

**GOVERNMENT OF PAKISTAN
(REVENUE DIVISION)
CENTRAL BOARD OF REVENUE**

Islamabad, the 29th September, 2007

**NOTIFICATION
(SALES TAX)**

S.R.O. 1000(I)/2007.— In exercise of the powers conferred by sub-section (1) of section 4 and section 40 of the Federal Excise Act, 2005, section 219 of the Customs Act, 1969 (IV of 1969), section 50 of the Sales Tax Act, 1990, read with sub-section (2) of section 8, sections 9, 10, 14, 21 and 28, clause (c) of sub-section (1) of section 22, section 26, sub-section (6) of section 47A, sections 48, 50A, 52, 52A and 66 thereof, the Central Board of Revenue is pleased to direct that in the Sales Tax Rules, 2006, the following further amendment shall be made and shall be deemed to have been so made on the 8th day of September, 2007, namely:—

In the aforesaid Rules, for existing form STR-7, the following shall be substituted, namely:-

Sales Tax & Federal Excise Return-cum-Payment Challan

Payable - Crf - Refund	45	Whether excluded from Section 8B(1), under SRO 647(I)/2007 (Yes / No)	
	46	Admissible Credit - if 45 = Yes then 21; if 45 = No, then least of "90% of 29" or 21 or 44	-
	47	Payable ST - if 44 > 46 then (44 - 46) otherwise zero	-
	48	Excess Unadjusted Credit - if 45 = Yes and if 46 > 44 then (46 - 44) otherwise zero; if 45 = No then (21 - 46)	-
	49	Input tax paid on inputs consumed in zero-rated supplies/ exports (Refund Claim)	-
	50	Credit to be carried forward - if 49 > 48, then zero; if 49 < 48, then (48 - 49)	-

51	Sales Tax withheld by the return filer (STWH)	-
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Federal Excise		Value	Rate	FED
Federal Excises	52	Excisable goods cleared for domestic consumption (a)	-	-
	53	(b)	-	-
	54	(c)	-	-
	55	(d)	-	-
	56	(e)	-	-
	57	Excisable services rendered	-	-
	58	Excisable goods exported	-	-
	59	Zero-rated clearances	-	-
	60	Exempt clearances	-	-
	61	Less: FED paid on goods used in manufacturing of Goods cleared for domestic consumption	-	-
	62	Payable FED - Add 52 to 57 minus 61 (ignore negative value)		-
	63	Excise duty on import of edible oil Rs. / kg		
	64	Goods chargeable to special FED	-	1%
	65	(-) Special FED on inputs used in manufacturing of Goods cleared for domestic consumption	-	1%
66	Payable Special FED (64 - 65)		-	
67	(-) FED paid on goods used in manufacturing of Goods exported (drawback)	-	-	
68	(-) Special FED paid on goods used in manufacturing of Goods exported (drawback)	-	-	
69	(-) Total FED Drawback (67 + 68)	-	-	
70	Total FED (62 + 66 - 69)		-	

PDL	71	Petroleum Development Levy	PDL	-
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Payment	Sales Tax Arrears		ST liability due to late filing		
	72	Principal amount	-	76	Default surcharge
	73	Default surcharge	-	77	Penalty
	74	Penalty	-	78	Surcharges
	75	ARR (ST) (Add 72 to 74)	-	79	ST (SUR + PEN) (76 + 77)
	80	Net Sales Tax Payable (47 + 51 + 75 + 79)			-
	FED Arrears		FED liability due to late filing		
	81	Principal amount	-	85	Default surcharge
	82	Default surcharge	-	86	Penalty
	83	Penalty	-	87	Surcharges
84	ARR (FED) (Add 81 to 83)	-	88	FED (SUR + PEN) (85 + 86)	
89	Net FED Payable (if 70 + 84 + 88 > 0 then 70 + 84 + 88, otherwise zero)			-	
90	Net FED Drawback (if 70 + 84 + 88 < 0 then -(70 + 84 + 88), otherwise zero)			-	
91	Total Taxes Payable (71 + 80 + 89)			-	
92	Tax paid on normal/ original return (applicable in case of revised return)			-	
93	Balance Tax Payable/ Refundable (91 - 92)			-	

