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**THE PUNJAB INFRASTRUCTURE DEVELOPMENT CESS
ACT 2015
(XXX of 2015)**

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THE PUNJAB INFRASTRUCTURE DEVELOPMENT CESS ACT 2015 (XXX of 2015)

[26th June 2015]

An Act

to levy and collect infrastructure development cess on transportation of goods manufactured, produced or consumed in, imported into or exported out of the Punjab.

It is necessary to levy and collect infrastructure development cess on transportation of goods manufactured, produced or consumed in, imported into or exported out of the Punjab; to provide resources for the maintenance, development and improvement of the infrastructure required, amongst other things, to cater for the load of goods traffic; and to deal with other purposes;

Be it enacted by Provincial Assembly of the Punjab as follows:

CHAPTER I PRELIMINARY

1. **Short title, extent and commencement.**— (1) This Act may be cited as the Punjab Infrastructure Development Cess Act 2015.
 - (2) It extends to whole of the Punjab.
 - (3) It shall come into force from the 1st day of July 2015.
2. **Definitions.**— In this Act:
 - (a) “Authority” means the Punjab Revenue Authority established under the Punjab Revenue Authority Act 2012 (XLIII of 2012);
 - (b) “cess” means the infrastructure cess levied and collected under the Act and includes default surcharge or penalty or any other sum payable under the Act or the rules;
 - (c) “Customs Act” means the Customs Act, 1969 (IV of 1969), and rules made or notifications issued under that Act;
 - (d) “FBR” means the Federal Board of Revenue established under the Federal Board of Revenue Act, 2007 (IV of 2007);
 - (e) “goods” means goods classifiable under the First Schedule to the Customs Act and includes the goods defined under that Act;
 - (f) “Government” means Government of the Punjab;

¹This Act was passed by the Punjab Assembly on 24 June 2015; assented to by the Governor of the Punjab on 26 June 2015; and, was published in the Punjab Gazette (Extraordinary), dated 26 June 2015, pp. 7369-7372

- (g) “infrastructure” includes roads, streets, bridges, culverts, lights on passage, beaches, public parks, place of public recreation or enjoyment and convenience, eating places, landscape, forests, fisheries, delta conservation, lakes, breeding places of aquatic life, wildlife and its sanctuaries, public schools, vocational and technical training centers and projects, libraries, museums and similar institutions controlled and financed by the Punjab, control of traffic for smooth flow and other movement of goods, public order, police force, patrol for safety of goods, stands for loading and unloading of goods, parking places, markets, water supply, hospitals and dispensaries and development, improvement, maintenance and protection of such infrastructure;
- (h) “person” includes:
- (i) an individual;
 - (ii) an association of persons;
 - (iii) a company incorporated, formed, organized or established in Pakistan or elsewhere;
 - (iv) the Federal Government;
 - (v) a Provincial Government;
 - (vi) a local authority in Pakistan; or
 - (vii) a foreign government, political subdivision of a foreign government, or public international organization;
- (i) “rules” means the rules made under the Act;
- (j) “Sales Tax Act” means the Sales Tax Act, 1990 (*VII of 1990*); and
- ¹[(k) “value” means the value of goods being imported or exported, as determined by an officer of customs for purposes of the Customs Act, 1969, provided that in case of goods manufactured, produced or consumed in Pakistan, the value shall be determined by reference to the value determined under the Sales Tax Act for purposes of levy and payment of sales tax.]

CHAPTER II SCOPE OF CESS

3. Scope of cess and allied matters.– (1) Subject to this Act and the rules, there shall be levied and collected a cess on the goods manufactured, produced or consumed in the Punjab, goods imported into or goods exported out of the Punjab at a fixed rate of 0.90% of total value of goods as assessed for customs purposes.

(2) The cess shall be deposited in the Provincial Consolidated Fund to be utilized by the Government for maintenance and development of infrastructure and other activity ancillary to the infrastructure in such manner as may be deemed proper by the Government.

¹Substituted by the Punjab Finance Act 2016 (XXXV of 2016), published in the Punjab Gazette (Extraordinary), dated: 29.06.2016, pp. 6083-6092, s.9: it came into force on 1 July 2016

4. Person liable to pay cess.– (1) Every person manufacturing, producing or consuming goods and every person importing goods into the Punjab through any port, dry-port, airport or custom station including bonded warehouse and every person exporting goods out of the Punjab shall be liable to pay the cess.

(2) Nothing contained in this section shall prevent the collection of cess from a different person if that person is made separately, jointly or severally liable for payment of the cess under this Act or the rules.

5. Payment of cess.– (1) In case of goods imported into or exported out of the Punjab, cess shall be payable in the same manner and at the same time as if it were a customs duty regardless whether or not the goods are liable to such duty.

