

# **Professional Tax**

**Section 2 Of**

**Azad Jammu and Kashmir Finance Act, 1991**

**(Act I of 1991)**

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**Legislated**

**by**

**AJK Legislative Assembly**

**Compiled by**

**SABIR HUSSAIN BALOCH**

**(August-2020)**

**PROFESSIONAL TAX**  
**AZAD JAMMU & KASHMIR FINANCE ACT, 1991**

No.960-65/LD/Leg(A)/91 dated 14<sup>th</sup> September, 1991. The following Act of the Assembly received the assent of the President on the 5<sup>th</sup> day of September, 1991, is hereby published for general information:-

(ACT I OF 1991)

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ACT

to give effect to the financial proposal of Azad Government of the State of Jammu and Kashmir.

WHEREAS it is expedient to make provisions to give effect to the financial proposals of Azad Government of the State of Jammu and Kashmir and to amend certain Laws for the purposes hereinafter appearing;

It is hereby enacted as follows:-

1. **Short title, extend and commencement:**--(1) This Act may be called the Azad Jammu and Kashmir Finance Act, 1991.  
(2) It extends to the whole of Azad Jammu and Kashmir.  
(3) It shall come into force at once.
2. **Tax on persons engaged in Professions, Trades, callings or employments.**--  
(1) There shall be levied and collected from the persons or classes of persons engaged in a profession, Trade, calling or employment mentioned in column 2 of the Schedule annexed to this Act, a professional Tax for each year at the rate mentioned in column 3 of the Schedule.  
(2) If a person is engaged in more than one profession, Trade, Calling or employment, he shall pay the tax only in respect of one such profession, trade, calling or employment for which rate of tax is the highest.  
(3) The Government may exempt any person or class of persons from the payment of Tax.

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*(Sections 3 to 6 of Act are not relevant to levy of Professional Tax)*

## 1[Schedule

Sr. No	Class of Persons	Rate of Taxes per annum
1	2	3
1	Companies registered under Companies Ordinance, 1984 (XLVII of 1984), as adapted in AJ&K, with paid up capital:-	
	(1) Up to rupees 5 million:	Rs.5000/-
	(2) Exceeding Rs.5 million but not exceeding rupees 50 million:	Rs.20000/-
	(3) Exceeding Rs.50 million but not exceeding rupees 100 million:	Rs.50000/-
	(4) Exceeding Rs.100 million but not exceeding rupees 200 million:	Rs.75000/-
	(5) Exceeding Rs.200 million:	Rs.100000/-
2	Person other than Companies, owing Factories as defined under the Factory Act, 1934 (XXV of 1934), as adapted in AJ&K, and having:	
	(1) Employees not exceeding 10:	Rs.1000/-
	(2) Employees exceeding 10 but not exceeding 25:	Rs.2000/-
	(3) Employees exceeding 25:	Rs.5000/-
3	(1) Persons other than Companies owing commercial establishment having 10 or more employees;	
	(a) Within Municipal Corporations limits:	Rs.3000/-
	(b) Others	Rs.2000/-
	(2) All other commercial establishments other than wholesalers and retailers;	Rs.1000/-
4	Persons who are engaged in Profession, Trade, Calling or employment either wholly or partly within the Azad Jammu and Kashmir paying Income Tax under Income Tax Ordinance 2001 (XLIX of 2001), as adapted in AJ&K up to rupees500 per annum or above during the preceding financial year:	Rs.200/-
5	Contractors, Builders and Property Developers, who during the preceding financial year supplied to the Government or a Company or factory or a commercial establishment or an autonomous or a semi autonomous organization or any local authority, good commodities and services of the value:-	

