

PROPOSED
AMENDMENTS
VIDE **SINDH**
FINANCE BILL 2026

RHZA



PROPOSED AMENDMENTS VIDE SINDH FINANCE BILL 2026

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Readers are requested to provide their valuable feedback and suggestions for improvement. All such inputs will be duly considered while preparing the final commentary after the enactment of the Sindh Finance Act 2026.

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FOR: REANDA HAROON ZAKARIA ASSOCIATES

JUNE 22, 2026

SINDH FINANCE BILL, 2026

SALIENT FEATURES

PART A SINDH SALES TAX ON SERVICES ACT, 2011		
1	AMENDMENT	De-registration Disposal Period Extended [Section 25A(3)] The period within which an SRB officer must dispose of a de-registration application is extended from three months to one hundred and eighty days (180 days), with the existing 60-day extension provision retained. This gives SRB significantly more time to process and verify de-registration requests before formally closing a taxpayer's registration.
2	NEW PROVISION	Continuing Liability After De-registration [New Section 25A(4)] A new sub-section explicitly codifies that a taxpayer's obligations and liabilities for any period during which taxable services were provided survive de-registration. The mere filing of a de-registration application, or the cessation of registered status, does not extinguish prior period liabilities. This closes a potential loophole and aligns the SSTS Act with principles already embedded in the Federal SST framework.
3	NEW PROVISION	Penalty for Suppliers of Non-Compliant Invoicing Software [Section 43, Sr. No. 2AA] A new offence is created targeting persons who design, develop, customize or supply invoicing software that enables the issuance of invoices not conforming to rule 29(1) of the Sindh Sales Tax on Services Rules, 2011 or rule 6 of the Sindh Sales Tax Special Procedure (Online Integration of Business) Rules, 2022. Penalty: not less than Rs. 100,000 and up to Rs. 1,000,000. This is a significant compliance measure extending SRB's enforcement reach to the software supply chain.

4	NEW PROVISION	Registered Persons May Be Required to Display Tax Notices [New Section 52A] A new provision empowers the Commissioner to require any registered person to display notices, messages or information – in print or multi-media – at a conspicuous, publicly accessible place in the person's premises, for the purpose of customer or public awareness on tax matters. The obligation is triggered only when so advised by the Commissioner.
5	AMENDMENT	60-Day Time-Limit for Inquiry by Commissioner (Appeals) [Section 59(2) & (6)] Where the Commissioner (Appeals) orders a further inquiry while deciding an appeal, such inquiry must now be completed within sixty days of the order. No time-limit previously existed, creating scope for indefinite delay. The computation provision in sub-section (6) is correspondingly amended to also exclude the inquiry period from the overall appeal-decision timeline, consistently with the treatment of stay-order adjournments.
6	AMENDMENT	Recovery Bar Extended to Appellate Tribunal; Pre-Payment Doubled to 20% [Section 66(1), First Proviso] Two significant changes: (1) The bar on issuing recovery notices during a pending appeal is extended to cover appeals before the Appellate Tribunal under section 61 (previously restricted to the Commissioner (Appeals) under section 57). (2) The pre-payment condition is doubled from ten per cent to twenty per cent of the tax due. The net effect is a wider taxpayer protection balanced against a higher financial threshold for invoking it.
7	NEW PROVISION	Statutory Confidentiality Framework for Tax Information [New Section 73A] A dedicated confidentiality provision is introduced, modelled on comparable provisions in federal tax law. All particulars in returns, accounts, documents, evidence, affidavits and assessment/recovery records are declared confidential. SRB officers, its Chairman, Member, Secretary and all public servants are prohibited from disclosure, subject to three exceptions: (a) disclosure necessary for execution of the Act; (b) disclosure to authorised Federal or Provincial Government departments; and (c) disclosure under bilateral or multilateral information-sharing agreements. Notably, the SSTS Act did not previously contain a standalone confidentiality provision.

8	CLARIFICATION	Service of Notice on Person Under Legal Disability Clarified [Section 75(1)(a)] A minor but material drafting correction: the phrase 'or under a legal disability' is replaced with 'under a legal disability, on', clarifying that service on an agent is specifically required in the case of a person under a legal disability – removing ambiguity in the original formulation.
9	AMENDMENT	Storage & Warehousing Exemption Narrowed [First Schedule, S.No. 6] The exemption for storage and warehousing services (CPC 672) is narrowed from 'food and agricultural commodities' to 'food grains and fresh vegetables and fruits not subjected to further processing'. Processed or value-added food products will no longer qualify, limiting the exemption to primary, unprocessed agricultural produce.
10	RATE CHANGE	Life Insurance Exemption Threshold Raised Seven-Fold [First Schedule, S.No. 10(1)] The policy coverage threshold below which individual life insurance (other than group life) is exempt from SST is raised from Rs. 500,000 to Rs. 3,500,000 – a seven-fold increase. This substantially expands the tax-free coverage range for individual life insurance policyholders, bringing more policies within the exemption.
11	NEW PROVISION	Reinsurance Exempt for Crop Insurance & Marine Export [First Schedule, new S.No. 10A] A new exemption entry (CPC 714 – Reinsurance services) is inserted. The exemption is restricted to reinsurance services provided in relation to crop insurance and marine insurance for exports. This is a targeted, agriculturally and export-oriented exemption; general commercial reinsurance remains taxable.

