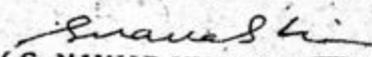


SUBJECT: PAYMENT OF SALES TAX @ 17% OR 5% AS PER FINANCE ACT, 2013 - S.No.66

Dear Taxpayer,

Please refer to the subject cited above.

2. The Federal Government vide Finance Act, 2013 has levied Sales Tax @ 17% on finished or made-up-articles of textile, and 5% on the supply of un-finished articles of textile and textile made-up w.e.f. 13-06-2013.
3. By virtue of above law you are liable to charge and pay Sales Tax on your supplies accordingly. However, as per analysis of return filed by you for the tax periods June, 2013 and July, 2013, it is palpably revealed that you have not charged and paid Sales Tax in accordance with the Finance Act, 2013 read with relevant provisions of Sales Tax Act, 1990.
4. In view of the above you are liable to pay Sales Tax due amounting to Rs.89331/- along-with default surcharge by 07-10-2013, failing which, necessary action as provided under the law shall be initiated against you without further reference..
5. Compliance of above may please be made by. In case of non or partial compliance, penal proceedings as provided under the Sales Tax Act, 1990 shall be initiated against you without further reference.


(S. NAWAB HUSSAIN ZAIDI)
INLAND REVENUE OFFICER

9911661
0300-2969456
9-L Floor



APTRMA NO	
DATE	28-9-2013
CHA	
SV	
YCE	
RC	
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F&A	

DRAFT LETTER

Date: _____

Mr. _____,
Inland Revenue Officer,
E&C Unit-02, Zone-II,
Regional Tax Office,
Karachi

Subject: Reply- Payment of Sales Tax

Reference: C.No.OIR/E&CUnit-II/Zone-

We are in receipt of your notice for nonpayment of sales tax on finished goods of textile in terms of amendment made in Sales Tax Act 1990 by virtue of notification 682(I)/2013. We are pleased to clarify to you that **we are a weaving unit and doing commercial weaving for textile unit**. Since we are not involved in sales of finished product the relevant provisions of law does not attracts.

In this regard please refer to clause VI of the Notification 1125(I)/2011 which clarifies that supplies of industrial input to registered or unregistered persons are chargeable to sales tax @ 2%. The relevant provision of the law is reproduced hereunder for your ready reference: -

“Supplies of goods usable as industries inputs, to registered 343[or unregistered] person of the five sector mention in condition (i), shall be charged to tax at the rate of two percent”

You are therefore requested to kindly update your record and withdraw the notice accordingly.

Thanking you,

We remain,