

LECTURE 06 OF SALES TAX ACT 1990

(28) “**retailer**” means a person 11[***] supplying goods to general public for the purpose of consumption

Provided that any person, who combines the business of import and retail or manufacture or production with retail, shall notify and advertise wholesale prices and retail prices separately, and declare the address of retail outlets

“**return**” means any return required to be furnished under Chapter-V of this Act;

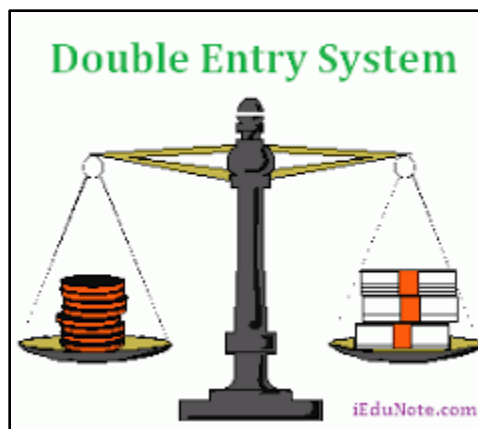
⁴[(29A) “**sales tax**” means – –

- (a) the tax, additional tax, or default surcharge levied under this Act;
- (b) a fine, penalty or fee imposed or charged under this Act; and
- (c) any other sum payable under the provisions of this Act or the rules made thereunder;]

⁵[(29AA) “**sales tax account**” means an account representing the double entry recording of sales tax transactions in the books of account;]

Double Entry Bookkeeping

General Journal				#1001
Date	Details	A/C #	Debit (Dr)	Credit (Cr)
1 May 2018	Cash	301	10,000	
	Sales	401		10,000
Sale of Inventory				



(28) “*Schedule*” means a Schedule appended to this Act;

(29) “*similar supply*”, in relation to the open market price of goods, means any other supply of goods which closely or substantially⁶ [resembles] the characteristics, quantity, components and materials of the aforementioned goods;

⁷[(31A) “*special audit*” means an audit conducted under section 32A;]

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(30) “*Special Judge*” means the Special Judge appointed under Section ¹[37C of the act until such appointment is made by the Special Judge appointed under section] 185 of the Customs Act;

²[(33) “*supply*” means a sale or other **transfer of the right** to dispose **of goods as owner**, including such sale or transfer under **a hire purchase agreement**, and also includes –

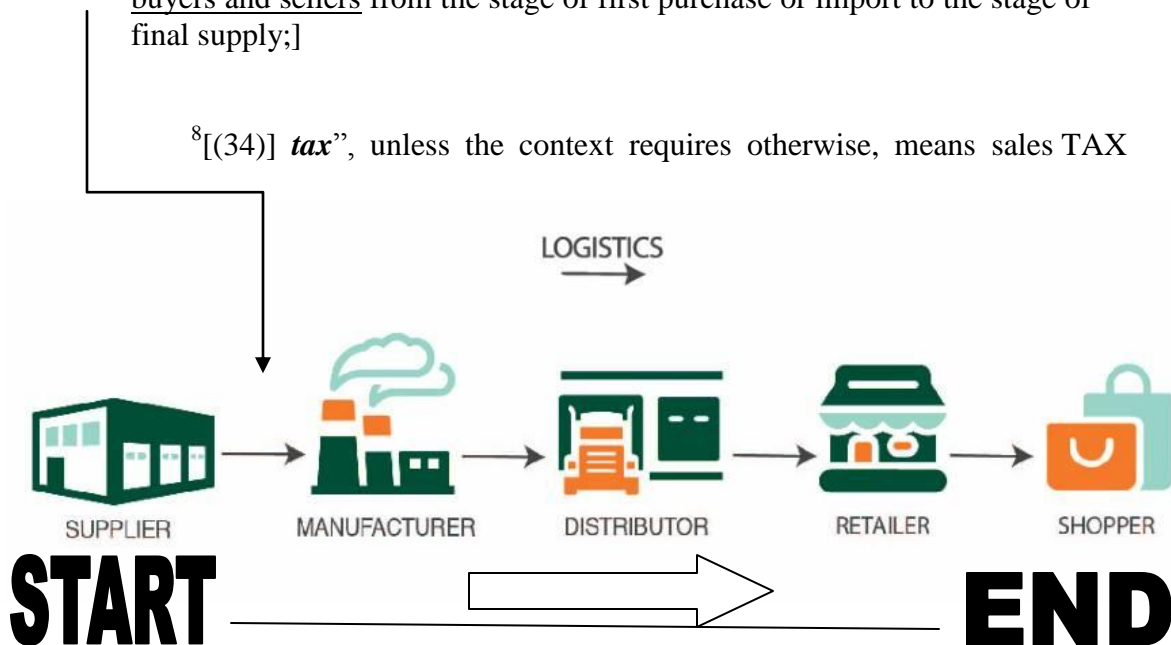
- (a) putting to private, business or non-business use of goods produced or manufactured in the course of taxable activity for purposes other than those of making a taxable supply;
- (b) auction or disposal of goods to satisfy a debt owed by a person; ³[***]
- (c) possession of taxable goods held immediately before a person ceases to be a registered person ⁴[; and]

