

Government of Pakistan
(Revenue Division)
Central Board of Revenue
(Sales Tax & Federal Excise Wing)

C. No.3/13-STB/98

Islamabad, August 25, 2007

SALES TAX GENERAL ORDER NO. 5 of 2007

Subject: **PAYMENT OF SALES TAX BY STEEL MELTERS AND RE-ROLLING MILLS OPERATING ON SELF-GENERATION BASIS.**

To streamline the collection of sales tax from the steel melters and re-rollers operating on self-generation basis, the following mechanism is hereby prescribed in consultation with All Pakistan Steel Melters Association and The Pakistan Steel Re-Rolling Mills Association and after the survey of units operating on self-generation basis:

- (i) Steel melters producing electricity with the help of gas generators shall calculate their sales tax liability on the basis of the gas bill for the relevant tax period as per the following formula:

Sales tax payable through sales tax return = $HM^3 \times 1562$ – (sales tax paid on gas bill).

- (ii) Re-rolling mills operating on self-generated electricity shall discharge their tax liability in the following manner:

Monthly sales tax payable through sales tax return = mill size (No. of inches) x 30,850

The registered person shall deduct sales tax paid on diesel consumed from the payable amount as above provided the taxpayer holds valid sales tax invoice.

Example: Mill size = 6 inches

Sales tax payable per month = 6×30850 – sales tax paid on diesel consumed

02. In case a rolling mill operating on self-generation basis remains closed for 7 or more days consecutively during a tax period, the registered person shall inform on telephone/fax to the respective Collector of Sales Tax and the representative of the Association prior to the closure of the mill. A survey report shall accordingly be prepared by the monitoring committee comprising of the sales tax officer(s) nominated by the concerned Collector of Sales Tax and representatives of Pakistan Steel Re-Rolling Mills Association and the tax liability of the said mill shall be determined on the basis of above formula for the number of days the mill remains in operation during the month.

(Wajid Ali)
Secretary (ST&FE-Budget)