GOVERNMENT OF PAKISTAN

REVENUE DIVISION

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Islamabad, the 17th December, 1999

NOTIFICATION

(SALES TAX)

S.R.O.1349(I)/99.- In exercise of the powers conferred by section 34A of the Sales Tax Act, 1990, the Federal Government is pleased to exempt seventy-five per cent of the amounts of additional tax under section 34 and penalties under section 33 of the said Act, payable on such portion of the principal amount (accrued on or before the 30th November, 1999 or as detected or determined, adjudged or demanded on or before the 30th December, 1999) of tax due if the said principal amount and the twenty-five per cent of the amount of additional tax and penalty are paid, under head "Sales Tax-0220000" in the designated branch of National Bank of Pakistan notified vide Notification No. S.R.O. 952(I)/98, dated the 5th September,1998, during the period commencing from the date of this notification and ending on the 30th December, 1999, by the following classes of registered persons, namely:-

i. persons falling under various fixed sales tax schemes valid upto the 30th June, 1998 including old fixed sales tax cases of steel sector and other sectors expired earlier;

ii. persons registered as importers and persons owing sales tax on value added supply of imported goods;

iii. steel melters and steel re-rollers who did not pay sales tax as per the minimum bench mark of consumption of electricity units fixed vide Central Board of Revenue letter C.Nos.4/85-STB/97, dated the 18th September, 1997, dated the 21st October,1997 and dated the 25th October, 1997, C.No.4/93-STB/97, dated the 21st October, 1997 and C.No.4/20-STB dated the 19th May, 1998;

iv. distributors, wholesalers and retailers of mild steel products whose supplies became taxable with effect from the Ist July, 1997, in terms of

v. S.No.33(iii) of the Sixth Schedule to the Sales Tax Act, 1990;

vi. distributors, wholesalers and suppliers of taxable goods who become liable to registration as on 1st July, 1998 and did not pay the tax due or who after registration wrongly adjusted the input tax on the stocks available with them;

vii. manufactures and producers who incorrectly claimed input tax under Notification No. S.R.O. 1307(I)/97, dated the 20th December, 1997;

viii. persons who made incorrect and inadmissible input tax adjustments or have claimed or received incorrect and inadmissible refunds;

ix. manufacturers and suppliers of knitted or woven fabrics, processed fabrics, garments and made ups and other textile goods who failed to pay the tax due;

x. suppliers of taxable goods to Government, Semi-Government and Defence Departments, all Corporations, Banks/DFI's, Limited Companies and all other institutions (authorized to make deduction of advance tax under section 50(4) of Income Tax Ordinance, 1979), who failed to pay the tax due;

xi. retailers whose annual turnover exceeds five million rupees and who failed to pay the tax due;

xii. persons (spinners) who failed to remit the amount of sales tax and persons (ginners) who failed to deposit the amount of sales tax in terms of the Special Procedure for Ginning Industry Rules, 1996;

xiii. persons against whom arrears of tax are outstanding in terms of an audit report, demand notice, assessment order or adjudication order, show cause notice, appellate order or for any other reason;

xiv. persons who concealed their taxable supplies in any mode or manner and evaded the tax due; and

xv. persons who are non-filers, wrong filers or short-filers with reference to their Return-cum-Payment Challan; and

2. The notification shall also apply to.-

i. cases where there is no arrears of principal amounts of tax and the arrears involve additional tax and penalty only. In such cases,

seventy-five per cent of the amount of additional tax and penalties shall be exempted if the twenty-five per cent of the arrears of such additional tax and penalty, as was outstanding as on 30th November, 1999 or is determined, adjudged or demanded on or before the 30th December,1999, is paid into the treasury during the period from the date of this notification to the 30th December, 1999; and

ii. cases in dispute or under audit or under adjudication and cases pending in appeal under sections 45 and 46 of the Act. However, if the dues are held to be not payable in view of the adjudication order or the appellate order, the amount so paid in terms of this notification shall be refunded within fifteen days of the receipt of the adjudication order or appellate order, as the case may be.

3. If the whole of the dues of principal amount of tax is paid by a registered person to the satisfaction of the Collector in terms of this notification, he shall not be prosecuted under section 37A and 37C of the Act and the offence shall be compounded under sub-section (4) of section 37A.

4. This notification shall not entitle any registered person to claim refund of any tax, additional tax or penalty already paid.

5. This notification, unless earlier rescinded, shall remain in force upto the 30th December, 1999.

[C.No.3(29)STP/99]

(S. M. KAZIMI)

ADDITIONAL SECRETARY