I, _____, holder of CNIC Nr _____
 In my capacity as self/member or partner of association of persons/principal/ officer / trustee/ representative of named above, do solemnly declare that to the best of my knowledge and belief the information given in this return is/ are correct and complete in accordance with the provisions of the Sales Tax Act, 1990, the Federal Excise Act, 2005, and rules and notifications issued thereunder.

Date _____ Stamp _____ Signature _____

Head of Accounts	Head of Account	Amount	For Bank Use	CPR No.	Amount	
	B02341 - Sales Tax					
	B02366 - Sales Tax on services					
	B02367 - FED in VAT mode					
	B02485 - Federal Excise Duty					
	B03041 - PDL					
TOTAL AMOUNT PAYABLE				Total Amount in Figures		
			Amount Received in words : _____			
			Bank Officer's Signatures, Date & Stamp			

INSTRUCTIONS

HOW TO FILL UP THE RETURN

- (1) These instructions are illustrative only and have no effect upon the provisions of the Sales Tax Act, 1990 or the Federal Excise Act, 2005.
- (2) This return is required to be filed by all persons registered under the Sales Tax Act, 1990 and the Federal Excise Act, 2005.
- (3) The return shall be filed printed on both sides of paper.
- (4) Instructions relating to different parts of the return are given below:

Registry

CNIC:

The registered person having the status of 'individual' or 'proprietor' is required to mention his Computerized National Identity Card number. In all other cases this information can be skipped.

Normal/ Revised:

Normal return means the first return filed for any specific tax period. A revised return can be filed under section 26(3) of the Sales Tax Act, 1990. While filing the revised return, the taxpayer shall check the relevant box and fill in all the relevant data for the month including the columns which were correctly filled in the normal return.

Monthly/ Quarterly:

All registered persons are required to file return on monthly basis, except persons engaged exclusively in commercial imports, who shall file the same return on quarterly basis.

Tax Period:

The tax period has to be mentioned in the format "mm yy". For example, August 2007 is to be mentioned as "

0	8	0	7
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 ". The persons filing the quarterly return shall mention the last month of the quarter. For example, in case of quarter July to September 2007, the month of September 2007 should be mentioned as follows: "

0	9	0	7
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Sales Tax Credit

Details of taxable purchases from Top 20 suppliers:

Details of top 20 local suppliers with respect to tax charged are to be provided in descending order. After providing the details for top 19 suppliers, the total for the remaining suppliers is to be provided in the last row. When a single supplier is making supplies at multiple rates of sales tax, the supplies at each rate are to be provided in separate rows. In case there are no taxable sales to registered persons and the total number of suppliers does not exceed nineteen, the registered person shall not be required to furnish separate invoice summary as prescribed under SRO 559(I)/2006 dated 5.6.2007.

Domestic Taxable purchases/ services @15%, 17.5% and 20%:

Data of all purchases (goods & services) subject to tax at 15%, 17.5% and 20% is to be given here after adjustment on account of debit/ credit notes. The figures for telecommunication services including telephone will be given here.

Capital/ Fixed Assets to be credited in twelve parts:

The adjustment of sales tax on each fixed asset has to be spread over twelve months. 'Accumulated amount' is the total value of fixed assets against which adjustment has not been completely made. For example, in the first month fixed assets valuing Rs. 8,000 (sales tax Rs. 1200) were purchased and in the second month assets worth Rs. 16,000 (Sales tax Rs. 2400) were purchased; in first month accumulated purchases would be Rs. 8000 and adjustment of Rs. 100 would be made. In the second month, accumulated purchases would be Rs. 24,000 and the adjustment of Rs. 300 would be made. When all twelve instalments of adjustment against a particular fixed asset have been availed, the value of such asset shall not be mentioned in accumulated amount.

