

## Special Edition: Vol. I, April 2020

### Punjab Government Tax Cuts to Combat the Covid-19 Crisis

The Punjab Government is pleased to announce the tax break on the following services w.e.f. April 01, 2020 till June 30, 2020 as some of economic stimulus measures under the ongoing Covid-19 crisis:

Second Schedule of the Punjab Sales Tax on Services Act, 2012			
S.No.	Description	Previous Tax Rate	Amended Tax Rate
1.	Hotels, motels, guest houses	16%	0% - without input tax adjustment for non-corporate, non-franchise, non-chain businesses 16% - others
	Marriage halls and lawns (by whatever name called) including pandal and shamiana services	16%	0% - without input tax adjustment
	Catering services (including all ancillary/allied services such as floral or other decoration, furnishing of space whether or not involving rental of equipment and accessories)	16%	16%
	Clubs including race clubs and their membership services including services, facilities or advantages, for a subscription or any other amount, to their members	16%	16%
7.	Services provided in respect of insurance to a policy holder by an insurer, including a re-insurer for: (a) fire insurance; (b) goods insurance; (c) health insurance; (d) life insurance; (e) marine insurance; (f) theft insurance; and (g) any other insurance <b>Excluding:</b> (a) marine insurance for export; (b) crop insurance	16%	0% - without input tax adjustment for health Insurance and life Insurance 16% - gross premium paid, for others
14.	Construction services and services provided by contractors of building (including water supply, gas supply and sanitary works), roads and bridges, electrical and mechanical works (including air conditioning), horticultural works, multi-discipline works (including turn-key projects) and similar other works <b>Excluding:</b> i. where the tax is otherwise paid by registered persons as property developers, builders or promoters for building construction ii. where the construction work is funded under an agreement of foreign grant-in-aid or involves construction of consular buildings iii. Residential construction projects where the covered area does not exceed 10,000 square feet for a house and 20,000 square feet for an apartment except where construction services are provided to construct more than one house or more than one apartment building. <b>Explanation-</b> Notwithstanding the rate of 5% fixed in column 4, the following further reduced rates shall be applicable: a) 1% for all services specified at S.No.14 without input tax credit or adjustment to the extent of Government civil works including those of cantonment boards involved in the ongoing development schemes and projects launched during Financial Year 2016-17 and funded under the Annual Development Plan of the Punjab Government or funded through foreign loans where the negotiations were finalized after 1st of July 2016 or funded under Public Sector Development Program of the Federal Government or funded by Cantonment Board b) 0% for all services specified at S.No.14 without input tax credit/adjustment to the extent of Government civil works including those of cantonment boards involved in the ongoing development schemes and projects launched prior to Financial Year 2016-17 and funded under the Annual Development Plan of the Punjab Government or funded through foreign loans where the negotiations were finalized as on 1st of July 2016 or funded under Public Sector Development Program of the Federal Government or funded by Cantonment Boards	5% - without input tax credit/ adjustment in respect of Government civil works  16% - with input tax credit / adjustment for others	0% - without input tax adjustment
18.	Services provided for personal care by beauty parlors, salons, clinics, sliming clinics, spas (including saunas, Turkish baths and Jacuzzi) and similar other establishments including cosmetic and plastic surgery and hair transplants. <b>Excluding:</b> Services provided in a parlour, salon or clinic where the facility of air-conditioning is not installed or is not available in the premises on any day of the financial year	16%	0% - without input tax adjustment
22.	Information technology-enabled or information technology based services including software development, software customization, software maintenance, system support, system assembly, system integration, system designing and architecture, system analysis, system development, system operation, system maintenance, system up-gradation and modification, data warehousing or management, data entry	16%	0% - without input tax adjustment provided by digital platforms  16% - for others
24.	Services provided by other consultants (by whatever name called or treated, whether as consultant or otherwise) including human resource and personnel development services, exhibition or convention services, event management services (whole range and variety of their services regardless of separate or individual classification thereof), valuation services, evaluation services (including competency and eligibility testing services), certification, verification and equivalence services, market research services, marketing or sales services (including marketing agencies and on line marketing or sales services), surveyors services, training or coaching services (other than general education services) and credit rating services	16%	0% - without input tax adjustment
25.	Services provided by tour operators and travel agents including all their allied services or facilities (other than Hajj and Umrah)	16%	0% - without input tax adjustment
32.	Services provided by property dealers and realtors	16%	0% - without input tax adjustment
35.	Services provided in respect of rent-a-car including renting of all categories of vehicles meant for transportation of persons	16%	0% - without input tax adjustment
36.	Services provided by car/automobile dealers	16%	0% - without input tax adjustment
43.	Services provided in specified fields such as health care, gym, physical fitness, indoor sports, games, amusement parks, arcades and other recreation facilities, and body or sauna massage etc.	16%	0% - without input tax adjustment
44.	Services provided by laundries and dry cleaners	16%	0% - without input tax adjustment
45.	Services provided by cable TV operators.	16%	0% - without input tax adjustment
66.	Services in respect of treatment of textile, leather but not limited to Dyeing services, Edging and cutting, cloth treating, water proofing, Embroidery, Engraving, Fabric bleaching, Knitting, Leather staining, Leather working, Pre-shrinking, Color separation services, pattern printing and shoe making services	16%	0% - without input tax adjustment
67.	Apartment house management, real estate management and services of rent collection	16%	0% - without input tax adjustment
68.	i) Medical consultation/ visit fee exceeding Rs.1,500 per consultation/ visit of doctors, medical practitioners and medical specialists ii) Bed/ room charges of hospitals exceeding Rs.6,000/- per day per bed / room	5% - without input tax adjustment	0% - without input tax adjustment