks – 100

Duration: 3 hours-

Subjective

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Books Allowed

3. Acts/Ordinances and Rules of relevant duties and taxes of the concerned province.
 4. HR, Accounts/Treasury Rules of the universities, BISE and other autonomous bodies.
-

ATTEMPT ALL QUESTIONS

Q. No. 1 Please provide the rate of sales tax on services rendered by the following categories of business:

- a) Legal practitioners and consultants (8%)
- b) Rent a car and automobile services (10%)
- c) Janitorial services (10%)
- d) Tax consultants (8%)
- e) Security agencies (10%)
- f) Services provided or rendered by corporate law consultants (8%)
- g) Intellectual property services (10%)
- h) Vehicle parking and valet services. (5%)
- i) Burglar and security alarm services. (19.5%)
- j) Renting of machinery equipment, appliances and other tangible goods (5%)

Q. No. 2 Calculate stamp duty, registration fee, capital gain tax and income tax on purchase of flat measuring 1250 Sq. ft. situated at DHA Phase V, Karachi as per new valuation table announced by the Government as on 2.3.2022. The purchaser is registered with FBR as tax payer. The building was constructed about 9 years ago.

Evaluated value Rs4,218,750(1250 sq. ft * 3375 per Sq. ft.) minus 10% (percentage reduction in value as per age of structure) Rs421,875 Net value for the purpose of registration charges and taxes Rs3,796,875/-

Stamp duty @ 1% of value Rs37,968/-

Withholding tax 1% being filer Rs37,968/-

Scanning charges Rs1200/-

Town tax (Being DHA property, it is charged by Cant. Board)

Rs77,136/-

Q. No. 3 What are the five conditions under which the input tax credit is not admissible under Sindh Sales Tax on Services Act, 2011? (Answer: Section 15A)

Section 15A (1) notwithstanding anything contained in this Act, a registered person shall not be entitled to claim, reclaim, adjust or deduct input tax in relation to:

- a) The goods or services used or to be used for any purpose other than for the taxable services provided or rendered or to be rendered by him.
- b) The goods in respect of which sales tax has not been deposited in the Federal treasury by the respective suppliers of goods'
- c) The services in respect of which the Provincial sales tax has not been deposited in the treasury of the respective Provincial Government and the services in respect of which the Islamabad Capital Territory sales tax has not been deposited in the treasury of the Federal Government.
- d) Further tax, extra tax or value addition tax levied under the Sales Tax Act, 1990 and the rules or notifications issued thereunder;
- e) Fake, false, forged, flying or fraudulent invoices or the invoices issued by persons black listed or suspended by Board or FBR or any other Provincial Sales Tax authority'
- f) Capital goods and fixed assets not exclusively used in providing or rendering of taxable services;
- g) The following goods or services, excluding the ones directly used and consumed in the economic activity of a registered person in provision of the services paying sales tax at a rate not less than thirteen percent ad valorem:
 - I) Vehicles classified under Chapter 87 of the First Schedule to the Customs Act, 1969 and parts including batteries and tyres and tubes of such vehicles.
 - II) Calendars, diaries, gifts, souvenirs and giveaways,
 - III) Garments, uniforms, fabrics, footwear, hand wear, headwear for the employee.

Q. No. 4 Calculate motor vehicle tax, registration fee, income tax and other taxes to be charged on purchase of new car locally manufactured 1325 CC on 3.3.2022 by a registered private person with FBR. Invoice value was Rs2,800,000/- and the owner intends to pay tax up to 30.6.2022.

i)	Registration charges 2.25%	Rs63,000
ii)	Vehicle tax	Rs4000
iii)	Income Tax (Section 234)	Rs2500
iv)	Withholding tax (231 B)	already deducted
v)	Smart card charges	Rs750
v)	Number plate charges	Rs1000
	Total	Rs76,250

Q. No. 5 Briefly write nature of any five properties which are exempt from the Property tax under Sindh Urban Immoveable Property Tax Act, 1958.

