



KHYBER PAKHTUNKHWA

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PROVINCIAL ASSEMBLY SECRETARIAT KHYBER PAKHTUNKHWA

NOTIFICATION

Dated Peshawar, the 18th February, 2025.

No.PA/Khyber Pakhtunkhwa/Bills-44/2025/3792.— The Khyber Pakhtunkhwa Agricultural Income Tax Bill, 2025 having been passed by the Provincial Assembly of Khyber Pakhtunkhwa on 27th January, 2025 and assented to by the Governor of the Khyber Pakhtunkhwa on 07th February, 2025 is hereby published as an Act of the Provincial Legislature of the Khyber Pakhtunkhwa.

THE KHYBER PAKHTUNKHWA AGRICULTURAL INCOME TAX ACT, 2025. (KHYBER PAKHTUNKHWA ACT NO. VI OF 2025)

*(First published after having received the assent of the Governor of the
Khyber Pakhtunkhwa in the Gazette of the Khyber Pakhtunkhwa.
(Extraordinary), dated the 18th February, 2025).*

AN ACT

*To provide for the imposition of a tax on agricultural income in the Province of Khyber
Pakhtunkhwa.*

WHEREAS the Constitution of the Islamic Republic of Pakistan envisages the creation of an egalitarian society based on the Islamic principles of social justice;

AND WHEREAS for achieving the object it is expedient to provide for the imposition of a tax on agricultural income in the Province of Khyber Pakhtunkhwa and matters ancillary thereto and connected therewith;

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

1. Short title, extent and commencement.---(1) This Act may be called the Khyber Pakhtunkhwa Agricultural Income Tax Act, 2025.

(2) It shall extend to the whole of the Province of Khyber Pakhtunkhwa.

(3) It shall come into force with effect from the First day of January, 2025.

2. Definitions.---(1) In this Act, unless there is anything repugnant in the subject or context,-

- (q) **"Schedule"** means the Schedule appended to this Act;
- (r) **"small company"** means a small company, incorporated under the Income Tax Ordinance, 2001 (Ordinance No. XLIX of 2001);
- (s) **"tax"** means tax leviable under this Act, including any penalty leviable under this Act;
- (t) **"taxpayer"** means any person, who derives an amount chargeable to tax under this Act and includes-
 - (i) every person, in respect of whom any proceeding under this Act has been taken, for the assessment of his total cultivated land or for the assessment of his agricultural income or the agricultural income of any other person in respect of which he is assessable or of the amount of refund due to him or to such other persons;
 - (ii) every person, who is required to file a statement of his total cultivated land or return of total agricultural income under sections 3 and 4 of this Act; and
 - (iii) every person, who is deemed to be a taxpayer, or a taxpayer in default, under this Act;
- (u) **"tax year"** means an agricultural year as defined in the West Pakistan Land Revenue Act, 1967 (Act No. XVII of 1967); and
- (v) **"total agricultural income"** means the total amount of agricultural income, computed in the manner laid down in this Act.

(2) Words and expressions, used but not defined under this Act, shall have the same meanings as are respectively assigned to them in the West Pakistan Land Revenue Act, 1967 (W.P Act No. XVII of 1967).

3. Charge of tax.— Subject to the provisions of this Act, there shall be charged, levied and paid a tax in respect of agricultural income on every person, at the rate specified in Division I or Division II of Part-I of the Schedule, for each tax year:

Provided that the in case the tax payable under this section is less than the tax computed under Part-I of the Schedule, the person shall be charged to tax at the rate specified in Part-II of the Schedule.

4. Super tax on high earning persons.—(1) A person, whose agricultural income exceeds rupees one hundred and fifty (150) million, shall be liable to pay super tax, at the rates specified in Division III of Part-I of the Schedule.

5. Tax on the basis of income tax return.—Notwithstanding the provisions of section 3 of this Act, where any person has declared agricultural income for any assessment year in the return filed under the Income Tax Ordinance, 2001 (Ordinance No. XLIX of 2001), the person shall pay the tax on such agricultural income as per the provisions of this Act.

6. Assessment and collection of tax.---(1) The tax shall be assessed and collected by the Collector or in such manner as may be prescribed.

(2) In case of assessment, a person holding land in more than one patwar circle, such person shall file a statement of the location of land in the Province, in such manner as may be prescribed.

