



PAKISTAN BUDGET DIGEST 2018-19

Sales Tax & Federal Excise Duty

Printing of Holy Quran

Sales tax exemption is provided on import of paper weighing 60 g/m² by Federal or Provincial Governments and Nashiran-e-Quran registered with the Government.



PAKISTAN BUDGET DIGEST 2018-19

Sales Tax & Federal Excise Duty

Import of LNG

Value addition tax @ 3% chargeable on under Rule-58B is waived.



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Sales Tax & Federal Excise Duty

Import of LNG by M/s PSO, PLL and supply to SNGPL.

Tax on import of LNG by M/s. PSO, PLL and on supply of RLNG by these Companies to SNGPL is reduced from 17% to 12%.



PAKISTAN BUDGET DIGEST 2018-19

Sales Tax & Federal Excise Duty

Fertilizers

- Reduced rate of tax @ 3% on all fertilizers across the board
- Reduced rate of @ 5% on supply of natural gas to fertilizer plants for use as feed stock.
- Exemption granted on LNG imported by fertilizer manufacturers for use as feed stock



PAKISTAN BUDGET DIGEST 2018-19

Sales Tax & Federal Excise Duty

Dairy & Agriculture Sector

Exemption is being granted to:

- Fans for Dairy Farms,
- Preparations for Making Animal Feed and Bovine Semen
- Fish Feed

Sales tax on agriculture machinery is also reduced from 7% to 5%.



PAKISTAN BUDGET DIGEST 2018-19

Sales Tax & Federal Excise Duty

Karachi Shipyard Engineering Works Limited

Exemption is being granted on

- import of machinery,
- equipment,
- raw materials,
- components etc.



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Sales Tax & Federal Excise Duty

Manufacturing of PCs and Laptops

Exemption is being granted on import of 21 types of computer parts imported by manufacturers registered with and certified by Engineering Development Board.



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Import of Promotional and Advertising Materials

Exemption is being granted from sales tax



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Cinematographic Equipment for Revival of Film Industry

Reduced rate of sales tax @ 5% is being introduced on import of 19 items for five years.



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Import of plant & Machinery

Exemption of sales tax on import is being granted to plant and machinery on one time basis for setting up Special Economic Zone



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Stationery Items

Zero rating is being restored on Stationery items under the Fifth Schedule to the Sales Tax Act, 1990.



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Local Supply of Finished Fabric

Levy of further tax @1%



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Foam Manufacturers

Exemption of extra tax and further tax @ 2% is being granted.



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Hearing aids at all types and kinds

Exemption from sales tax on import of items is granted.



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Second hand worn clothing and Footwear

Exclusion from value addition tax on import of is being provided.



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Sales Tax & Federal Excise Duty

Automatic stay till Disposal of Appeal

The amount of tax to qualify for automatic stay is being reduced from 25% to 10%.



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Sales Tax & Federal Excise Duty

State Bank of Pakistan and its Subsidiaries

Exemption from federal excise duty is being granted on commission paid to banking companies for handling banking services of Federal or Provincial Governments.



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Sales Tax & Federal Excise Duty

Audit of a Registered Person

Restriction is being imposed that audit of registered person can be conducted only once in three years.



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Furnace Oil

Standard Rate of Sales Tax will apply on import and supplies



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Input Tax Adjustment Extended

Extended to five new sectors.



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Sales Tax & Federal Excise Duty

Lithium Iron Phosphate Batteries (Li-Fe-Po₄).

Rate of sales tax is being reduced from 17% to 12% on import.



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Further Tax Rate Enhanced

The rate of further tax is enhanced from 2% to 3%.



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Leather and Textile sector

The rate of sales tax on import and supply of finished articles of leather and textile sector is being increased to 9%.

However, all those branded outlets which will be integrated through electronic fiscal devices with FBR online system shall be charged sales tax @6%.



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Sales Tax & Federal Excise Duty

Locally Produced Cigarettes

The rate of duty on is being enhanced as under:

Tier Existing Rate of FED Proposed Rate of FED

- Tier-1 from 3,740 to 3,964
- Tier-2 from 1,670 to 1,770
- Tier-3 from 800 to 848



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Cement

Federal Excise Duty on is being increased from 1.25 per kg to Rs. 1.50 per kg.



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Steel Sector

Rate of sales tax for is being increased to Rs. 13 per unit of electricity consumed.

The rate of sales tax for other allied steel industries i.e. ship breakers and re-rollers is also being rationalized.