Under Section 4 of the Sindh Urban Immoveable Property Tax Act 1958, various property units have been exempt from the Property Tax. The tax shall not be leviable in respect of the following properties:

1. Buildings and lands owned by Federal Government Provincial Government and Local Govt. for public –purpose.
2. A building or land the annual value of which does not exceed eight hundred sixty four rupees.
3. Building used for residential purposes built on a plot not more than 120 sq. yds.
4. One flat with covered area not exceeding six hundred sq. ft. on any floor of a building used for residential purpose.
5. Buildings and lands or portions thereof used exclusively for libraries, public park and play grounds and buildings and lands used exclusively for public worship or public charity including mosques, churches dharma shalas, gurdwaras, orphanages alms house burial or burning grounds or other places for the disposal of the dead.
6. Buildings and lands the annual value does not exceed Rs48,000 owned by widows, minor orphans and permanently disabled persons.
7. Buildings and lands or portions there of other than commercial properties declared as protected heritage under the Sindh Culture Heritage (Preservation) Act, 1994.

Q. No. 6 Describe code numbers of the following subjects on which taxes are being collected by Sindh Revenue Board under Sindh Sales Tax on Services Act, 2011.

i)	Services provided by chemical laboratories.	9817.3000
ii)	Virtual private network services.	9812.6310
iii)	Cable TV operators	9819.9000
iv)	Services provided by clubs	9801.4000
v)	Internet services including email.	9812.6100
vi)	Issuance of credit and debit cards.	9813.5000
vii)	Indoor sports and games centers.	9821.2000
viii)	Money Exchangers.	9819.2000
ix)	Recruiting Agents.	9805.6000
x)	Services provided by Accountants and Auditors.	9815.3000

Q. No. 7 Calculate monthly pension, commutation/gratuity, increases from the year 2011 to 2021 and medical allowance in respect of an employee (B-14) who was granted premature retirement from a University from the following data:

Date of birth	17.5.1965
Date of appointment	19.4.1989
Date of retirement	16.2.2021
Last Pay drawn	Rs44,430/-

Leave without Pay for 6 months 18 days is to be deducted from his length of service.

Pension calculation $(44430 * 7 * 0030 / 300)$	Rs31,101/- p.m.
Portion of pension commuted @ 35%	Rs10,885.35
Commutated value $10885.35 * 12 * 14.5602$ at 56 years	Rs1,901,914/-
Residual pension payable w.e.f. 17.2.2021	Rs20,216/-

Increase in pension of 2011 @ 15% is 3032 Net pension is 23,248

Increase in pension of 2015 @ 7.5% is 1744 Net pension is 24,992

Increase in pension of 2016 @ 16% is 2499 Net pension is 27,491

Increase in pension of 2017 @ 10% is 2749 Net Pension is 30,240

Increase in pension of 2018 @ 10% is 3024 Net pension is 33,264

Increase in pension of 2019 @ 10% is 3326 Net pension is 36,590

Increase in pension of 2021 @ 10% is 3659 Net pension is 40,249

Medical Allowance for the year 2010 @ 25% is 5054

Medical allowance for the year 2015 @ 25% of medical allowance of 2010 is 1264

Net pension w.e.f. 17.2.2021 Rs 46,567/-

PROVINCIAL RECEIPTS AND EXPENDITURE & RECEIPTS OF AUTONOMOUS BODIES
(APPLICATION)
(AGP-GAA) (BALUCHISTAN PROVINCE)

Marks – 100

Duration: 3 hours

Subjective

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Books Allowed

5. Acts/Ordinances and Rules of relevant duties and taxes of the concerned province.
 6. HR, Accounts/Treasury Rules of the universities, BISE and other autonomous bodies.
-

ATTEMPT ALL QUESTIONS

Q. No. 1 **What is the rate of sales tax on the following items as per Baluchistan Sales Tax on Services (Amendment) Act, 2019?** **(Marks 15)**

- i) Toll Tax and Octroi services (15%)
- ii) Information Technology based services including software development, software customization and software maintenance. (15%)
- iii) Construction services (15%)
- iv) Vehicle and other tracking services (19.5%)
- v) Travel agents (15%)
- vi) Real estate agents (15%)
- vii) Shifting of telephone connection (19.5%)
- viii) Advertisement on cable TV Network (15%)
- ix) Medical practitioners and consultants (15%)
- x) Cost of telephone sets (19.5%)
- xi) Cable TV Operators (15%)

Q. No.2 What is the rate of taxes being charged by the Government of Baluchistan on the following trades/persons/activities under the rules?