Others (Pl. Specify):

Data of all purchases/ imports on which sales tax has not been paid on the standard rates (15%, 17.5% or 20%) shall be given here. A brief description must also be provided in the available space.

Inadmissible input tax relating to exempt supplies/ non-taxed services etc:

The input tax which is attributed to exempt supplies or to non-taxable services is to be mentioned here. Any other input tax which is not admissible as credit is also to be included. If any part of input tax relates to both taxable and exempt supplies or services, inadmissible input tax is to be calculated in accordance with the Apportionment Rules as in the Sales Tax Rules, 2006.

Ship imports by ship-breakers:

The LDT of ships imported during the current month need to be mentioned.

Commercial Imports (S.R.O. 645(I)/2007):

The commercial importers shall mention here the total amount of sales tax paid i.e. 2% under SRO 645(I)/2007 plus in addition to the tax payable under section 3(1) and 3(2). The amount of tax should be total tax i.e. paid at normal rate plus 2% tax.

Part of input tax attributed to zero-rated supplies/ exports:

The registered person shall work out the amount of input tax relating to inputs consumed in zero-rated supplies or exports made during the tax period. This amount constitutes the refund claim which will be processed under refund rules, after the required documents/ information have been provided. This amount cannot be greater than the sum of total input tax for the month mentioned and the credit brought forward. In case, there are local sales as well, the refund claim should be lower than the sum as aforesaid.

Previous month credit brought forward:

This is the amount of tax which could not be adjusted previous month and should strictly be the amount mentioned in the column 'Credit to be carried forward' in the previous return. It is to be noted that previous month's refund claim should not be included in this column. In the return for the tax period July 2007, this amount shall be zero.

Accumulated Credit:

This is the total input tax available for adjustment against output tax. This is the sum of total admissible Input tax for the month plus Credit brought forward from the previous month.

Sales Tax Debit

Taxable supplies chargeable @ 15%, 17.5% and 20%:

Data of all supplies subject to tax at 15%, 17.5% and 20% is to be given here after adjustment on account of debit/ credit notes.

Taxable services rendered:

The services chargeable to sales tax under provincial ordinances and the services subject to FED in VAT mode are to be mentioned here. For example courier services and domestic air travel services etc. will be mentioned here.

Others (Pl. specify):

Data of all supplies on which sales tax is not required to paid on the standard rates (15%, 17.5% or 20%) or other liabilities under law for which no specific column has been provided shall be given here. A brief description must also be provided in the available space. The retailers, subject to tax on turnover basis, shall mention their turnover and payable sales tax in this column.

Electricity supplied to steel sector:

The electricity distribution companies shall mention the units supplied to steel sector as covered under the Sales Tax Special Procedures Rules, 2007, on which sales tax is payable at the rate of Rs. 4.75 per unit.

Sales Tax deducted by withholding agent @ 1/5th of tax invoiced:

This column allows a registered person to subtract the sales tax which has been deducted by a withholding agent from his output tax liability. Only the amount actually deducted needs to be mentioned.

Commercial Importers:

The commercial importer shall provide the value and sales tax charged on all invoices issued by him. In case the sales tax charged exceeds the amount paid on the same goods at import stage, the differential amount has to be mentioned in space provided.

Invoices issued under Special procedures

Where the registered person, other than a commercial importer, is allowed to issue invoices showing amount of sales tax but the actual tax liability has already been discharged, such as in case of steel sector, the registered person shall provide the value and sales tax charged on all invoices issued by him. This detail is for information only and does not add to the tax payable with the return.

Whether excluded from Section 8B(1), under SRO 647(I)/2007:

The registered person should tick the relevant box and calculate net liability and the amount of tax to be carried forwarded in accordance with the formulas provided.

Sales Tax withheld by the return filer (STWH):

If a registered person is also withholding sales tax under SRO 660(I)/2007, he shall mention the tax deducted during the tax period from the amounts payable to suppliers.

