

Sales Tax

Reference: SRO 484(I)/2015, Dated: June 30, 2015.

Brief

Amended Sales Tax Special Procedure Rules, 2007.

Commentary

Through subject notification FBR made following amendments in the Sales Tax Special Procedure Rules, 2007:

- Omitted Chapter IX (Special Procedure for Processing of Refund Claims filed by the Persons Engaged in Making Zero-Rated Supply of Ginned Cotton).
- In Chapter XI (Special Procedure for Payment of Sales Tax by Steel-Melters, Re-Rollers and Ship Breakers) following amendments have been made:
 - The provisions of these rules are now also apply to the importers of re-meltable iron, steel scrap compressor and local suppliers of iron and re-meltable steel scrap.
 - Rate of Sales Tax has been increased from Rs. 7 to Rs. 9 per unit of electricity consumed for the production.
 - Adjustable sales tax at the rate of Rs. 5,600 per metric ton shall be levied and collected on import of remeltable iron and steel scrap whereas nonadjustable sales tax Rs. 5,600/- per metric ton shall be levied and collected on import of waste and scrap of compressors.
 - Local supplies of imported waste and scrap of compressor shall be exempt from the payment Sales Tax.
 - Local supplies of re-meltable iron and steel scrap shall be charged to sales tax at the rate of Rs. 5,600 per metric ton.
 - Rate of Sales Tax on ship breakers has been increased from Rs. 6,700 to Rs. 8,000 per metric ton of re-rollable scrap supplied by them at the time of import.
 - Rate of sales tax for steel-melters and re-rollers operating on self generation through gas has been increased as under:
Sales tax payable = [HM3 (or hundred cubic meter) x Rs. 2,138 less sales tax paid on gas bill.

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- Rate of sales tax for steel-melters and re-rollers operating on self generated electricity other than gas has been increased as under:
Sales tax payable = mill size (in inches) x Rs. 6 [58,446]
- Amount of sales tax to be mentioned on the invoices issued by the registered persons for the products or category are revised as under:

S. No.	Invoices issued by and for or to	Amount of sales tax to be mentioned on the invoices
(1)	(2)	(3)
1.	By steel melters or composite units of melting, re-rolling and MS cold drawing to registered re-rollers	Rs. 8,047 per metric ton
2.	By steel re-rollers, using ingots or billets of steel melters or composite units of melting, re-rolling and MS cold drawing, to registered persons	Rs. 9,217 per metric ton
3.	By re-rollers, using billets of Pakistan Steel Mills or Peoples Steel Mills or Heavy Mechanical Complex or imported billets, to registered persons	Rs. 8,092 per metric ton
4.	By re-rollers, using ship-plates and re-rollable scrap as raw material, to registered persons	Rs. 9,170 per metric ton
5.	By re-rollers, to unregistered persons	Rs. 910 per metric ton
6.	By persons supplying imported MS products, to registered persons	Rs. 8,526 per metric ton
7.	By persons supplying imported MS products, to unregistered persons	Rs. 910 per metric ton

- The value of re-rollable scrap by ship breakers, for the purpose of levy of sales tax, has been increased from Rs. 39,412/- to Rs. 47,059/- per metric ton.
- In Chapter XII (Special Procedure for Payment of Sales Tax by Wholesaler-cum-Retail outlets) following amendments have been made:
 - The wholesaler-cum-retailer operating under this Chapter shall issue a sales tax invoice for the goods subject to extra tax @ 2% under Chapter XIII, if supplied to a registered person, for the purpose of claiming input tax adjustment by the buyer.
 - The provisions of Section 73 of the Act shall not affect the admissibility of input tax adjustment where the wholesaler-cum-retailer receives consideration in cash against the supplies made by him.

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