**PROVINCIAL ASSEMBLY OF THE PUNJAB**

**Bill No. 18 of 2024**

**THE PUNJAB AGRICULTURAL INCOME TAX (AMENDMENT) BILL 2024**

A

Bill

*further to amend the Punjab Agricultural Income Tax Act 1997.*

It is necessary further to amend the Punjab Agricultural Income Tax Act 1997 (I of 1997) for the purposes hereinafter appearing.

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

1. **Short title and commencement**.- (1) This Act may be cited as the Punjab Agricultural Income Tax (Amendment) Act 2024.

(2) It shall come into force on first day of January 2025.

1. **Amendment of section 2 of Act I of 1997**.- In the Punjab Agricultural Income Tax Act 1997 (I of 1997), for brevity referred to as “the Act”, in section 2, in sub-section (1):
2. in clause (a), after sub-clause (c), the following shall be inserted:

“(d) income from livestock;”

1. after clause (ad), the following shall be inserted:

“(ae) “company” means a company and its cognate expressions as defined in the Companies Act, 2017 (XIX of 2017), a firm or body corporate formed by or under any law in force in Pakistan, a modaraba, a trust, a body incorporated by or under the law of a country outside Pakistan relating to incorporation of companies, a co-operative society, a finance society or any other society;”;

1. after clause (da), the following shall be inserted:

“(e) “livestock” means the livestock as defined in the Punjab Livestock Breeding Act 2014 (XIII of 2014);”;

1. after clause (f), the following shall be inserted:

“(fa) “person” means an individual or a company;”;

1. after clause (i), the following shall be inserted:

“(ia) “taxpayer” means a person chargeable to tax under this Act and includes:

(i) a person in respect of whom any proceedings under this Act have been taken for the assessment of his total cultivated land or for the assessment of his agricultural income or the agricultural income of any other person in respect of which he is assessable or of the amount of refund due to him or to such other person;

(ii) a person who is required to file a statement of his total cultivated land or return of total agricultural income under sections 3 and 4 of this Act; and

(iii) a person who is deemed to be a taxpayer, or a taxpayer in default, under this Act;”; and

1. clauses (aa), (ac) and (da) shall be omitted.
2. **Amendment of section 3 of Act I of 1997**.- In the Act, in section 3:
3. in sub-section (1), for the words “specified in the First Schedule to this Act”, the words “as may be prescribed” shall be substituted;
4. in sub-section (3), for the words “specified in the Second Schedule”, the words “as may be prescribed” shall be substituted; and
5. in proviso to sub-section (3), for the words “Second Schedule”, the word “rules” shall be substituted.
6. **Insertion of section 3AB in Act I of 1997**.- In the Act, after section 3A, the following shall be inserted:

**“3AB. Super tax on high earning person**.- A super tax shall be levied, assessed and paid at such rate as may be prescribed.”.

1. **Amendment of section 3B of Act I of 1997**.- In the Act, in section 3B, for the words “specified in the Second Schedule”, the words “as may be prescribed” shall be substituted.
2. **Amendment of section 4 of Act I of 1997**.- In the Act, in section 4:
3. in sub-section (3):
4. in clause (a), the word “or” appearing second time, shall be omitted; and
5. clause (b) shall be omitted; and
6. in sub-section (4), for the word “two”, the word “four” shall be substituted.
7. **Amendment in section 4-A of Act I of 1997**.- In the Act, in section 4-A:
8. in clause (f), the word “and” appearing second time, shall be omitted;
9. in clause (g), for the full stop “.”, the expression “; and” shall be substituted; and
10. after clause (g), the following shall be inserted:

“(h) expenditure incurred on livestock.”.

1. **Amendment in section 8 of Act I of 1997**.- In the Act, in section 8, in sub-section (1), for the words “of rupees twenty-five for each day of default, subject to maximum of rupees one thousand”, the following shall be substituted:

“equal to:

1. 0.1% of the tax payable in respect of that tax year for each day of default; or
2. rupees one thousand for each day of default; provided that minimum penalty shall be:
3. ten thousand rupees in case where the agriculture income does not exceed twelve hundred thousand rupees;
4. twenty thousand rupees in case where the agricultural income exceeds twelve hundred thousand rupees but does not exceed forty million rupees; and
5. fifty thousand rupees where the agricultural income exceeds forty million rupees.”.
6. **Amendment in section 10 of Act I of 1997**.- In the Act, in section 10:
7. for the title, the following shall be substituted:

“**Default surcharge for non-payment or late payment of tax**”;

1. in sub-section (1):
2. for the word “penalty”, the words “default surcharge” shall be substituted;
3. for the words “five percent per annum”, the words “twelve percent or KIBOR plus three percent per annum, whichever is higher” shall be substituted; and
4. in the proviso for the word “penalty”, the words “default surcharge” shall be substituted; and
5. in sub-section (2), for the word “penalty”, the word “default surcharge” shall be substituted.
6. **Omission of Schedules to Act I of 1997**.-In the Act, First Schedule and Second Schedule shall be omitted.
7. **Amendment in Act I of 1997**.- In the Act, for the words “assessee” and “an assessee” wherever appearing, the word “taxpayer” and for the words “assessment year” and “income year” wherever appearing, the words “tax year” shall be substituted.

**STATEMENTS OF OBJECTS AND REASONS**

There is need to levy equitable agricultural income tax according to the income generated from agricultural income. Further, income from livestock is also required to be included in the agricultural income for the purpose of tax under the Punjab Agricultural Income Tax Act 1997. Further, for the purpose, amendments in Schedules of the said Act were required to be made time and again in line with the rates to be determined at Federal level. Therefore, it is proposed that such rates on agricultural income may be fixed through rules to be made by the Government for smooth functioning and timely execution. Hence, this Bill.

**MINISTER INCHARGE**

**Lahore: CH AMER HABIB**

**November 11, 2024 Secretary General**