- i) Professional tax on Pesticide Dealers. (Rs5000 per annum)
- ii) Entertainment duty on cinemas.(25% of the admission price)
- iii) Trade tax on Jewelers. (Rs2000 per annum)
- iv) Bed Tax on Hotels charging rent Rs5000 per day. (Rs50 per day)
- v) Excise License fee for retail sale of liquor. (Rs7, 000, 000)

Q. No. 3 Calculate Gross Annual Rental Value (GARV) of a house whose monthly rental value is Rs35,500/-. Also calculate yearly urban property tax on the above property.

Formula = Gross Annual rental value (-) 10% annual maintenance charges x 15% tax rate

420,000 (-) 42,000 = 378,000 x 15% = **Rs56,700 answer**

Q. No. 4 What is infrastructure development cess? Explain the procedure for recovery of infrastructure development cess under Baluchistan Infrastructure Development Cess Act, 2019. What penalties could be imposed for non-payment of Infrastructure Development Cess?

Section 3 - There shall be levied and collected a cess for maintenance and development of infrastructure on goods upon entering or before leaving the Province from or for outside the country, through rail, road, air and sea at a fixed rate of 1% of the total value of goods as assessed for customs purposes.

Section – 4 - The owner shall be liable to pay the cess levied on the goods entering or leaving the Province from or for outside the country by rail, road or sea under section 3 of this Act.

Section – 5 – In case of goods entering or leaving the Province from or for outside the country, cess shall be payable in the same manner and at the same time as it was a customs duty regardless whether or not the goods are liable to such duty.

Section – 7 – Where any person who fails to pay any amount of cess due under this Act, he shall be in addition to the cess due or any other amount payable under the Act, be liable for default surcharge at a rate of two percent of the amount unpaid per month.

Section – 8 – Where the goods are removed, transported or shipped without payable of cess, the owner shall, without prejudice to any other action to be taken against him, be liable to a penalty not more than the amount of cess evaded.

Q. No. 5

What penalties could be levied on the persons for violation of below mentioned rules as per Baluchistan Sale Tax on Services (Amendment) Act, 2019? Section 48

a) Where any person either avoids, defies, fails to comply with e-invoicing system or issues invoices outside the e-invoicing system.

Such person shall be liable to pay a penalty of up to one hundred thousand rupees, but not less than twenty five thousand rupees. In case of three consecutive defaults, the place of business of such person may further be liable to sealing.

b) Where any person violates any embargo placed on providing of service in connection with recovery of the tax.

Such person shall be liable to pay a penalty of twenty five thousand rupees or ten percent of the amount of the tax sought to be recovered, whichever is higher. Such person shall further be liable upon conviction by a Special Judge to imprisonment for a term which may extend to one year, or with fine which may extend to amount equal to the amount of the tax sought to be recovered or with both.

c) Where any person obstructs any officer of the Authority in the performance of his official duties under this Act or the rules.

Such person shall be liable to pay a penalty of twenty five thousand rupees or one hundred percent of the tax payable for the tax period to which the offence relates, whichever is higher. Such person shall be further liable, upon conviction by a Special Judge, to imprisonment for a term which may extend to one year or with fine not exceeding fifty thousand rupees or with both.

d) Whether any person knowingly or dishonestly damages or impairs any duplicate tape or disc or other medium on which any computerized system is kept or stored. Such person shall pay a penalty of twenty five thousand rupees or one hundred percent of the amount equal to the loss caused to the tax revenue. Such person shall further be liable upon conviction by the Special Judge to imprisonment for a term which may extend to one year or with fine which may extend to an amount equal to the loss caused to the tax revenue or with both.

e) Where any person who knowingly or fraudulently submits a false or forged document to any officer of the Authority or destroys, alters, mutilates or falsifies the records.

Such person shall be liable to pay a penalty of twenty thousand rupees or one hundred percent of the tax payable for the tax period to which the offence relates, whichever is higher. Such person shall be further liable upon conviction by a Special Judge to imprisonment for a term which may extend to five years or with fine which may extend to an amount equal to the tax payable for the tax period to which the offence relates, or with both.