12	AMENDMENT	Education Services Exemption Restructured; Special Needs & Adult Literacy Added [First Schedule, S.No. 30] The exemption for education services is restructured from a negative (exclusion-based) formulation to a positive (inclusive) list and expanded in scope. Three categories are now expressly exempt: (1) pre-primary through tertiary education (CPC 921-925) where fees do not exceed Rs. 500,000 per annum per student; (2) sports education services (CPC 92912) provided by an individual who is not an employee; and (3) special education for children with special needs, and education under adult literacy programmes – both of which are new additions.
13	AMENDMENT	Ready-Mix Concrete Carved Out; Construction Rate Structure Overhauled [Second Schedule Part II, S.Nos. 1, 1A, 1B] The general construction services entry (CPC 54, 8%, Nil) is restructured into three distinct entries: (i) S.No. 1 is narrowed to ready-mix concrete services (CPC 54540) at 8%, Nil. (ii) New S.No. 1A covers dredging and rock/silt removal services (CPC 54232) at 8%, Nil. (iii) New S.No. 1B introduces a unit-based rate for property developers and promoters: Rs. 100 per square yard of land and Rs. 50 per square foot of constructed covered area – a departure from the conventional ad valorem rate.
14	AMENDMENT	Petroleum Oil Tanker Transport Removed from 8% Freight Rate [Second Schedule Part II, S.No. 7] Transportation of petroleum oils through oil tankers is carved out from the 8% reduced rate for road transport services of freight (CPC 6511). Such services will fall back to the standard rate.
15	AMENDMENT	Freight Bill Rate No Longer Restricted to Freight Forwarding Agents [Second Schedule Part II, S.No. 13] The Rs. 1,000 per bill rate on freight transport agency services (CPC 67910) was previously conditional on the services being rendered 'by freight forwarding agents'. That restriction is removed. The rate now applies more broadly to freight transport agency services and other freight transport services across the category, without confining it to a specific type of provider.

16	RATE CHANGE	Insurance Brokerage and Agency Rates Split: Agents 2%, Brokers 3% [Second Schedule Part II, S.No. 16] The previous flat 5% rate for insurance brokerage and agency services (CPC 71610) is replaced by two differentiated rates: 2% for insurance agents and 3% for insurance brokers. Both are subject to no further conditions. This reduces the tax burden on both categories (from 5%) while establishing a principled distinction between the two.
17	AMENDMENT	Legal and Professional Services Split into Three Specific CPC Lines [Second Schedule Part II, S.No. 22] The omnibus entry for 'Legal and accounting services' (CPC 82, 8%, Nil) is replaced by three specific entries, all at 8%, Nil: CPC 821 (Legal services), CPC 823 (Tax consultancy and preparation services) and CPC 824 (Insolvency and receivership services). General accounting services are not expressly restated, which may require consideration by affected taxpayers.
18	CLARIFICATION	Broadcasting Services: Typographical Error Corrected (PCP → CPC) [Second Schedule Part II, S.No. 28] A typographical error in the conditions column for broadcasting services (CPC 8463) – where 'PCP code 84631' appeared instead of 'CPC code 84631' – is corrected. This is a drafting rectification with no substantive effect.
19	AMENDMENT	Repair & Maintenance Entry Narrowed – CPC 871 Removed [Second Schedule Part II, S.No. 34] The combined entry for maintenance and repair services (CPC 871 – fabricated metal products, machinery and equipment, and CPC 872 – repair of other goods) is split. S.No. 34 now covers only CPC 872 (repair services of other goods) at 8%, Nil. CPC 871 services are no longer covered under this reduced-rate entry and will revert to the standard rate.
20	AMENDMENT	Education Services 3% Rate Restructured; Educational Support Services Taxed at 5% [Second Schedule Part II, S.No. 38] The 3% rate for education services (CPC 92) is restructured: it now applies to (1) pre-primary through tertiary education (CPC 921–925) where fees exceed Rs. 500,000 per student per annum, and (2) other education, training and support services falling under CPC 929 (excluding CPC 9292). A new entry is added: CPC 9292 (Educational support services) is specifically rated at 5%, Nil, creating a separate tier for this sub-category.

21	AMENDMENT	Beauty & Physical Well-Being Services – Conditional 5% Rate Removed [Second Schedule Part II, S.No. 45] The two-tier rate structure for beauty and physical well-being services (CPC 972) – 8% generally, with 5% available to businesses that integrate POS systems with SRB's computerized system – is simplified to a single flat rate of 8%, Nil. The conditional 5% incentive for SRB integration is discontinued.
PART B SINDH AGRICULTURAL INCOME TAX ACT, 2025		
22	CLARIFICATION	Internal Cross-Reference Errors in Definition of 'Agricultural Income' Fixed [Section 2(1)(a)] Two drafting errors in the definition of 'agricultural income' are corrected: paragraph (c) of sub-clause (ii) previously cross-referenced 'paragraph (ii)' but should have referred to 'paragraph (b)' within the same sub-clause; and sub-clause (iii) referred to 'paragraphs (ii) and (iii)' instead of the correct '(b) and (c) of sub-clause (ii)'. Both are drafting rectifications with no substantive effect.
23	ADMINISTRATIVE	Authority to Permit Different Agricultural Income Year Elevated [Section 2(1)(b) Proviso] The power to allow a taxpayer to use a different twelve-month period as his agricultural income year – previously exercisable by any 'Officer of SRB' – is elevated to the rank of 'AITO, not below the rank of Commissioner'. This restricts the power to more senior officers, adding a supervisory check.
24	AMENDMENT	'AITN' for Companies – NTN or SECP Registration (Not Both) [Section 2(1)(d)(iii)] For companies, the Agricultural Income Tax Number (AITN) was previously defined to require both the NTN and the SECP's incorporation number. This conjunctive requirement is changed to an alternative: the NTN or the SECP registration number. This reduces the documentation burden and also reflects the use of 'registration' (broader) rather than 'incorporation' (narrower).
25	DELETION	Definition of 'Assessment Year' Removed [Section 2(1)(g)] The definition of 'assessment year', which defined it as a twelve-month period beginning from the first day of July next following the agricultural income year, with cognate expressions construed accordingly, is deleted from section 2(1).