⁵[(d) in case of manufacture of goods belonging to another person, the transfer or delivery of such goods to the owner or to a person nominated by him:]

Provided that the ⁶[Board, with the approval of the Federal Minister-in-charge,] may, by notification in the official Gazette, specify such other transactions which shall or shall not constitute supply;]

⁷[(33A) “*supply chain*” means the series of transactions between buyers and sellers from the stage of first purchase or import to the stage of final supply;]

⁸[(34) *tax*”, unless the context requires otherwise, means sales TAX



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¹[(35) “***taxable activity***”, means any economic activity carried on by a person whether or not for profit, and includes – –

- (a) an activity carried on in the form of a business, trade or manufacture;
- (b) an activity that involves the supply of goods, the rendering or providing of services, or both to another person;
- (c) a one-off adventure or concern in the nature of a trade; and
- (d) anything done or undertaken during the commencement or termination of the economic activity,

but does not include –

- (a) the activities of an employee providing services in that capacity to an employer;
- (b) an activity carried on by an individual as a private recreational pursuit or hobby; and
- (c) an activity carried on by a person other than an individual which, if carried on by an individual, would fall within sub-clause (b).]

(36) “***tax fraction***” حصص means the amount worked out in accordance with the following formula: –

Formula
$$\frac{a}{100 + a}$$

(‘a’ is the rate of tax specified in section 3);

(37) “***tax fraud***” means knowingly, dishonestly or fraudulently and without any lawful excuse (burden of proof of which excuse shall be upon the accused) –

¹ Clause (35) substituted by Finance Act, 2008.

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- (i) doing of any act or causing to do any act; or
- (ii) omitting to take any action or causing the omission to take any action, ¹[**including the making of taxable supplies without getting registration under this Act** ²[/; or,]
- ³[(iii)] falsifying ⁴[or causing falsification ⁵[of]] the sales tax invoices,]

in contravention of duties or obligations imposed under this Act or rules or instructions issued thereunder with the intention of understating the tax liability ⁶[or underpaying the tax liability for two consecutive tax periods] or overstating the entitlement to tax credit or tax refund to cause loss of tax;

⁷[(38) ***]

(39) “**taxable goods**” means all goods other than those which have **been exempted under section 13**;

(40) “**tax invoice**” means a **document required to be issued** under section 23;

(41) “**taxable supply**” means a supply of taxable goods made ⁸[...] ⁹[by an importer, manufacturer, wholesaler (including dealer), distributor or retailer] other than a supply of **goods which is exempt** under section 13 and includes a supply of goods chargeable to tax at the rate of **zero per cent** under section 4;

¹⁰[(42) ***]

(43) “**tax period**” means a period of one month or such other period as the ¹¹[Board, with the approval of the Federal Minister-in-charge,] may ¹[,] by notification in the official Gazette, specify;

¹¹ The words “Federal Government” substituted with the expression vide Finance Act, 2019.

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²[(43A) ³["**Tier-1 retailer**" means a retailer falling in any one or more of the following categories, namely:-]

- (a) a retailer operating as a unit of a national or international chain of stores;
 - (b) a retailer operating in an air-conditioned shopping mall, plaza or centre, excluding kiosks;
 - (c) a retailer whose cumulative electricity bill during the immediately preceding twelve consecutive months exceeds Rupees ⁴[twelve] hundred thousand; ⁵[]
 - (d) a wholesaler-cum-retailer, engaged in bulk import and supply of consumer goods on wholesale basis to the retailers as well as on retail basis to the general body of the consumers";] ⁶[]
 - ⁷(e) a retailer, whose shop measures one thousand square feet in area or more ⁸[or two thousand square feet in area or more in the case of retailer of furniture;] ⁹[***]
 - ¹⁰(f) a retailer who has acquired point of sale for accepting payment through debit or credit cards from banking companies or any other digital payment service provider authorized by State Bank of Pakistan; and]
 - ¹¹(h) any other person or class of persons as prescribed by the Board.]
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¹²[(44) “*time of supply*”, in relation to,–

- (a) a supply of goods, other than under hire purchase agreement, means the time ~~when the goods are delivered or made available to the recipient of the supply”~~ ¹ [****];
- (b) a supply of goods under a hire purchase agreement, means the time at which the agreement is entered into; and
- (c) services, means the time at which the services are rendered or provided;

²[Provided that in respect of sub clause (a),(b) or (c), where any part payment is received, –

- (i) for the supply in a tax period, it shall be accounted for in the return for that tax period; and
- (ii) in respect of exempt supply, it shall be accounted for in the return for the tax period during which the exemption is withdrawn from such supply ;]

(44A) “*trust*” means an obligation annexed to the ownership of property and arising out of the confidence reposed in and accepted by the owner, or declared and accepted by the owner for the benefit of another, or of another and the owner, and includes a unit trust;

(44AA) “*unit trust*” means any trust under which beneficial interests are divided into units such that the entitlements of the beneficiaries to income or capital are determined by the number of units held;]

³[(45)***]