Federal Excise Duty

Excisable goods cleared for domestic consumption:

Space has been provided for five types of excisable goods. If such goods are more than five, then top four in terms of highest duty payable should be specified and the rest should be clubbed and mentioned against the heading description 'others'. Following nomenclature should be adhered to while specifying the goods:

- 1 Vegetable ghee and cooking oil
- 2 Concentrates for aerated beverages
- 3 Aerated waters
- 4 Aerated waters with sweetener etc.
- 5 Aerated waters made from pulp/juice etc.
- 6 Unmanufactured tobacco.
- 7 Cigars, cheroots, cigarillos and cigarettes

8	Cement
9	Clinker
10	Solvent oil (non-composite)
11	Other petroleum oils
12	Other fuel oils
13	Lubricating oils
14	Lubricating oil in bulk
15	Lubricating oil if manufactured from reclaimed oils
16	Mineral greases
17	Base lube oil
18	Transformer oil
19	Other mineral oils
20	Waste oil
21	Petroleum gases in liquefied state
22	Natural gas in gaseous state and other petroleum gases
23	Carbon black oil etc
24	Methyl tertiary butyl ether (MBTE)
25	Flavours and concentrates
26	Perfumes and toilet waters:
27	Beauty or make-up preparations etc.
28	Preparations for hair
29	Pre-shave, shaving or after-shave preparations etc.
30	Greases
31	Organic composite solvents and thinners
32	Other solvents excluding thinners

Excisable services rendered:

Excisable services on which FED is being charged (not in VAT mode) are to be mentioned here; such as international air travel and services chargeable to FED at 5% i.e. insurance, non-fund banking services, franchise services etc.

Exempt clearances

All clearances of exempt excisable goods as in the Third Schedule or under any notification should be mentioned here.

FED paid on goods used in manufacturing of Goods cleared for domestic consumption:

The credit of FED paid on inputs consumed in excisable goods supplied during the tax period will be availed by mentioning the same. This value has to be less than excise duty payable on finished goods supplied. It would be greater only in case where the rate of excise duty on inputs is higher. In such cases no refund of higher duty on inputs is admissible.

Excise duty on import of edible oil:

The fixed FED at Re. 1/kg on imported oils under SRO 24(I)/2006 is to be mentioned here.

Goods chargeable to special FED:

Information in respect of Special FED under SRO 655(I)/2007 is to be provided.

Special FED on inputs used in manufacturing of Goods cleared for domestic consumption:

Special FED on inputs used in goods supplied during the tax period is to be given here.

Payment

Arrears and current liability:

In this part sales tax and FED arrears arising from various orders, observations or voluntary assessments can be mentioned and paid. Separate space is provided for mentioning and paying default surcharge and penalty due to late filing of the return being filed.

Tax paid on normal/ original return:

In case the return is being revised, the credit of the amount paid on the normal/ original return can be availed by mentioning the said amount.

Balance Tax Payable / Refundable:

Balance payable is the amount to be deposited on the return.

Declaration:

Declaration can be filled in by any person duly authorized to file the return. CNIC mentioned here should belong to the person making the declaration.

Head of Accounts:

The break-up of tax being payable on the return is to be provided. If the taxpayer is dealing in more than one type of taxes he should provide the head-wise break up of the total amount payable for the month i.e. the amount mentioned in the column "**Total Taxes Payable (Net ST Payable + Net FED Payable + PDL)**". The amount falling in FED and PDL can easily be determined. However, the problem may arise while providing break-up of sales tax, provincial sales tax and FED payable in VAT mode because of common inputs involved. In case the registered person is not conveniently able to determine such break-up, then the total payable amount for such heads can be apportioned on the basis of value of supplies/ services relating to a particular head of account."

[C. No. 3(4)ST-L&P/2005]

Abdul Hameed Memon
Secretary (ST&FE-L&P)