

# THE PUNJAB LOCAL GOVERNMENTS (TAX ON TRANSFER OF IMMOVABLE PROPERTY) RULES, 2001

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**<sup>1</sup>THE PUNJAB LOCAL GOVERNMENTS (TAX ON TRANSFER OF IMMOVABLE PROPERTY) RULES, 2001**



**GOVERNMENT OF THE PUNJAB  
LOCAL GOVERNMENT AND RURAL DEVELOPMENT  
DEPARTMENT**

Dated Lahore, the 20<sup>th</sup> September 2001

**NOTIFICATION**

**No.SOV(LG)5-20/2001.** In exercise of the powers conferred upon him under sub-section 1 of section 191 of the Punjab Local Government Ordinance, 2001 (XIII of 2001), the Governor of the Punjab is pleased to direct that the following rules shall be made:-

**1. Short title and commencement.** — (1) These rules may be called The Punjab Local Governments (Tax on Transfer of Immovable Property) Rules, 2001.

(2) They shall come into force at once.

**2. Definitions.** — (1) In these rules unless the subject or context requires otherwise:-

(a) “Immovable property” means any building or land situate within the limits of a Tehsil/Town Municipal Administration;

(b) “tax” means the tax levied under these rules on the transfer of immovable property;

(c) “taxation officer” means an officer appointed or designated as such under these rules for the purposes of assessment and collection of the tax of the Tehsil/Town Municipal Administration; and

(d) “transfer of immovable property” means the conveyance of proprietary rights in any immovable property from one person to another.

(2) Words and expressions used but not defined in these rules shall have the same meaning as are respectively assigned to them in the Ordinance.

**3. Levy of tax.** — (1) A Local Government for a Tehsil/Town may levy tax on the transfer of immovable property situated within its limits as provided in Part-II of the Second Schedule of the Punjab Local Government Ordinance, 2001.

<sup>1</sup> These rules were notified vide Notification N o.SOV (LG)5-20/2001, dated 20.9.2001.

(2) The rate of the tax shall be fixed as a percentage of the amount of consideration of transfer of property.

**Explanation.** — For the purpose of this rule “consideration” means the price paid for the transfer of the immovable property and where no price is paid the market value as assessed by the authority competent to collect the tax.

**4. Assessment and collection of tax.** — (1) Where an immovable property is transferred through a registered deed, the tax shall become due as soon as the<sup>2</sup>[\*\*\*] deed is registered and may be assessed and collected by the Taxation Officer either directly or through the Registrar or Sub-Registrar concerned, if so authorized by the Board of Revenue either by a general or special order.

(2) Where an immovable property is transferred orally and such transfer is followed by a mutation in the revenue office the tax shall become due as soon as the mutation is sanctioned and may be assessed and collected by the Taxation Officer either directly or through the Revenue Officer concerned, if so authorized by the Board of Revenue either by a general or a special order.

(3) Where a transfer is not covered by sub-rule (1) or sub-rule (2), the tax shall become due as soon as the <sup>3</sup>[transfer] takes place and may be assessed and collected by the Taxation Officer at the office of Tehsil/Town Municipal Administration.

**5. Liability to pay tax.** — The tax shall be paid by the transferee of the property unless otherwise mutually agreed to between the transferor and the transferee in writing.

**6. Credit of tax.** — The authority collecting the tax under rule 4 shall immediately credit the amount so collected to the local fund of the Tehsil/Town Municipal Administration.

**7. Recovery of arrears of tax.** — If the tax assessed under rule 4 is not paid, it shall be recoverable as arrears of land revenue.

**8. Appeal.** — Any person aggrieved by an order under rule 4 or rule 7 may prefer an appeal to the Tehsil/Town Nazim within thirty days of the date of such order and the order passed by the Nazim on the appeal shall be final.

**9. EXEMPTION.** No tax shall be levied on the transfer of immovable property-

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<sup>2</sup> Omitted the word “sale” vide Notification No.SOR(LG)5-20/2001, dated 3.7.2012; and published in the Punjab Weekly Gazette, Part I, dated 4.7.2012, page 02.

<sup>3</sup> Substituted for the word “sale” vide Notification No.SOR(LG)5-20/2001, dated 3.7.2012; and published in the Punjab Weekly Gazette, Part I, dated 4.7.2012, page 02.

- (a) In favour of the Federal or the Provincial Government;  
<sup>4</sup>[(aa) in favour of or by a company engaged in issuing sharia compliant securities/sukuk certificates to overseas investors and in which the Federal Government has the controlling shares.]
- (b) by Tamleek (i.e. Gift in favour of legal heirs) up to 25 acres of agricultural land in rural areas; or
- (c) by exchange up to 25 acres of agricultural land in rural areas.

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<sup>4</sup>Added by vide Notification No.SOV (LG)5-20/2001, dated 12.2.2005.