(3) The following persons shall file a return of his total agricultural income or the agricultural income of such other person, as the case may be, for the tax year in such a form and by such date as may be prescribed-

- (a) whose total agricultural income or the total agricultural income of any other person in respect of which such person is assessable under this Act, for any tax year exceeds the maximum amount which is not chargeable to tax under this Act; or
- (b) who himself or any other person on whose behalf he is assessable under this Act, has, during the said income year, cultivated land measuring-
 - (i) fifty acres or more of irrigated land; or
 - (ii) one hundred acres or more of unirrigated land; or
 - (iii) irrigated and unirrigated land the aggregate area of which is equal to or more than fifty acres of irrigated land.

Explanation: One acre of irrigated land shall be equivalent to two acres of unirrigated land.

(4) No assessment, on the basis of return, shall be made by the Collector, after the expiration of four years from the end of the assessment year, in which the total agricultural income was first assessable.

7. Computation of agricultural income.---(1) The agricultural income shall be computed in such a manner as may be prescribed.

8. Liability in the case of death or dissolution.---(1) Where an owner dies or a company dissolves, as the case may be, his or its legal representatives shall be liable to pay tax, which the deceased or dissolved company, as the case may be, would have been liable to pay, in the like manner and to the same extent as such person or such company not died or dissolved, as the case may be.

(2) For the purpose of making an assessment of the agricultural income under sub-section (1), in the recovery of tax, during any proceeding-

- (a) taken against the owner died or company dissolved before his death or its dissolution shall be deemed to have been taken against the legal representatives and may be continued against the legal representatives from the stage at which it stood on the date of the death of the owner or dissolution of a company; and

concealment of his cultivated land or furnishing inaccurate particulars of such cultivated land, or by concealment of his agricultural income or furnishing inaccurate particulars of such income as aforesaid.

(2) For the purposes of sub-section (1), concealment of cultivated land or the furnishing of inaccurate particulars of cultivated land, concealment of agricultural income or furnishing of inaccurate particulars of such income shall include suppression of information regarding any cultivated land liable to tax or, as the case may be, suppression of any item of receipt of agricultural income or failure to disclose agricultural income chargeable to tax under this Act or claiming any deduction for or showing any expenditure not actually incurred.

(3) No penalty under this section shall be imposed on any tax payer unless such tax payer has been given a reasonable opportunity of being heard.

16. Default surcharge for non-payment or late payment of tax.---(1) Where any tax payer is in default in making payment of any tax, the Collector may impose on him a default surcharge at the rate of twelve percent or KIBOR plus three percent per annum, whichever is higher of the amount of tax overdue for the period of default:

Provided that the total amount of default surcharge imposed under this section shall not exceed fifty per cent of the amount of such tax.

(2) No penalty, under sub-section (1), shall be imposed on any tax payer unless such tax payer has been given a reasonable opportunity of being heard.

17. Bar of jurisdiction.---No Civil Court shall have jurisdiction in any manner relating to the assessment or collection of the tax leviable under this Act and no order passed or proceedings taken by any authority under this Act shall be called in question in any Civil Court.

18. Power to make rules.--- Government may, by the notification of the official Gazette, make rules to carry out the purposes of this Act.

19. Repeal and saving.---(1) The Khyber Pakhtunkhwa Land Tax and Agricultural Income Tax Ordinance, 2000 (Khyber Pakhtunkhwa Ordinance No. IV of 2000) is hereby repealed.

(2) Notwithstanding the aforesaid repeal, anything done, action taken, rules made and notification or order issued under the repealed Act, shall, so far as it is not inconsistent with the provisions of this Act, be deemed to have been done, taken, made or issued, under this Act, and shall have effect accordingly.

(3) Any document referring to the repealed Act shall be construed as referring to the corresponding provisions of this Act.

