

PROVINCIAL ASSEMBLY OF THE PUNJAB

BILL NO. 18 OF 2026

THE PUNJAB SALES TAX ON SERVICES (AMENDMENT) BILL 2026

A

Bill

further to amend the Punjab Sales Tax on Services Act 2012.

It is necessary further to amend the Punjab Sales Tax on Services Act 2012 (XLII of 2012) for the purposes hereinafter appearing.

It is hereby enacted by Provincial Assembly of the Punjab as follows:

1. Short title and commencement.— (1) This Act may be cited as the Punjab Sales Tax on Services (Amendment) Act 2026.

(2) It shall come into force at once.

2. Amendment of section 2 of Act XLII of 2012.— In the Punjab Sales Tax on Services Act 2012 (XLII of 2012), hereinafter referred to as ‘the Act’, in section 2:

(a) in clause (31), after the word “rules”, the words “or regulations made or framed under this Act” shall be inserted; and

(b) after clause (33), the following shall be inserted:

“(33A) “regulations” means the regulations framed under this Act.”.

3. Amendment of section 16B of Act XLII of 2012.— In the Act, in section 16B, in sub-section (1), for clause (rr), the following shall be substituted:

“(rr) an amount of sales tax paid on goods or services exceeding the following limits, in case of:

(i) telecommunication services, nineteen and a half per cent *ad valorem*;

(ii) carriage of goods by rail or road, fifteen per cent *ad valorem*; and

(iii) all other goods or services, sixteen per cent *ad valorem*.”.

4. Amendment of section 28 of Act XLII of 2012.— In the Act, in section 28, in sub-sections (1), (2), (3), (5), (6) and (7), for the word “Authority” wherever appearing, the word “Commissioner” shall be substituted.

5. Amendment of section 32 of Act XLII of 2012.— In the Act, in section 32, in sub-section (2), for the words “Assistant Commissioner”, the expression “Enforcement Officer/Audit Officer” shall be substituted.

6. Amendment of section 33 of Act XLII of 2012.— In the Act, in section 33, in sub-section (2), for the words “Assistant Commissioner”, the expression “Enforcement Officer/Audit Officer” shall be substituted.

7. Amendment of section 43 of Act XLII of 2012.— In the Act, in section 43, in sub-section (1), in clause (a), for the words “Assistant Commissioner”, the expression “Enforcement Officer/Audit Officer” shall be substituted.

8. Amendment of section 47 of Act XLII of 2012.— In the Act, in section 47, in sub-section (1), for the words “Assistant Commissioner”, the expression “Enforcement Officer/Audit Officer” shall be substituted.

9. Amendment of section 48 of Act XLII of 2012.— In the Act, in section 48, in sub-section (2), in the **TABLE**, at S.No. 3, in column 3, in clause (b), for the words “Assistant Commissioner”, the expression “Enforcement Officer/Audit Officer” shall be substituted.

10. Amendment of section 76 of Act XLII of 2012.— In the Act, in section 76:

- (a) in the heading, after the word “**rules**”, the words “**and frame regulations**” shall be inserted;
- (b) after sub-section (1), the following shall be inserted:
“(1A) The Authority may, by notification in the official Gazette, frame regulations for carrying out the purposes of this Act.”;
- (c) in sub-section (2), for the expression “made under sub-section (1)”, the expression “and regulations made or framed under sub-sections (1) and (1A)” shall be substituted; and
- (d) in sub-section (3), for the words “made under”, the words “and regulations made or framed under” shall be substituted.

11. Amendment of section 80 of Act XLII of 2012.— In the Act, in section 80, for the words “Assistant Commissioner”, the expression “Enforcement Officer/Audit Officer” shall be substituted.

12. Amendment of section 89 of Act XLII of 2012.— In the Act, in section 89, in sub-section (1), the expression “, with the approval of the Government,” shall be omitted.

STATEMENT OF OBJECTS AND REASONS

It has been proposed to amend the Punjab Sales Tax on Services Act 2012 to empower the Authority by framing regulations. It is further proposed to empower the Enforcement Officer/Audit Officer for performing functions under the Act instead of an Assistant Commissioner. It will enhance administrative efficiency and harmonization with other provinces. Proposed amendment empowers the office of Commissioner and streamlines to increase efficiency and promptness of action. It also empowers the Authority to reward the whistleblowers without unnecessary delays. Further, PRA has been proposed to frame regulations for an efficient, transparent, and fair whistleblower reward system. It will provide safeguards to public revenue and may promote good governance. Hence, this Bill.

MINISTER INCHARGE

**Lahore:
February 25, 2026**

**CH AMER HABIB
Secretary General**