

Section	Subsection	Clause	<b>Sindh Urban Immovable Property Tax Act, 1958,</b>
			Come into force on and from 1 <sup>st</sup> day of July, 2019
			Levy of tax on capital value of immovable property
			<b>NEW / inserted Omitted or deleted Substituted</b>

1			<p>There shall be levied and collected a tax on the capital value of immovable property to be called Capital Value Tax on immovable property which shall be payable by every individual, association of persons, firm, a development authority or a company which acquires by purchase, by gift, exchange, owner of attorney other than revocable and time bound (not exceeding 60 days) executed between spouses, father, mother and son or daughter, grandparents and grand children, brother and sister, surrender or relinquishment of rights by the owner, whether affected orally or by deed or obtained through court decree except by inheritance or gift from spouse, parents, grandparent, a brother and a sister or a right to use thereof for more than 20 years or renewal of the lease by a resident of Sindh or by any other person who is non-resident and acquires immovable property in Sindh, at the rates specified in subsection (3):</p> <p>Provided that in case of a bank the capital value tax shall be paid when the general power of attorney is used to sale the mortgaged immovable property offered as collateral other than traded security for obtaining loan.</p>
2			Definition and explanation, expression and terms, for the purpose of this section:
		(a)	"association of persons" includes a firm, a Hindu undivided family, any artificial juridical person and any body of persons formed under a foreign law, but does not include a company;
		(b)	"firm" shall have the same meaning as defined in the Partnership Act.
		(c)	<p>"company" means -</p> <ul style="list-style-type: none"> <li>(i) a company defined in the Companies Ordinance, 1984 (XLVII of 1984);</li> <li>(ii) a body corporate formed by or under any law in force in Pakistan;</li> <li>(iii) modarba;</li> <li>(iv) a body incorporated by or under the law of a country outside Pakistan relating to incorporation of companies;</li> <li>(v) a trust, a co-operative society or a finance society (for any other society established or constituted by or under any law for the time being in force)</li> <li>(vi) a foreign association, whether incorporated or not, which the(Government) has, by general or special order, declared to be a company for the purposes of this Ordinance.</li> </ul>

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		(d)	"Development Authority" means an authority formed by or under any law for the purpose of development of an area and includes any authority, society, agency, trust association or institution declared or formed or created by law or formed by order, rule, regulation, as development authority which also operates or is located in Sindh, or as may be declared as development authority by Government;	
		(e)	"Government" means the Government of Sindh;	
		(f)	"area" means such areas as Government may from time to time, by notification in the official gazette specify;	
		(g)	"prescribed" means prescribed under the rules, made by the Government;	
		(h)	"tax" means, tax on the capital value on the immovable property;	
		(i)	"Immovable property" includes property defined in the Sind Urban Immovable Property Act, 1958 and includes property items as shown in sub-section (3).	
3			The Capital Value Tax on immovable property referred to in sub-section (1) shall be charged at the following rates:-	
		A	<b>Residential immovable property (other than flats), <u>situated in Sindh.</u></b>	
		i.	<p>Where the value of immovable property is recorded.</p> <p><u>a. From 240 sq. yd. to 499 sq. yd.</u>  <u>b. From 500 sq. Yd. to 1000 sq. yd.</u>  <u>c. From 1001 sq. yd. and above.</u></p> <p>for all categories of valuation table ; provided that category II and lower categories of valuation table shall be exempted up to 240 sq. yds.</p>	<p><u>2% of the recorded value</u>  <u>2.5% of the recorded value</u>  <u>3% of the recorded value</u></p> <p>At the rate of one and half percent of value in the valuation table or at the floating rate charged on the actual value.</p>
		ii.	Where the value of immovable property is not recorded	Rs.75 per square yard of the landed area

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	B	<b>Residential flats situated in Sindh.</b>		
		i.	Where the value of immovable property is recorded.	<u>2% of the recorded value</u> At the rate of one and half percent of value in the valuation table or at the floating rate charged on the actual value.
			a. From 1000 sq. ft. to 1500 sq. ft areas in Category A-1 and I of the valuation table	
		b.	From 1501 sq. ft. and above in all category of the valuation table <u>to 2200 sq. ft. in all categories of the valuation table.</u>	<u>2% of the recorded value</u> At the rate of one and half percent of value in the valuation table or at the floating rate charged on the actual value.
		c.	<u>Above 2201 sq. ft. in all categories of the valuation table.</u>	<u>2.5% of the recorded value.</u>
		ii.	Where the value of immovable property is not recorded	Rs.10 per square feet of the landed area
	C	<b>Commercial and Industrial immovable property situated in Sindh</b>		
		i.	Where the value of immovable property is recorded.	<u>2.5% of the recorded value</u> At the rate of one and half percent of value in the valuation table or at the floating rate charged on the actual value.
		ii.	Where the value of immovable property is not recorded	Rs.100 per square yard of the landed area."
		<p><b>Explanation :</b> For the purpose of this section -</p> <p>(a) the term "actual value" means the value recorded in the documents; and</p> <p>(b) the capital value tax rate shall be one and half percent for the determination of floating rate;</p> <p>(c) the floating rate shall be determined as under:-</p>		
		<p>Floating Rate = <math>\frac{\text{Value in the valuation Table}}{\text{Actual value} \times \text{Capital value tax rate.}}</math></p> <p>Tax Chargeable = Floating Rate <math>\times</math> Actual Value:</p>		

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		Provided that the floating rate shall only be applicable if actual value is higher than the value determined in the Valuation Table.:
4		The capital value tax shall be collected by the person responsible for <u>registering or attesting</u> registering, recording or attesting the transfer of immovable property under law in respect of which tax is payable at the time of registering or attesting the transfer.
5		Where any person fails to collect or having collected fails to pay the capital value tax as required, he shall be personally liable to pay the tax (along with additional tax at the rate of 15% per annum for the period for which such tax or part thereof remain unpaid).
6		Government may revise the assessment of value of the tax, where revision is necessitated on the basis of the application filed.
7		The Government may, by notification in the official gazette, exempt any person or class of persons or asset or class of assets from the capital value tax provided that such exemption may be subjected to such conditions as may be specified in the notification.
8		Notwithstanding anything contained in any other law for the time being in force in the Province, the tax on the value of immovable property shall be in addition to any tax or duty, charge, cess or any other levy on the immovable property.
9		Notwithstanding anything contained in this Act, the Capital Value Tax for all properties to be transferred to and from Real Estate Investment Trust (REITs) shall be charged at the rate of one and half percent of the value in the valuation table or at the floating rate charged on the actual value.
10		The Registration Fee for all properties to be transferred to and from Real Estate Investment Trust (REITs) shall be charged at the rate of 0.5% of the value in the valuation table or at the floating rate charged on the actual value;