

TAX TIP OF THE WEEK

“Jurisdiction of Tax Authority” means the jurisdiction of the tax office in which business of the securities is being carried on by a person and where such business is carried on in more than one place, the person’s principal place of business.

BUSINESS TERM OF THE WEEK

Revenue Expenditure

Cash spent in sales revenue generation, or in maintaining a revenue generating asset.

QUOTE OF THE WEEK

A good plan violently executed now is better than a perfect plan executed next week.

George S. Patton

WEEKLY UPDATES (SROs, Circulars etc.)

Income Tax

- Circular no. 5 Sep 15, 2017

Sales Tax

- NO.SRB/ADMIN/JURISDICTIONS Sep 12, 2017 /68/2014/248407

UPCOMING EVENTS

Workshop on

Advance Salary Taxation & E-Filing of Income Tax Return (TAX YEARS 2017 & 2018)

Special Emphasis on E-filing of Income Tax Return & Wealth Statement for Tax Year 2017

September 19, 2017 at Faletti’s Hotel Lahore
September 21, 2017 at Mövenpick Hotel, Karachi

Workshop on

Contract Employment & Labour Management (Legal Status in the Current Scenario)

October 05, 2017 at Regent Plaza, Karachi
October 07, 2017 at Sunfort Hotel, Lahore

For more details and latest events click here

بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ

قُلْ يَا اَهْلَ الْكِتٰبِ لِمَ تَكْفُرُوْنَ بِآیٰتِ اللّٰهِ وَ اللّٰهُ شَهِیْدٌ عَلٰی مَا تَعْمَلُوْنَ ﴿۹۸﴾
Surah Al-i'mran, Ayat 98

Maulana Muhammad Joona Garhi	آپ کہہ دیجئے کہ اے اہل کتاب تم اللہ تعالیٰ کی آیتوں کے ساتھ کفر کیوں کرتے ہو جو کچھ تم کرتے ہو اللہ اس پر گواہ ہے۔
Maulana Ishaq Madni	(ان سے) کہو کہ اے کتاب والو! تم کیوں انکار کرتے ہو اللہ کی آیتوں کا حالانکہ اللہ گواہ ہے تمہارے ان سب کاموں پر جو تم لوگ کرتے ہو ف ۲
Maulana Mahmood ul Hassan Deobandi	تو کہہ اے اہل کتاب کیوں منکر ہوتے ہو اللہ کے کلام سے اور اللہ کے روبرو ہے جو تم کرتے ہو ف ۱
Maulana Fateh Muhammad Jalandhri	کہو کہ اے اہل کتاب تم خدا کی آیتوں سے کیوں کفر کرتے ہو؟ اور خدا تمہارے سب اعمال سے باخبر ہے
Maulana Ahmad Ali Lahori	کہہ دو اے اہل کتاب اللہ کیا آیتوں کا کیوں انکار کرتے ہو اور جو کچھ تم کرتے ہو اللہ اس پر گواہ ہے
Maulana Abul Aala Maududi	کہو، اے اہل کتاب، تم کیوں اللہ کی باتیں ماننے سے انکار کرتے ہو؟ جو حرکتیں تم کر رہے ہو اللہ سب کچھ دیکھ رہا ہے۔
Maulana Abdur Rehman Kilani	آپ ان اہل کتاب سے کہئے کہ تم اللہ کی آیات کا کیوں انکار کرتے ہو حالانکہ جو کچھ تم کرتے ہو، اللہ سب کچھ دیکھ رہا ہے
Maulana Taqi Usmani	Say, :O people of the Book, why do you reject the verses of Allah while Allah is witness to what you do?.
Maulana Abdul Majid Daryabadi	Say thou: O People of the Book! wherefore disbelieve ye in the revelations of Allah, whereas Allah is witness of that which ye work!.
Sahih International	Say, "O People of the Scripture, why do you disbelieve in the verses of Allah while Allah is Witness over what you do?"

صحیح بخاری: جلد اول: حدیث نمبر 10 حدیث متواتر حدیث مرفوع مکررات 8 متفق علیہ 4 سعید بن یحییٰ بن سعید قرشی، یحییٰ بن سعید، ابو بردہ بن عبد اللہ بن ابی بردہ، ابو موسیٰ کہتے ہیں کہ (ایک مرتبہ) صحابہ نے عرض کیا یا رسول اللہ صلی اللہ علیہ وسلم کون سا اسلام افضل ہے؟ تو آپ صلی اللہ علیہ وآلہ وسلم نے فرمایا کہ اس شخص کا اسلام جس کی زبان سے مسلمان ایذا نہ پائیں۔

SOFTAX MEMBER QURIES

Question: Will a land developer pay capital gain tax or not on same land which they purchase and after development expenses they sold in same year or next year? Please explain in detail. And in some cases, partners of land developers are the owners of land, will owners of land show their land in personal wealth statements or in aop's balance sheet, because they have only land and are partners in aop. Please explain or your suggestion need

Answer:

1. Sale of Land is a separate source of income and development is a separate thing, for Tax Year 2017 developers were required to be taxed under fixed tax regime but w.e.f TY 2018 they again came under normal tax regime. So, gain on sale of land shall be taxed u/s 37A and income from development of land shall be taxed under normal business income.
2. If the land is in the name of AOP then it'll become part of AOP's balance sheet, if according to the partnerships deed the partners are required to invest in shape of land then again it'll become asset of the AOP, otherwise the partners will declare the land having their own title in their wealth statement.

Question: If we purchase supplies from registered vendor who gives us ST invoice, whereas, we are not registered with FBR for sales tax and we are withholding agent only. Should we withhold ST @ 20% of ST charged by the registered vendor as done previous year ? or there is a new law, please apprise.

Answer: Yes you'll deduct sales tax as before, because the change is only for withholding agent registered under the Sales Tax Act, 1990 and supplier of taxable goods.

Question: Recent change in SST on services Rules, 2011 vide SRB notification no SRB-3-4/12/2017 through which the proviso to rule 42E(3) has been omitted. My question is will sales tax be charged on gross amount including labor salaries and allowance? as a withholding agent we are require to withheld 20% of tax amount.?

Answer: Yes, the service provider will charge Sindh Sales Tax on total amount and you have to withhold 20% of the amount of Sales Tax.