26	AMENDMENT	Co-operative Societies Brought Within 'Company' and 'Small Company' [Section 2(1)(j) & (s)] Co-operative societies are expressly included within the definitions of both 'company' and 'small company' for agricultural income tax purposes. This subjects co-operative societies involved in agricultural activities to the same tax rates and compliance framework as companies – including the flat 29% rate (or 20% for small companies) on agricultural income, and the super tax structure.
27	CLARIFICATION	Charge of Tax – 'Assessment Year' Replaced with 'Agricultural Income Year' [Sections 3 & 5] The terminology in the charging provisions is aligned: references to 'assessment year' in sections 3(1) and 5 are replaced with 'agricultural income year'. This removes the ambiguity arising from using two different year concepts in the same charging provision and ensures consistency throughout the Act.
28	CLARIFICATION	Depreciation Allowance – 'Being Property' Replaced with 'In the Ownership' [Section 7(f)] The phrase 'being property of the taxpayer' in the depreciation allowance provision is replaced with 'in the ownership' of the taxpayer. This is a drafting clarification; no substantive change to the allowance itself is intended.
29	NEW PROVISION	Default Surcharge: Penalty Excluded from 'Tax Due' [Section 10 – New Explanation] A new Explanation clarifies that for the purposes of computing default surcharge, 'tax due' does not include the amount of penalty. This resolves potential ambiguity on whether default surcharge (which runs at 12% p.a. or KIBOR+3%) could be levied on a combined tax-plus-penalty base. Default surcharge will now be computed on the net tax amount only.
30	RATE CHANGE	Penalty for Late Return: Daily Floor Reduced; First-Default Concession Introduced [Section 11] Two taxpayer-friendly changes: (1) The minimum daily penalty for failure to furnish a return is reduced ten-fold, from Rs. 1,000 per day to Rs. 100 per day. (2) A first-default concession is introduced – where an owner defaults for the first time since registration, the capped penalty amounts (Rs. 10,000 / Rs. 50,000 / Rs. 100,000 by income slab) apply as a ceiling. The 0.1%-per-day rate on tax payable is retained.

31	AMENDMENT	Exemptions Must Now Be Gazetted; Basis of Conditions Changed [Section 15] Two changes to the Government's power to grant exemptions: (1) Exemptions must now be granted 'by notification in the Official Gazette' – previously there was no requirement to gazette such exemptions. (2) The basis for imposing conditions shifts from 'in a manner and to the extent as prescribed' (i.e., by rules) to 'subject to the conditions and restrictions as may be specified therein' (i.e., in the notification itself). This makes the exemption framework more transparent and its conditions self-contained.
32	AMENDMENT	Record-Keeping Obligation Shifted from Tax Authority to Taxpayer [Section 16] Section 16 is substituted in full. The original provision required the AITO to maintain accounts regarding demand and recovery of tax. The new provision, retitled 'Maintenance of record', places the obligation on the owner (taxpayer) to maintain records and books of accounts as prescribed. This is a significant structural shift: the compliance burden is placed on the taxpayer rather than the collecting authority.
33	AMENDMENT	Prosecution Powers Rationalized [Section 19] Three changes: (1) The non-obstante opening ('Notwithstanding anything contained in this Act or any other law...') is replaced with a subject clause ('Subject to the provisions of this Act and the rules made thereunder'). (2) Clause (b) is expanded to include 'prosecution'. (3) Clause (c) is revised from 'appeals and prosecution' to 'revision, appeals and reference applications', with prosecution relocated to clause (b) and revision and reference applications newly added.
34	AMENDMENT	Land Revenue Records to Be Provided by Board of Revenue, Sindh [Section 20 Proviso] The obligation in the proviso to section 20 to provide land revenue records, past assessments and survey reports is redirected from 'the Board' (SRB) to 'Board of Revenue, Sindh and its officers' – the body that actually administers and holds land revenue records in Sindh. This is a practically important correction ensuring the obligation is placed on the correct authority.

35	NEW PROVISION	Board May Delegate Powers to Its Chairman or a Member [New Section 22(2)] A new sub-section is added to section 22, enabling the Board (SRB) to delegate any of its functions and powers under the Act to its Chairman or a Member. The existing sub-section (1) delegation power (to any Government Department or agency) is retained. This creates an internal delegation mechanism within SRB's leadership, enabling more agile exercise of the Board's powers.
36	AMENDMENT	Saving Clause Broadened to Cover Proceedings 'Required to be Taken' [Section 23(2)] The repeal and saving provision is expanded in two respects: (1) Coverage is extended from proceedings already 'pending' to any proceeding 'taken or required to be taken' under the repealed Ordinance – capturing proceedings not yet initiated but legally required. (2) The reference to proceedings 'before any authority, the Appellate Tribunal or any Court' is replaced with 'by any authority or officer, including the Appellate Authority or Tribunal or Court', better reflecting the officer-level conduct of such proceedings. Additionally, 'continued' is expanded to 'continued, decided' to confirm that pending matters must be both heard and decided under the old regime.
37	RATE CHANGE	Super Tax Rate Structure Simplified; Intermediate Slabs Eliminated [Second Schedule] The eight-slab progressive super tax structure (0% to 10%) is replaced by a two-slab structure: (1) agricultural income not exceeding Rs. 500 million – 0%; (2) agricultural income exceeding Rs. 500 million – 8%. Net effects: all progressive intermediate bands between Rs. 150 million and Rs. 500 million are eliminated (that range now pays 0%); the threshold for any super tax liability is raised from Rs. 150 million to Rs. 500 million; and the top marginal rate falls from 10% to 8%. This substantially reduces the super tax burden on large agricultural income earners below Rs. 500 million.