Q. No. 6 Briefly describe the procedure and formula for collection of sales tax on purchase of US\$5000 (Dollars) by a Foreign Exchange Company from a customer under Baluchistan Sales Tax on services Rules, 2018. The foreign currency was purchased at the rate of Rs180/- per US\$.

Formula – Purchase/sale price x 15 paisa x rate of tax

$Rs900,000/0.15/100 = Rs135,000/100 = 1350$

$1350 \times 15\% \text{ rate} = \mathbf{202.50}$

Q. No. 7 Calculate registration charges, income tax, road tax and other charges on purchase of a new car having 1300 cc at the cost of Rs2,950, 000/- purchased from a company on 15.3.2022. The purchaser was tax filer and registered with FBR. Yearly tax may be treated as paid up to 31.12.2022.

Registration fee 1% of purchase price	Rs29,500
Road tax	Rs1200
Computerized book fee	Rs300
Transfer fee	Rs1000
Advance Income Tax	Rs25,000
Withholding Income Tax	Rs30,000
Total	Rs86,000

Q. No. 8 Define five properties which are exempted from recovery of sales tax on renting of immovable properties under Baluchistan Sales Tax Special Procedure, 2018.

According to section 2 (15) of the Baluchistan Sales Tax Special Procedure Rules, 2018, the following properties are exempted from recovery of sales tax:

- Renting of immovable property by a religious body to another religious body.
- Renting of vacant land or premises solely used for agriculture, aquaculture, farming, forestry, animal husbandry or mining purposes;
- Renting of land or premises solely used for outdoor games and sports;
- Renting of buildings solely used for residential purposes or solely used as hostels and boarding homes of a recognized educational institutions; and
- Renting of immovable property by hotels, motels, guest houses, clubs, marriage halls and lawns which are otherwise liable to tax under tariff heading 98.01 and the sub-headings thereof.

Q. No. 9

Define the procedure for collection of sales tax from the property developers and builders under Baluchistan Sales Tax on Services Rules, 2018. What procedure will be adopted if a flat/bungalow is cancelled due to non-payment of instalments?

Section 56 (1) The provisions of this rule shall apply to the persons providing or rendering the services by property builders and developers and the tax payable on the said services.

(2) Every person providing or rendering the services as property builder and developer, shall get himself register with the Authority as prescribed under section 25 of the Act read with the provisions of Chapter II of these rules.

(3) Tax on taxable services provided or rendered by property builder and developer is to be levied at a specific rate not based on value (as may be notified through a notification issued under the Act) shall be collected and paid by the service provider in accordance with this rule at the time and in the manner as prescribed by the Act or the rules.

(4) No input tax credit or adjustment or deduction shall be allowed to the service providers governed by this rule.

(5) The fixed rate of tax as notified, shall be paid by the service provider with reference to the time he receives payment of the value for such services preceding the event of lease or conveyance deed.

Provided that where the property is built or sold on instalment basis, the tax shall be paid by the service provider at the time he receives the respective instalments. In such cases, the total amount of tax due on a property so built or sold on instalment payment basis shall be divided proportionately on the basis of the instalments as may be agreed between the service provider and the buyer/service recipient.

Provided further that where an instalment is not paid by the buyer/service recipient on the due date, the service provider may defer the payment of tax due accordingly to a date when he actually receives the payment of the instalment from the buyer.

Provided further that where the service provider refunds the amount of value or instalments thereof to the buyer for any reason, like cancellation, etc. the service provider shall be entitled to claim refund of the tax paid subject to the provisions of section 17 of the Act.