(2) In case of goods manufactured, produced or consumed in the Punjab, cess shall be payable in the same manner and at the same time as if it were a sales tax payable under the Sales Tax Act.

(3) The amount of cess shall be deposited in such head of account as may be specified by the Government.

(4) Notwithstanding anything contained in this section, the Authority may, in respect of any goods, category or class of goods and subject to such conditions, restrictions or limitations, if any, specify any other manner or time or mode of payment of cess.

6. Exemptions.– (1) Notwithstanding anything contained in sections 3 and 5 and unless otherwise specified or directed by the Government through a notification in the official Gazette, the goods exported out of the Punjab¹[,] the goods manufactured, produced or consumed (other than goods imported on payment of cess) in the Punjab ²[and the goods exempted by the Federal Government from payment of duties and taxes for import] shall be exempt from cess.

(2) The cess shall not be payable in respect of imported fresh food items like fresh vegetables and fresh fruits.

(3) The Authority may, with the approval of the Government and subject to such conditions as it may impose, by the notification in official Gazette, exempt any goods, or category or class of goods from the payment of whole or any part of the cess:

³[Provided that where the Government considers appropriate and necessary, it may allow exemption from payment of cess from any previous date as may be specified in the notification.]

CHAPTER III OFFENCES AND PENALTIES

¹ For the word “and” substituted by the Punjab Finance Act 2021 (XIX of 2021), published in the Punjab Gazette (Extraordinary), dated: 30th June 2021, pp. 10047-10050 s.6.

² Inserted by the Punjab Finance Act 2021 (XIX of 2021), published in the Punjab Gazette (Extraordinary), dated: 30th June 2021, pp. 10047-10050 s.6.

³Added by the Punjab Finance Act 2020 (VIII of 2020), published in the Punjab Gazette (Extraordinary), dated: 29 June 2020, pp. 4353-4359, s. 6.

7. Default surcharge.— (1) Where any person has not paid any amount of cess due under this Act, he shall, in addition to the cess due or any other penalties payable under the Act, pay default surcharge at the rate of two percent of the payable amount of the cess per month.

(2) Where necessary, the amount of default surcharge shall be prorated but in a case the period of default is less than one month, the amount of default surcharge shall not be prorated.

Explanation.— For the purposes of this section, the cess due does not include penalty.

8. Penalty.— Where a person has failed to pay any amount of cess, he shall be liable to pay a penalty not exceeding ten percent of the amount of cess due and payable.

9. Waiver of default surcharge or penalty.— The Authority may, subject to such conditions as it deems appropriate, waive the payment of default surcharge on cess under section 7 or penalty under section 8 in any case or class of cases.

CHAPTER IV MISCELLANEOUS

10. Application of provisions of other laws.— (1) In case of goods imported into or exported out of the Punjab, the Customs Act shall, as nearly as possible, apply to the collection, payment and administration of the cess in so far as it relates to:

- (a) manner, time and mode of payment;
- (b) declarations, processing and management thereof;
- (c) keeping of records, accounts and documents;
- (d) enforcement and adjudication including appeals;
- (e) penalties and prosecution; and
- (f) all other ancillary matters.

(2) Where required in case of goods manufactured, produced or consumed in the Punjab, the Sales Tax Act and the rules made and notifications, orders and instructions issued under the Sales Tax Act shall, as nearly as possible, apply to collection and payment of cess under this Act in so far as they relate to the matters covered in subsection (1).

(3) This Act and the rules shall be treated as fiscal law for the purpose of clause (h) of section 2 of the Punjab Revenue Authority Act 2012 (XLIII of 2012).

11. Power to make rules.— (1) The Authority may, with the approval of the Government and by notification in the official Gazette, make rules for carrying out the purposes of this Act.

(2) The Government shall lay all the rules made during a financial year in Provincial Assembly of the Punjab at the time of presentation of the annual budget for the next financial year.

(3) The Authority may issue general orders, circulars or instructions, directions or clarifications to carry out the purposes of this Act or the rules.

12. Bar on adjustment.– The amount of cess payable or paid under this Act shall not be adjusted against any other tax, levy or cess payable to the Government under any other law, and any other tax, levy or cess shall not be adjusted against any amount of the cess payable under the Act.

13. Intersystem connectivity.– The Authority may enter into such arrangements for real time connectivity of its computerized system with the system of FBR or any other department, organization, institution or authority as it may deem proper for the purpose of regular or efficient monitoring of the collections and receipts of the cess.

14. Savings.– Where the Government or the Authority takes any action, makes any decision or orders, issues any instructions, directions, clarifications or notifications in pursuance of or in exercising of powers conferred under any provision of any law in respect of any matter relating to the cess and allied issues covered under this Act or the rules, such actions, decisions, orders, instructions, directions, clarifications and notifications shall be deemed to have been validly issued to serve the purposes of this Act and the rules.