COMPARATIVE ANALYSIS OF PROPOSED LEGISLATIVE CHANGES

PART A | SINDH SALES TAX ON SERVICES ACT, 2011

#	Provision /Section	Existing Position	Proposed Position / New Insertion (Finance Bill 2026)	Statutory Text (As Inserted / Substituted by Finance Bill 2026)
1	Section 25A(3) & (4) <i>De-registration – disposal period & continuing liability</i>	Sub-section (3) [SSTS Act 2011]: "Where the Board or any officer of the SRB receives an application under sub-section (2), it shall dispose of the same within a period of three months from the date of receipt of the application, or within such extended period, not exceeding sixty days, as the Board or any officer of the SRB may, for reasons to be recorded in writing fix." Sub-section (4): No equivalent provision existed.	Sub-section (3): ~~"three months"~~ → "one hundred and eighty days" New Sub-section (4) inserted: Obligations and liabilities for any period during which taxable services were provided are NOT extinguished by the mere fact of e-filing a de-registration application or ceasing to be a registered person.	Section 25A(3) [as amended]: ".Where the Board or any officer of the SRB receives an application under sub-section (2), it shall dispose of the same within a period of one hundred and eighty days from the date of receipt of the application, or within such extended period, not exceeding sixty days, as the Board or any officer of the SRB may, for reasons to be recorded in writing fix." New Section 25A(4) [inserted]: "The obligations and liabilities of the person relating to the period when he provided any taxable services shall not be affected by the fact that he has e-filed his de-registration application or that he has ceased to be a registered person."
2	Section 43, Table <i>New Sr. No. 2AA – non-compliant invoicing software</i>	No corresponding entry existed in the Table of Offences & Penalties for persons who design, develop or supply invoicing software. The Table ran from Sr. No. 1 through higher entries without any such provision.	New Sr. No. 2AA inserted: Any person who designs, develops, customizes or supplies non-compliant invoicing software – penalty: Rs. 100,000 to Rs. 1,000,000.	Sr. No. 2AA [inserted after Sr. No. 2A in section 43 Table]: "2AA. Any person who designs, develops, customizes or supplies invoicing software enabling issuance of invoices not conforming to the requirements of sub-rule (1) of rule 29 of the Sindh Sales Tax on Services Rules, 2011 or of rule 6 of the Sindh Sales Tax Special Procedure (Online Integration of Business) Rules, 2022. Such person shall be liable to a penalty of upto one million rupees, but not less than one hundred thousand rupees."

#	Provision /Section	Existing Position	Proposed Position / New Insertion (Finance Bill 2026)	Statutory Text (As Inserted / Substituted by Finance Bill 2026)
3	New Section 52A <i>Display of notices by registered persons</i>	No equivalent provision existed. The Act moved from Section 52 (production of records) directly to Section 53, with no obligation on registered persons to display tax-awareness notices.	New Section 52A inserted: A registered person must, when advised by the Commissioner, display any notice, message or information (via print or multi-media) at a conspicuous, publicly-accessible place in his premises for customer/public awareness on tax matters.	New Section 52A [inserted after section 52]: "52A. Registered person to display notice, message or information. – The registered person shall, when so advised by the Commissioner, display any notice, message or information through print or multi-media at a conspicuous place in his premises, accessible to the general public, for awareness of the customers or the public in relation to tax matters."
4	Section 59(2) & (6) <i>Commissioner (Appeals) – inquiry time-limit & computation</i>	Sub-section (2): Commissioner (Appeals) may make further inquiry while deciding an appeal but may not remand the case for de novo consideration. No time-limit was prescribed for completing such inquiry. Sub-section (6): Period of adjournment on account of a "stay order" or proceedings under section 65 is excluded from the timeline for deciding the appeal. No reference to inquiry time.	New proviso to s.59(2): Inquiry must be completed within sixty days from the date it is ordered by the Commissioner (Appeals). S.59(6) extended: After "stay order", the words "or the inquiry under sub-section (2)" are inserted – time for the 60-day inquiry is also excluded from the overall computation.	Proviso to Section 59(2) [added]: "Provided that the inquiry under this sub-section shall be completed within a period not exceeding sixty days from the date the inquiry is ordered by the Commissioner (Appeals)." Section 59(6) [as amended – added words]: "...In computing the aforesaid time period, any period during which the proceedings are adjourned on account of a stay order or the inquiry under sub-section (2) or proceedings under section 65 or the time taken through adjournment by the appellant shall be excluded..."
5	Section 66(1), First Proviso <i>Restriction on recovery during pending appeal</i>	First Proviso to Section 66(1) [SSTS Act 2011]: "Provided that the officer of the SRB shall not issue notice under this section or the rules made thereunder for recovery of any tax due from a taxpayer if the said taxpayer has filed an appeal under section 57 in respect of the order under which the tax sought to be recovered has become payable and the appeal has not been decided by the Commissioner (Appeals), subject to the condition that an amount equal to ten per cent of the amount of tax due has been paid by the tax payer."	Scope widened: Bar now also covers appeals under section 61 before the Appellate Tribunal (in addition to Commissioner (Appeals)). Pre-payment doubled: ~~"ten"~~ → "twenty" per cent of tax due.	Section 66(1), First Proviso [as amended]: "Provided that the officer of the SRB shall not issue notice under this section or the rules made thereunder for recovery of any tax due from a taxpayer if the said taxpayer has filed an appeal under section 57 or under section 61 in respect of the order under which the tax sought to be recovered has become payable and the appeal has not been decided by the Commissioner (Appeals) or the Appellate Tribunal, respectively, subject to the condition that an amount equal to twenty per cent of the amount of tax due has been paid by the tax payer."

#	Provision /Section	Existing Position	Proposed Position / New Insertion (Finance Bill 2026)	Statutory Text (As Inserted / Substituted by Finance Bill 2026)
6	New Section 73A <i>Confidentiality / disclosure of information</i>	No standalone confidentiality provision existed after section 73 (which dealt only with the computerized system). General confidentiality of tax information was not separately codified in the SSTS Act 2011.	New Section 73A inserted: (1) All tax-proceeding particulars confidential – SRB officers/Chairman/Member/Secretary and public servants may not disclose. (2) Disclosure permitted to persons acting in execution of the Act where necessary. (3) Disclosure permitted to authorised Federal/Provincial departments or under bilateral/multilateral agreements.	New Section 73A [inserted after section 73]: "73A. Disclosure of information. – (1) All particulars contained in – (a) any statement made, return furnished, accounts or documents produced under the provisions of this Act; or (b) any evidence given, or affidavit or deposition made in the course of any proceedings under this Act; or (c) any record of any assessment proceeding or any proceeding relating to the recovery of a demand, shall be confidential and an officer of the SRB, or its Chairman, Member or Secretary, or any public servant shall not, save as provided in this Act, disclose any such particulars. (2) Nothing contained in sub-section (1) shall preclude the disclosure of any such particulars to any person acting in the execution of this Act, where it is necessary to disclose the same to him for the purposes of this Act. (3) Nothing contained in sub-section (1) shall preclude the disclosure of any information to any department or authority of the Federal Government or a Provincial Government, which is authorized under the respective law to have access to such information, or in terms of an agreement made by the Board with such department or authority on bilateral or multilateral basis for the purposes of enabling such department or authority to enforce a tax or levy as is collected by it."
7	Section 75(1)(a) <i>Service of notice – legal disability</i>	"personally served on the individual or, in the case of an individual or under a legal disability the agent of the individual"	Wording corrected: ~~"or under a legal disability"~~ → "under a legal disability, on" – clarifying that agent-service applies specifically to a person under a legal disability.	Amendment modifies existing wording only – no standalone new text inserted.