SCHEDULE
[see sections 3& 4]
Part-I
Division I

The rate of tax on total agricultural income for small farmers shall be as under:

S. No	Agricultural Income.	Rats of Tax.
1.	Where the total income does not exceed Rs.600,000/-	0%
2.	Where total income exceeds Rs. 600,000 but does not exceed Rs. 1,200,000	15% of the amount exceeding Rs. 600,000
3.	Where total income exceeds Rs. 1,200,000 but does not exceed Rs. 1,600,000	Rs. 90,000 + 20% of the amount exceeding Rs. 1,200,000
4.	Where total income exceeds Rs. 1,600,000 but does not exceed Rs. 3,200,000	Rs. 170,000 + 30% of the amount exceeding Rs.1,600,000
5.	Where total income exceeds Rs. 3,200,000 but does not exceed Rs. 5,600,000	Rs. 650,000 + 40% of the amount exceeding Rs.3,200,000
6.	Where total income exceeds Rs. 5,600,000 but not exceeds Rs. 150 million.	Rs. 1,610,000 + 45% of the amount exceeding Rs. 5,600,000

Division II

The rate of tax on total agricultural income for corporate farming shall be as under:

Type of Company	Rate of Tax
Small company	20%
Company	29%

Division III

Sr. No.	Agricultural Income.	Rate of Tax For the assessment year.
1.	Where income exceeds Rs. 150 million but does not exceed Rs. 200 million	1% of the income
2.	Where income exceeds Rs. 200 million but does not exceed Rs. 250 million	2% of the income
3.	Where income exceeds Rs. 250 million but does not exceed Rs. 300 million	3% of the income
4.	Where income exceeds Rs. 300 million but does not exceed Rs. 350 million	4% of the income
5.	Where income exceeds Rs. 350 million but does not exceed Rs. 400 million	6% of the income
6.	Where income exceeds Rs. 400 million but does not exceed Rs. 500 million	8% of the income
7.	Where income exceeds Rs. 500 million	10% of the income

PART-II
(see section 3)
for Zone-I

(1) Slab of total cultivated land, computed Rate of tax per acre as irrigated land, by treating one acre of irrigated land as equal to two acre of un-irrigated land, excluding mature orchards:	Rate of tax per acre
(i) Not exceeding 12½ acres	Nil.
(ii) Exceeding 12½ acres but not exceeding 25 acres	Rs. 1,200/-
(iii) Exceeding 25 acres but not exceeding 50 acres	Rs. 2,500/-
(iv) Exceeding 50 acres	Rs. 3,500/-
(2) Mature orchards:	
(i) Irrigated	Rs. 3,500/-
(ii) Un-irrigated	Rs. 1,750/-

For Zone II

(1) Slab of total cultivated land, computed Rate of tax per acre as irrigated land, by treating one acre of irrigated land as equal to two acre of un-irrigated land, excluding mature orchards:	Rate of tax per acre
(i) Not exceeding 12½ acres	Nil.
(ii) Exceeding 12½ acres but not exceeding 25 acres	Rs. 900/-
(iii) Exceeding 25 acres but not exceeding 50 acres	Rs. 1,700/-
(iv) Exceeding 50 acres	Rs. 2,500/-
(2) Mature orchards:	
(i) Irrigated	Rs. 2,500/-
(ii) Un-irrigated	Rs. 1,250/-

For Zone III

(1) Slab of total cultivated land, computed Rate of tax per acre as irrigated land, by treating one acre of irrigated land as equal to two acre of un-irrigated land, excluding mature orchards:	Rate of tax per acre
(i) Not exceeding 12½ acres	Nil.
(ii) Exceeding 12½ acres but not exceeding 25 acres	Rs. 500/-
(iii) Exceeding 25 acres but not exceeding 50 acres	Rs. 1,000/-
(iv) Exceeding 50 acres	Rs. 1,500/-
(2) Mature orchards:	
(i) Irrigated	Rs. 1,500/-
(ii) Un-irrigated	Rs. 750/-

For Zone IV

(1) Slab of total cultivated land, computed Rate of tax per acre as irrigated land, by treating one acre of irrigated land as equal to two acre of un-irrigated land, excluding mature orchards:	Rate of tax per acre
(i) Not exceeding 12½ acres	Nil.
(ii) Exceeding 12½ acres but not exceeding 25 acres	Rs. 300/-
(iii) Exceeding 25 acres but not exceeding 50 acres	Rs. 600/-
(iv) Exceeding 50 acres	Rs. 900/-
(2) Mature orchards:	
(i) Irrigated	Rs. 900/-
(ii) Un-irrigated	Rs. 450/-

BY ORDER OF MR. SPEAKER
PROVINCIAL ASSEMBLY OF KHYBER
PAKHTUNKHWA

(KIFAYAT ULLAH KHAN AFRIDI)
Secretary
Provincial Assembly of Khyber Pakhtunkhwa

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