



## THE GOVERNMENT TRADING TAXATION ACT, 1926



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**THE PAKISTAN CODE**

# THE GOVERNMENT TRADING TAXATION ACT, 1926

ACT No. III OF 1926

[24<sup>th</sup> February, 1926]

*An Act to determine the liability of certain Governments to taxation in <sup>1</sup>[Pakistan] in respect of trading operations.*

WHEREAS it is expedient to determine the liability to taxation for the time being in force in <sup>1</sup>[Pakistan] of <sup>3</sup>[\* \* \*] <sup>4</sup>[the Government of a Province of Pakistan] in respect of any trade or business carried on by or on behalf of such Government;

It is hereby enabled as follow:—

**1. Short title and commencement.**—(1) This Act may be called the Government Trading Taxation Act, 1926.

(2) It shall come into force on such date as the <sup>5</sup>[Federal Government] may, by notification in the <sup>6</sup>[official Gazette], appoint.

**<sup>2</sup>[2. Liability of Provincial Governments to taxation in respect of trading operations.]**—Where a trade or business of any kind is carried on by or on behalf of the Government of a Province outside that Province, that Government shall, in respect of the trade or business and all operations connected therewith and all income arising in connection therewith and all property occupied for the purposes thereof, be liable to taxation under the Income Tax Ordinance, 1979 (XXXI of 1979), in the same manner and to the same extent as in the like case a company would be liable.]

**THE PAKISTAN CODE**

Date: 24-03-2025

<sup>1</sup>Subs. by the Central Laws (Statute Reform) Ordinance, 1960 (XXI of 1960), s. 3 and 2<sup>nd</sup> Sch. (*with effect from the 14<sup>th</sup> of October, 1955*).

<sup>2</sup>Subs. by the Federal Laws (Revision and Declaration) Ordinance, 1981 (XXVII of 1981), s. 3 and Sch., II.

<sup>3</sup>Omitted by the Central Adaptation of Laws Order, 1964 (P. O. No. 1 of 1964), s. 2 and Sch.

<sup>4</sup>Ins. by the Finance Act, 1956 (I of 1956), s. 12.

<sup>5</sup>Subs. by the Federal Adaptation of Laws Order, 1975 (P. O. No. 4 of 1975), Art. 2 and Table.

<sup>6</sup>Subs. by Adaptation Order, 1937.