#	Provision /Section	Existing Position	Proposed Position / New Insertion (Finance Bill 2026)	Statutory Text (As Inserted / Substituted by Finance Bill 2026)								
8	First Schedule, S.No. 6 <i>Exempt storage & warehousing – scope of goods</i>	Existing S.No. 6 [First Schedule, SSTS Act 2011]: <table><tr><th>#</th><th>C P C C o d e</th><th>Description</th><th>Condition and Restriction</th></tr><tr><td>6</td><td>672</td><td>Storage and warehousing services</td><td>The exemption shall be applicable to services provided or rendered in relation to food and agricultural commodities.</td></tr></table>	#	C P C C o d e	Description	Condition and Restriction	6	672	Storage and warehousing services	The exemption shall be applicable to services provided or rendered in relation to food and agricultural commodities.	Condition narrowed: " ~~food and agricultural commodities~~ " → "food grains and fresh vegetables and fruits not subjected to further processing"	Amendment modifies existing wording only – no standalone new text inserted.
#	C P C C o d e	Description	Condition and Restriction									
6	672	Storage and warehousing services	The exemption shall be applicable to services provided or rendered in relation to food and agricultural commodities.									
9	First Schedule, S.No. 10(1) <i>Exempt life insurance – coverage threshold</i>	Existing S.No. 10 [First Schedule, SSTS Act 2011]: <table><tr><th>#</th><th>C P C C o d e</th><th>Description</th><th>Condition and Restriction</th></tr><tr><td>10</td><td>713</td><td>Insurance and pension services (excluding reinsurance services), except compulsory social security services</td><td>(1) Life insurance, other than group life insurance, of individuals for insurance policy coverage of upto five hundred thousand rupees; (2) Crop Insurance;</td></tr></table>	#	C P C C o d e	Description	Condition and Restriction	10	713	Insurance and pension services (excluding reinsurance services), except compulsory social security services	(1) Life insurance, other than group life insurance, of individuals for insurance policy coverage of upto five hundred thousand rupees; (2) Crop Insurance;	Threshold in condition (1) raised: " ~~five~~ " → " thirty-five " hundred thousand (Rs. 500,000 → Rs. 3,500,000).	Amendment modifies existing wording only – no standalone new text inserted.
#	C P C C o d e	Description	Condition and Restriction									
10	713	Insurance and pension services (excluding reinsurance services), except compulsory social security services	(1) Life insurance, other than group life insurance, of individuals for insurance policy coverage of upto five hundred thousand rupees; (2) Crop Insurance;									

#	Provision /Section	Existing Position				Proposed Position / New Insertion (Finance Bill 2026)	Statutory Text (As Inserted / Substituted by Finance Bill 2026)								
					(3) Health insurance services (other than group) for individuals; (4) Marine insurance for exports.										
10	First Schedule, new S.No. 10A <i>Exempt reinsurance services (crop & marine export)</i>	S.No. 10 expressly excluded reinsurance services from the general insurance/pension services exemption. No standalone entry for reinsurance existed in the First Schedule.				New S.No. 10A inserted: CPC 714 — Reinsurance services, exempt where provided in relation to crop insurance and marine insurance for exports.	New S.No. 10A [inserted after S.No. 10 in First Schedule]: <table><tr><th>#</th><th>C P C</th><th>Description</th><th>Condition and Restriction</th></tr><tr><td>10A</td><td>714</td><td>Reinsurance services</td><td>This exemption shall be applicable to the reinsurance services provided or rendered in relation to crop insurance and marine insurance for exports.</td></tr></table>	#	C P C	Description	Condition and Restriction	10A	714	Reinsurance services	This exemption shall be applicable to the reinsurance services provided or rendered in relation to crop insurance and marine insurance for exports.
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10A	714	Reinsurance services	This exemption shall be applicable to the reinsurance services provided or rendered in relation to crop insurance and marine insurance for exports.												