1 The schedule substituted by AJK Finance Act, 2012 dated 10.07.2012.

	(a)	Not exceeding Rs.1 million:	Rs.500/-
	(b)	Exceeding Rs.1 million but not exceeding Rs.10 million:	Rs.3000/-
	(c)	Exceeding Rs.10 million but not exceeding Rs.50 million:	Rs.5000/-
	(d)	Exceeding Rs.50 million:	Rs.10000/-
6	Persons engaged in various Professions and providing different Services such as:-		
	(i)	Medical consultants or Specialists/Dental Surgeons:	Rs.1000/-
	(ii)	Registered medical practitioners:	Rs.1000/-
	(iii)	Other including Homeopaths, Hakeems and Ayurvedies:	Rs.500/-
	(iv)	Auditing firms (per professionally qualified person):	
		(a) Within Municipal Corporation limits:	Rs.1000/-
		(b) Others:	Rs.500/-
	(v)	Management and tax Consultants, Architects, Engineering, Technical and Scientific Consultants:	
		(a) Within Municipal Corporation limits:	Rs.3000/-
		(b) Others:	Rs.2000/-
	(vi)	Lawyer:	Rs.1000/-
	(vii)	(a) Members of Stock Exchanges:	Rs.5000/-
		(b) Money Changers:	
		(i) Within Municipal Corporation limits:	Rs.3000/-
		(ii) Others:	Rs.1000/-
		(c) Motor Cycles/Scooter Dealers:	
		(i) Within Municipal Corporation limits:	Rs.5000/-
		(ii) Others:	Rs.3000/-
		(d) Motor Car Dealers and Real Estate Agents:	
		(i) Within Municipal Corporation limits:	Rs.10000/-
		(ii) Others:	Rs.5000/-
		(e) Recruiting Agents:-	
		(i) Within Municipal Corporation limits:	Rs.10000/-
		(ii) Others:	Rs.5000/-
	(viii)	Carriage of goods and passenger by Roads:	
		(i) Within Municipal Corporation limits:	

	(ii) Others:	Rs.2000/- Rs.1000/-
(ix)	Health Clubs and Gymnasiums: (i) Within Municipal Corporation limits: (ii) Others:	Rs.2000/- Rs.1000/-
(x)	Tobacco Venders, (Wholesalers):	Rs.2000/-
(xi)	Jewelers, Departmental Stores, Electronic Goods, Cable Operators, Printing Presses and Pesticide Dealers:	Rs.1000/-
7	Persons, holding license under Import and Export (Control) Act, 1950 (XXXIX of 1950), as adapted in AJ&K, and who during the preceding financial year have imported/exported goods of the values:	
(a)	Exceeding Rs.25000 but not exceeding Rs.100000:	Nil
(b)	Exceeding Rs.100000 but no exceeding Rs.1 million:	Rs.2000/-
(c)	Exceeding Rs.1 million but not exceeding Rs.5 million:	Rs.3000/-
(d)	Exceeding Rs.5 million:	Rs.5000/-]

## LEGAL REFERENCES

1. The schedule substituted by AJK Finance Act, 2012 dated 10.07.2012. Before substitution the said schedule was as under:

### THE SCHEDULE

(SEE SECTION 2 OF THE AZAD JAMMU AND KASHMIR FINANCE ACT, 1991)

1. Companies registered under the companies Ordinance, 1984 with paid-up capital:-
  - (i) Exceeding Rs.2 lacs but not exceeding Rs.10 lacs. Rs.500/-
  - (ii) Exceeding Rs.10 lacs. Rs.3000/-
2. Persons other than Companies owning Factories (as defined under the Factories Act, 1934) and having 10 or more employees. Rs.300/-
3. Persons, other than Companies, owning commercial establishments having 10 or more employees. Rs.300/-

4. *Persons, holding license under Import and Export (Control) Act, 1950, who during the preceding financial year have imported/exported goods of the value:-*
- |   |           |
|---|-----------|
| (i) Exceeding Rs. 25,000/- but not exceeding Rs. 2,50,000/- | Rs.500/-  |
| (ii) exceeding Rs. 2,50,000/-                               | Rs.1000/- |
5. *Contractors enlisted for supplying to the Azad Kashmir Government Federal or any Provincial Government or any Local Authority, goods, commodities and services of the value:-*
- |   |            |
|---|------------|
| (i) Exceeding Rs.25 lacs.                               | Rs. 3000/- |
| (ii) Exceeding Rs.10 lacs but not exceeding Rs.25 lacs. | Rs. 500/-  |
| (iii) Not exceeding Rs.10 lacs.                         | Rs. 300/-  |
6. *Persons who are engaged in profession, trade, calling or employment either wholly or in part within the Azad Jammu and Kashmir Territory paying Rs. 500/-or above as income tax per annum except those who were not assessed during the preceding financial year to income tax under the income tax Ordinance, 1979.*
- Rs. 50/-

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