GOVERNMENT OF PAKISTAN
REVENUE DIVISION
FEDERAL BOARD OF REVENUE

C. No. 1(1)M(IR-Policy)/2014 Islamabad, the 31st March, 2014.

PUBLIC NOTICE

Subject: **COLLECTION OF SALES TAX ON CNG FROM CNG STATIONS THROUGH GAS BILLS UNDER THE SALES TAX (AMENDMENT) ORDINANCE, 2014 – CLARIFICATION REGARDING.**

In exercise of the powers conferred under Article 89(1) of the Constitution of Pakistan, the Honourable President of Pakistan has promulgated the Sales Tax (Amendment) Ordinance, 2014, whereby sub-section (8) of section 3 of the Sales Tax Act, 1990 has been substituted.

2. The effect of this Ordinance is that sales tax at the standard rate of 17% shall be charged and collected from CNG stations through their gas bills by the gas distribution companies. It is clarified that no new tax has been imposed, but only the mode of collection has been changed under this Ordinance, to ensure compliance and facilitate administration of the tax.

3. The Federal Board of Revenue has also issued a notification in terms of the amended section 3(8) of the Sales Tax Act, 1990. This notification merely specifies that the value of CNG, for the purpose of charging sales tax, is the same as notified by OGRA from time to time.

4. It is therefore, specifically clarified that the rate and amount of sales tax payable on CNG remains the same as already notified by OGRA through its notification dated 17.12.2013. Thus, there will be no change in the consumer price of CNG or the amount of sales tax collected from the consumers. The price of CNG shall remain the same as already notified by OGRA.

(Shahid Hussain Asad)
Member (IR-Policy)
Official Spokesman FBR