#	Provision /Section	Existing Position	Proposed Position / New Insertion (Finance Bill 2026)	Statutory Text (As Inserted / Substituted by Finance Bill 2026)																
11	First Schedule, S.No. 30 <i>Education services – exemption conditions</i>	Existing S.No. 30 [First Schedule, SSTS Act 2011]: <table><tr><th>#</th><th>C P C</th><th>Description</th><th>Condition and Restriction</th></tr><tr><td>30</td><td>92</td><td>Education services</td><td>The exemption shall NOT be applicable to – (1) the services where the amount of fee/charges for such services exceed rupees five hundred thousand per annum per student; and (2) sports education services falling in CPC Code 92912 provided by a person other than an individual.</td></tr></table>	#	C P C	Description	Condition and Restriction	30	92	Education services	The exemption shall NOT be applicable to – (1) the services where the amount of fee/charges for such services exceed rupees five hundred thousand per annum per student; and (2) sports education services falling in CPC Code 92912 provided by a person other than an individual.	Entry restructured as a positive (inclusive) list and expanded: (1) CPC 921–925 – fee ≤ Rs. 500,000 p.a./student – exempt. (2) CPC 92912 – sports education by individual (not employee) – exempt. (3) NEW: Special education for children with special needs & adult literacy – exempt.	S.No. 30, Column (4) [substituted in First Schedule]: <table><tr><th>#</th><th>C P C</th><th>Description</th><th>Condition and Restriction (substituted)</th></tr><tr><td>30</td><td>92</td><td>Education services</td><td>"The exemption shall be applicable to – (1) pre-primary, primary, secondary, post-secondary non-tertiary and tertiary education services, falling under CPC codes from 921 to 925, where the amount of fee/charges for such services does not exceed rupees five hundred thousand per annum per student; (2) sports education services, falling under CPC Code 92912, provided by an individual being not an employee; and (3) special education for the children with special needs and education under adult literacy programme."</td></tr></table>	#	C P C	Description	Condition and Restriction (substituted)	30	92	Education services	"The exemption shall be applicable to – (1) pre-primary, primary, secondary, post-secondary non-tertiary and tertiary education services, falling under CPC codes from 921 to 925, where the amount of fee/charges for such services does not exceed rupees five hundred thousand per annum per student; (2) sports education services, falling under CPC Code 92912, provided by an individual being not an employee; and (3) special education for the children with special needs and education under adult literacy programme."
#	C P C	Description	Condition and Restriction																	
30	92	Education services	The exemption shall NOT be applicable to – (1) the services where the amount of fee/charges for such services exceed rupees five hundred thousand per annum per student; and (2) sports education services falling in CPC Code 92912 provided by a person other than an individual.																	
#	C P C	Description	Condition and Restriction (substituted)																	
30	92	Education services	"The exemption shall be applicable to – (1) pre-primary, primary, secondary, post-secondary non-tertiary and tertiary education services, falling under CPC codes from 921 to 925, where the amount of fee/charges for such services does not exceed rupees five hundred thousand per annum per student; (2) sports education services, falling under CPC Code 92912, provided by an individual being not an employee; and (3) special education for the children with special needs and education under adult literacy programme."																	

#	Provision /Section	Existing Position	Proposed Position / New Insertion (Finance Bill 2026)	Statutory Text (As Inserted / Substituted by Finance Bill 2026)																				
12	Second Schedule (Pt. II), S.No. 1 <i>Construction services – reduced rate entry substituted</i>	Existing S.No. 1 [Second Schedule Part II, SSTS Act 2011]: <table border="1"> <thead> <tr> <th>#</th><th>C P C</th><th>Description</th><th>Rate</th><th>Condition</th></tr> </thead> <tbody> <tr> <td>1</td><td>544</td><td>Construction services</td><td>8%</td><td>Nil</td></tr> </tbody> </table>	#	C P C	Description	Rate	Condition	1	544	Construction services	8%	Nil	S.No. 1 substituted: CPC narrowed from 54 → 54540; entry now specifically reads " Ready-mix concrete services " @ 8%, Nil. General construction services removed from this line item – re-inserted as new S.No. 1B (see row 13).	S.No. 1 [substituted]: <table border="1"> <thead> <tr> <th>#</th><th>C P C</th><th>Description</th><th>Rate</th><th>Condition</th></tr> </thead> <tbody> <tr> <td>1</td><td>5440</td><td>Ready-mix concrete services</td><td>8%</td><td>Nil</td></tr> </tbody> </table>	#	C P C	Description	Rate	Condition	1	5440	Ready-mix concrete services	8%	Nil
#	C P C	Description	Rate	Condition																				
1	544	Construction services	8%	Nil																				
#	C P C	Description	Rate	Condition																				
1	5440	Ready-mix concrete services	8%	Nil																				
13	Second Schedule (Pt. II), new S.No. 1A & 1B <i>Dredging services; construction by developers (new entries)</i>	No equivalent entries existed. The Second Schedule Part II had no entry for dredging/silt-removal services, and no per-square-yard/per-square-foot basis for taxing construction services by developers.	New S.No. 1A: CPC 54232 – Services of dredging and rock and silt removal @ 8%, Nil. New S.No. 1B: CPC 54 – Construction services (by property developers / promoters) – (a) Rs. 100 per sq. yd. of land; (b) Rs. 50 per sq. ft. of constructed covered area.	New S.No. 1A [inserted after S.No. 1]: <table border="1"> <thead> <tr> <th>#</th><th>C P C</th><th>Description</th><th>Rate</th><th>Condition</th></tr> </thead> <tbody> <tr> <td>1</td><td>54232</td><td>Services of dredging and rock and silt removal</td><td>8%</td><td>Nil</td></tr> </tbody> </table> New S.No. 1B [inserted after S.No. 1A]: <table border="1"> <thead> <tr> <th>#</th><th>C P C</th><th>Description</th><th>Rate</th><th>Condition</th></tr> </thead> <tbody> <tr> <td>1</td><td>54B</td><td>Construction services</td><td>(a) one hundred rupees per square yard of land; and (b) fifty rupees per square foot of constructed covered area</td><td>This rate shall apply to the services provided or rendered by property developers or promoters.</td></tr> </tbody> </table>	#	C P C	Description	Rate	Condition	1	54232	Services of dredging and rock and silt removal	8%	Nil	#	C P C	Description	Rate	Condition	1	54B	Construction services	(a) one hundred rupees per square yard of land; and (b) fifty rupees per square foot of constructed covered area	This rate shall apply to the services provided or rendered by property developers or promoters.
#	C P C	Description	Rate	Condition																				
1	54232	Services of dredging and rock and silt removal	8%	Nil																				
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1	54B	Construction services	(a) one hundred rupees per square yard of land; and (b) fifty rupees per square foot of constructed covered area	This rate shall apply to the services provided or rendered by property developers or promoters.																				