PROVINCIAL RECEIPTS AND EXPENDITURE & RECEIPTS OF AUTONOMOUS BODIES

(APPLICATION)

(AGP-GAA)

(K.P.K. PROVINCE)

Marks – 100

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Books Allowed

- Acts/Ordinances and Rules of relevant duties and taxes of the concerned province.
 - HR, Accounts/Treasury Rules of the universities, BISE and other autonomous bodies.
-

Q. No. 1 Describe the rates of sales tax charged on the following services as per KP Sales Tax on Services Rules, 2017.

- a) Services provided for business support services (15%)
- b) Services provided in respect of manufacturing or processing on toll basis (5%)
- c) Construction services (5%)
- d) Tracking services and security alarm services (10%)
- e) Cable TV Operators (2%)
- f) Construction services in respect of low cost housing projects and schemes of Provincial Housing Authority KPK. (exempt)
- g) Cleaning, fumigation and decontamination services (5%)
- h) Health related franchise services (exempt)
- i) Health insurance and services in respect of Government sponsored Sehat Card program (1%)
- j) Stand-alone car wash services (car wash station) (1%)
(Working Tariff 2021-22)(Ferguson)

Q. No. 2 Write the code numbers of the following services as per KP Sales Tax on Services Regulations, 2017.

- a) Management services including fund and asset management services provided by non-corporate entities. (9826.0000)
- b) Event management, exhibition services, services by event photographers, Videographers and other persons related to such events. (9874.0000)
- c) Cosmetic and plastic surgery services (9815.7000)
- d) Medical practitioners and consultants (9815.1000)
- e) Maintenance or cleaning services (9822.2000)
- f) Vehicle tracking services (9812.9490)
- g) Ship chandlers (9805.8000)
- h) Services provided by tour operators other than Haj and Umrah (9805.5100)
- i) Services provided by clubs (9801.4000)

Q. No. 3 Describe the professional tax charged by the Provincial Government on the following trades/professions.

- i) Employees of Federal Government drawing pay in Basic Scale 20 and above (Rs3000)
- ii) Private medical colleges (Rs100,000)
- iii) Doctors-Specialists practicing at Peshawar (Rs80,000)
- iv) Contractors whose annual value of rendered service exceeds Rs50.000 million (Rs100,000)
- v) Jewelers (Rs30,000)

Q. No. 4 Calculate ordinary pension, gratuity, increases and medical allowances in respect of an employee (B-11) of a University who opted for retirement on 13.11.2021. His average emoluments at the time of retirement were Rs38, 970/- and his date of birth was 10.2.1965 and date of appointment was 22.2.1987 as per record. Please deduct two years one month leave without pay from his length of service.

Pension calculation $(38970 \times 7 \times 0030/300)$	Rs 27,279 p.m.
Portion of pension commuted @ 35%	Rs9547.65
Commuted value $9547.65 \times 12 \times 13.98888$ at 57 years	Rs1,602,722/-
Residual pension payable w.e.f. 14.11.2021	Rs17,731/- p.m.
Increase in pension of 2011 @ 15% is Rs2660 net pension is Rs20,391	
Increase in pension of 2015 @ 7.50% is Rs1529 net pension is Rs21,920/-	
Increase in pension of 2016 @ 10% is Rs2192/- net pension is Rs24,112/-	
Increase in pension of 2017 @ 10% 2411/- net pension is Rs26,523/-	

Increase in pension of 2018 @ 10% 2652/- net pension is Rs29,175/-

Increase in pension of 2019 @ 10% 1918/- net pension is Rs32,093/-

Increase in pension of 2021 @ 10% is 3209/- net pension is Rs35,302/-

Medical allowance for the year 2010 @ 25% is 4433/-

Medical allowance for the year 2015 @ 25% of medical allowance of 2010 is 1108/-

Net Pension w.e.f. 14.11.2021 Rs40,7843/-

Q. No. 5 Calculate the stamp duty, registration charges, capital gain tax and income tax on purchase of residential building constructed on 15 Marla house located at Hayatabad Township, Peshawar city. The purchaser was not registered with FBR.

15 Marlahouse, Hayatabad Township, Peshawar

Market value Rs1,250,000 * 14 = Rs17,500,000

Stamp duty charges 2% Rs350,000

Withholding tax 2% (Non ATL) Rs350,000

Capital gain tax 2% (If transaction is made within

5 years of the last purchase of the said property Exempted by KP Govt.

Registration charges @ 0.5% of the value Exempted by KP Govt.

Town Tax 1% of the value Exempted by KP Govt.

