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GOVERNMENT OF THE PUNJAB
LOCAL GOVERNMENT AND COMMUNITY DEVELOPMENT
DEPARTMENT

Dated Lahore, the 25th July 2016

NOTIFICATION

No.SOR(LG)38-13/2015. In exercise of the powers conferred under section 144 of the Punjab Local Government Act 2013 (XVIII of 2013) and after previous publication, Governor of the Punjab is pleased to make the following rules:

1. Short title and commencement.- (1) These rules may be cited as the Punjab Local Governments (Tax on Transfer of Immovable Property) Rules 2016.

(2) They shall come into force at once.

2. Definitions.- (1) In these rules:

- (a) "Act" means the Punjab Local Government Act, 2013 (XVIII of 2013);
- (b) "Collecting Officer" means an officer appointed or designated for the purposes of assessment and collection of the tax under the rules;
- (c) "immovable property" means any building or land situated within the limits of a local government;
- (d) "local government" means a local government other than an Authority established under the Act;
- (e) "rules" means the Punjab Local Governments (Tax on Transfer of Immovable Property) Rules 2016;
- (f) "tax" means the tax levied under the rules on the transfer of immovable property; and
- (g) "transfer of immovable property" means the conveyance of proprietary rights of any immovable property from one person to another.

(2) An expression used in the rules but not defined shall have the same meaning as assigned to it in the Act.

3. Levy of tax.- (1) A local government may levy tax on the transfer of immovable property.

(2) The rate of the tax shall be fixed and notified by the Government based on the **certain** percentage of consideration paid for the transfer of property.

Explanation: For the purpose of this rule "consideration" means:

- (i) the price paid for the transfer of the immovable property; and
- (ii) if no price is paid, the value shall be assessed as per valuation table notified by the Collector of the District and where the valuation table is not available, the valuation of immovable property shall be determined by the District Price Assessment Committee on the request of the local government.

4. Assessment and collection of tax.- (1) If the immovable property is transferred through a registered deed, the tax shall due as soon as the deed is registered.

(2) If oral transaction is made for transfer of the immovable property and followed by a mutation in the revenue office, the tax shall due as soon as the mutation is sanctioned.

(3) The tax shall be assessed and collected by the collecting officer either directly or through the Revenue Officer, if so authorized by the Board of Revenue of the Punjab.

(4) If a transfer is not made though registered deed or oral transaction, the tax shall:

- (a) become due as soon as the transfer takes place; and
- (b) be assessed and collected by the Collecting Officer at the office of local government.

5. Liability to pay tax.- The tax shall be paid by the transferee of the property unless otherwise mutually agreed between the parties of the transfer in writing.

6. Credit of tax.- The authority collecting the tax under rule 4 shall be credit to the local fund of the local government as per prevalent instructions of the Government.

7. Appeal.- A person aggrieved by an order made under rule 4 may prefer an appeal under section 143 of the Act to the Mayor or the Chairman within thirty days of the date of such order.

8. Recovery as arrears.- If the tax assessed under rule 4 remained unpaid, it may be recoverable as arrears of land revenue.

9. Exemption.- The tax shall not be levied on the transfer of immovable property, if it is made:

- (a) in favour of the Federal or the Provincial Government or the local government;
- (b) in favour of or by a company engaged in issuing sharia compliant securities or sukuk certificates to overseas investors and in which the Federal Government has the controlling share;
- (c) by Tamleek (gift in favour of legal heirs) upto twenty five acres of agricultural land in rural areas; or
- (d) by exchange up to twenty five acres of agricultural land in rural areas.

10. Repeal.- On repeal of the Punjab Local Government Ordinance, 2001 (*XIII of 2001*), the Punjab Local Governments (Tax on Transfer of Immovable Property) Rules, 2001 shall stand repealed.

**SECRETARY
GOVERNMENT OF THE PUNJAB
LOCAL GOVERNMENT AND COMMUNITY
DEVELOPMENT DEPARTMENT**