#	Provision /Section	Existing Position	Proposed Position / New Insertion (Finance Bill 2026)	Statutory Text (As Inserted / Substituted by Finance Bill 2026)																				
14	Second Schedule (Pt. II), S.No. 7 <i>Road freight transport – petroleum tankers carved out</i>	Existing S.No. 7 [Second Schedule Part II, SSTs Act 2011]: <table border="1"> <thead> <tr> <th>#</th><th>C P C</th><th>Description</th><th>Rate</th><th>Condition</th></tr> </thead> <tbody> <tr> <td>7</td><td>6511</td><td>Road transport services of freight</td><td>8 %</td><td>Nil</td></tr> </tbody> </table>	#	C P C	Description	Rate	Condition	7	6511	Road transport services of freight	8 %	Nil	Carve-out inserted: After "freight", the words " except transportation of petroleum oils through oil tankers " are inserted – petroleum-oil tanker transport is excluded from the 8% reduced rate.	S.No. 7, Column (3) [as amended]: <table border="1"> <thead> <tr> <th>#</th><th>C P C</th><th>Description (amended)</th><th>Rate</th><th>Condition</th></tr> </thead> <tbody> <tr> <td>7</td><td>6511</td><td>Road transport services of freight except transportation of petroleum oils through oil tankers</td><td>8%</td><td>Nil</td></tr> </tbody> </table>	#	C P C	Description (amended)	Rate	Condition	7	6511	Road transport services of freight except transportation of petroleum oils through oil tankers	8%	Nil
#	C P C	Description	Rate	Condition																				
7	6511	Road transport services of freight	8 %	Nil																				
#	C P C	Description (amended)	Rate	Condition																				
7	6511	Road transport services of freight except transportation of petroleum oils through oil tankers	8%	Nil																				
15	Second Schedule (Pt. II), S.No. 13 <i>Freight transport agency – condition removed</i>	Existing S.No. 13 [Second Schedule Part II, SSTs Act 2011]: <table border="1"> <thead> <tr> <th>#</th><th>C P C</th><th>Description</th><th>Rate</th><th>Condition</th></tr> </thead> <tbody> <tr> <td>13</td><td>67910</td><td>Freight transport agency services and other freight transport services</td><td>Rs. 1,000 (Rupees one thousand) per bill</td><td>The rate shall apply to the services provided or rendered by freight forwarding agents in respect of issuance of bill of lading, house bill of lading, airway bill and house airway bill.</td></tr> </tbody> </table>	#	C P C	Description	Rate	Condition	13	67910	Freight transport agency services and other freight transport services	Rs. 1,000 (Rupees one thousand) per bill	The rate shall apply to the services provided or rendered by freight forwarding agents in respect of issuance of bill of lading, house bill of lading, airway bill and house airway bill.	Restriction removed from Column (5): The words "by freight forwarding agents" are omitted – the Rs. 1,000/bill rate is no longer restricted to freight forwarding agents; it now applies more broadly.	Amendment modifies existing wording only – no standalone new text inserted.										
#	C P C	Description	Rate	Condition																				
13	67910	Freight transport agency services and other freight transport services	Rs. 1,000 (Rupees one thousand) per bill	The rate shall apply to the services provided or rendered by freight forwarding agents in respect of issuance of bill of lading, house bill of lading, airway bill and house airway bill.																				

#	Provision /Section	Existing Position	Proposed Position / New Insertion (Finance Bill 2026)	Statutory Text (As Inserted / Substituted by Finance Bill 2026)																																						
16	Second Schedule (Pt. II), S.No. 16 <i>Insurance brokerage & agency services – rates split</i>	Existing S.No. 16 [Second Schedule Part II, SSTS Act 2011]: <table><tr><th>#</th><th>CPC</th><th>Description</th><th>Rate</th><th>Condition</th></tr><tr><td>1761610</td><td></td><td>Insurance brokerage and agency services</td><td>5%</td><td>Nil</td></tr></table>	#	CPC	Description	Rate	Condition	1761610		Insurance brokerage and agency services	5%	Nil	Single flat rate replaced by two rates: <table><tr><th>Rate</th><th>Applies to</th></tr><tr><td>2%</td><td>Services of insurance agents.</td></tr><tr><td>3%</td><td>Services of insurance brokers.</td></tr></table>	Rate	Applies to	2%	Services of insurance agents.	3%	Services of insurance brokers.	S.No. 16 [substituted]: <table><tr><th>#</th><th>CPC</th><th>Description</th><th>Rate</th><th>Condition</th></tr><tr><td>1761610</td><td></td><td>Insurance brokerage and agency services</td><td>2%</td><td>This rate shall apply to services of insurance agents.</td></tr><tr><td></td><td></td><td></td><td>3%</td><td>This rate shall apply to services of insurance brokers.</td></tr></table>	#	CPC	Description	Rate	Condition	1761610		Insurance brokerage and agency services	2%	This rate shall apply to services of insurance agents.				3%	This rate shall apply to services of insurance brokers.							
#	CPC	Description	Rate	Condition																																						
1761610		Insurance brokerage and agency services	5%	Nil																																						
Rate	Applies to																																									
2%	Services of insurance agents.																																									
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#	CPC	Description	Rate	Condition																																						
1761610		Insurance brokerage and agency services	2%	This rate shall apply to services of insurance agents.																																						
			3%	This rate shall apply to services of insurance brokers.																																						
17	Second Schedule (Pt. II), S.No. 22 <i>Legal and professional services – CPC codes split</i>	Existing S.No. 22 [Second Schedule Part II, SSTS Act 2011]: <table><tr><th>#</th><th>CPC</th><th>Description</th><th>Rate</th><th>Condition</th></tr><tr><td>2822</td><td></td><td>Legal and accounting services</td><td>8%</td><td>Nil</td></tr></table>	#	CPC	Description	Rate	Condition	2822		Legal and accounting services	8%	Nil	Entry substituted – three specific CPC lines, all @ 8%, Nil: <table><tr><th>CPC</th><th>Description</th></tr><tr><td>821</td><td>Legal services</td></tr><tr><td>823</td><td>Tax consultancy and preparation services</td></tr><tr><td>824</td><td>Insolvency and receivership services</td></tr></table> <i>Note: general accounting services (former CPC 82 grouping) not expressly restated.</i>	CPC	Description	821	Legal services	823	Tax consultancy and preparation services	824	Insolvency and receivership services	S.No. 22 [substituted]: <table><tr><th>#</th><th>CPC</th><th>Description</th><th>Rate</th><th>Condition</th></tr><tr><td>2822</td><td></td><td>Legal services</td><td>8%</td><td>Nil</td></tr><tr><td></td><td>823</td><td>Tax consultancy and preparation services</td><td>8%</td><td>Nil</td></tr><tr><td></td><td>824</td><td>Insolvency and receivership services</td><td>8%</td><td>Nil</td></tr></table>	#	CPC	Description	Rate	Condition	2822		Legal services	8%	Nil		823	Tax consultancy and preparation services	8%	Nil		824	Insolvency and receivership services	8%	Nil
#	CPC	Description	Rate	Condition																																						
2822		Legal and accounting services	8%	Nil																																						
CPC	Description																																									
821	Legal services																																									
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#	CPC	Description	Rate	Condition																																						
2822		Legal services	8%	Nil																																						
	823	Tax consultancy and preparation services	8%	Nil																																						
	824	Insolvency and receivership services	8%	Nil																																						