Total **Rs700,000**

Q. No. 6 Define various categories of withholding agents as per KP Sales Tax on Services (Withholding) Regulation, 2020.

According to KP Sales Tax on Services (withholding) Regulations 2020 Rule 2 3 (1) For the purposes of this regulation, all recipients of taxable services, falling in any of the following categories shall be the withholding agents;

- I) All Federal Government Departments and offices etc, who submit their bills (including payments made in respect of projects) for pre-audit to the Accountant General Pakistan Revenue (AGPR), its sub offices and District Accounts Offices.
- II) The Departments and offices of the Ministry of Defense who either submit their bills (including bills in respect of projects) for pre-audit or compiled accounts of the Services Controllers and Regional Controllers of the Military Accountant General.
- III) All other Federal government departments, i.e. Director Budget and Accounts (PAK PWD), Chief Accounts Officer (Pakistan Railways) Director Accounts (Pakistan Post), Central Directorate of National Savings who submit their monthly compiled accounts to AGPR.
- IV) All Departments and offices of the Government including District Government Departments who submit their bills for pre-audit to the Accountant General KP or the District Accounts Officer.

- V) All Provincial Government Departments including District Government Departments who submit their bills (including payments made in respect of projects) for pre-audit to the respective Accountant General (AG) of the Province and District Accounts Offices.
- VI) All Divisional Engineers of the Departments of Irrigation, Public Health Engineering and Communication & Works including the Local and District Government Departments who submit accounts on the prescribed form to the Accountant General KP.
- VII) Environment Department of the Government who submits compiled accounts to the Accountant General KP.
- VIII) All public sector organizations, institutes, corporations, universities, Bodies, boards, projects, ventures, entities enterprises, institutions, authorities of the Federal, Provincial, District or Local Government including special purpose institutions, whether their official status, character or position is pure government semi-government, public, semi-public, autonomous, semi-autonomous, commercial, semi-commercial or non-commercial who are making such payments directly at their own level through their internal accounting system or offices.
- IX) Companies as defined under sub-section (12) OF SECTION 2 OF THE Act including those located in the jurisdiction of or registered with any other tax authority for the purposes of payment of sales tax in respect of goods or services rendered or provided in the province of KP.

Q. No.7 Prepare pay fixation statement in respect of an employee of a University, who was promoted to the post in B-17 w.e.f. 7.5.2021 (Pay scale 30370-2300-76370). He was drawing Rs64, 510 on 6.5.2021 in B-16 (18910-1520-64510). When will be his next increment due?

Pay as on 6.5.2021 in B-16	Rs64, 510/-
Next stage fixed in B-17 as on 7.5.2021	Rs64, 870/-
Add on increment on promotion as on 7.5.2021	Rs67, 170/-
Next increment due 1.12.2021	

Q. No. 8 What are the professional responsibilities of an authorized representative under KP Sales Tax on Services Regulations 2017?

According to rule 51 of the KP Sales Tax on Services Regulations 2017 (1) THE AUTHORIZED REPRESENTATIVE SHALL:

- I) Not participate, whether individually or in concern with others, in any plan, scheme or arrangement attempting or having as its purpose the contravening of any provision of the Act or rules and regulations made there under;
- II) Not either directly or indirectly or in any manner whatsoever, lend his authorization to any person, firm or corporation for the purpose of contravening any provision of the Act or rules and regulations made there under;
- III) Exercise reasonable care and diligence to prevent persons under his suspension from engaging in conduct which may violate any provision of the Act or rules and regulations made there under;

- IV) Not engage in any activity that constitutes dishonesty, fraud or gross incompetence while performing his functions and duties as authorized representative;
- V) Promptly report to the Authority or its officers any known violation of the Act or rules and regulations;
- VI) Cooperate fully with the Authority or its officers in the investigation of any alleged violation of the Act or rules and regulations;
- VII) Not offer or promise anything of value with the intent of inducing a person who is performing a public duty to do or abstain from doing any act related to such public duty;
- VIII) Not contract for or accept compensation or anything of value for services not performed;
- IX) Not knowingly furnish inaccurate, deceitful or misleading information to a client or employer, a prospective client or employer, or a public agency or representative of public agency;
- X) Not knowingly or intentionally engage in any false or misleading conduct or advertising with respect to client solicitation.