#	Provision /Section	Existing Position	Proposed Position / New Insertion (Finance Bill 2026)	Statutory Text (As Inserted / Substituted by Finance Bill 2026)																				
18	Second Schedule (Pt. II), S.No. 28 <i>Broadcasting services – drafting correction (PCP → CPC)</i>	Existing S.No. 28 [Second Schedule Part II, SSTs Act 2011]: <table> <tr> <th>#</th><th>CPC</th><th>Description</th><th>Rate</th><th>Condition</th></tr> <tr> <td>28863</td><td>84</td><td>Broadcasting services and multi-channel programme distribution services except PCP code 84631</td><td>8% 2%</td><td>8%: general. 2%: applies to 'Stand-alone Cable TV Operators'.</td></tr> </table>	#	CPC	Description	Rate	Condition	28863	84	Broadcasting services and multi-channel programme distribution services except PCP code 84631	8% 2%	8%: general. 2%: applies to 'Stand-alone Cable TV Operators'.	Typographical correction only: "PCP" → "CPC". No substantive change.	Amendment modifies existing wording only – no standalone new text inserted.										
#	CPC	Description	Rate	Condition																				
28863	84	Broadcasting services and multi-channel programme distribution services except PCP code 84631	8% 2%	8%: general. 2%: applies to 'Stand-alone Cable TV Operators'.																				
19	Second Schedule (Pt. II), S.No. 34 <i>Repair/maintenance services – CPC 871 removed</i>	Existing S.No. 34 [Second Schedule Part II, SSTs Act 2011]: <table> <tr> <th>#</th><th>CPC</th><th>Description</th><th>Rate</th><th>Condition</th></tr> <tr> <td>3481872</td><td>847</td><td>Maintenance and repair services of fabricated metal products, machinery and equipment Repair services of other goods</td><td>8%</td><td>Nil</td></tr> </table>	#	CPC	Description	Rate	Condition	3481872	847	Maintenance and repair services of fabricated metal products, machinery and equipment Repair services of other goods	8%	Nil	Entry narrowed: CPC 871 (maintenance & repair of fabricated metal products, machinery & equipment) removed from this entry. S.No. 34 now covers only CPC 872 – Repair services of other goods @ 8%, Nil.	S.No. 34 [substituted]: <table> <tr> <th>#</th><th>CPC</th><th>Description</th><th>Rate</th><th>Condition</th></tr> <tr> <td>34842</td><td>847</td><td>Repair services of other goods</td><td>8%</td><td>Nil</td></tr> </table>	#	CPC	Description	Rate	Condition	34842	847	Repair services of other goods	8%	Nil
#	CPC	Description	Rate	Condition																				
3481872	847	Maintenance and repair services of fabricated metal products, machinery and equipment Repair services of other goods	8%	Nil																				
#	CPC	Description	Rate	Condition																				
34842	847	Repair services of other goods	8%	Nil																				

#	Provision /Section	Existing Position	Proposed Position / New Insertion (Finance Bill 2026)	Statutory Text (As Inserted / Substituted by Finance Bill 2026)																																					
20	Second Schedule (Pt. II), S.No. 38 <i>Education services – 3% rate restructured; 5% tier for educational support services added</i>	Existing S.No. 38 [Second Schedule Part II, SSTS Act 2011]: <table><tr><th>#</th><th>C P C</th><th>Description</th><th>Rate</th><th>Condition</th></tr><tr><td>38</td><td>92</td><td>Education services</td><td>3%</td><td>The rate shall apply to – (1) the services where the amount of fee/charges for such service exceeds rupees five hundred thousand per annum per student; and (2) the training services.</td></tr></table>	#	C P C	Description	Rate	Condition	38	92	Education services	3%	The rate shall apply to – (1) the services where the amount of fee/charges for such service exceeds rupees five hundred thousand per annum per student; and (2) the training services.	Entry restructured – two lines: <table><tr><th>C P C</th><th>Description</th><th>Rate</th><th>Condition</th></tr><tr><td>92</td><td>Education services</td><td>3%</td><td>Applies to: (1) CPC 921-925 where fee exceeds Rs. 500,000 p.a./student; AND (2) other education/training (CPC 929 excl. CPC 9292).</td></tr><tr><td>9292</td><td>Educational support services</td><td>5%</td><td>Nil</td></tr></table> CPC 9292 – Educational support services @ 5%, Nil: NEW distinct category.	C P C	Description	Rate	Condition	92	Education services	3%	Applies to: (1) CPC 921-925 where fee exceeds Rs. 500,000 p.a./student; AND (2) other education/training (CPC 929 excl. CPC 9292).	9292	Educational support services	5%	Nil	S.No. 38 [substituted]: <table><tr><th>#</th><th>C P C</th><th>Description</th><th>Rate</th><th>Condition</th></tr><tr><td>38</td><td>92</td><td>Education services</td><td>3%</td><td>This rate shall apply to: – (1) pre-primary, primary, secondary, post-secondary non-tertiary and tertiary education services, falling under CPC codes from 921 to 925, where the amount of fee/charges for such services exceeds rupees five hundred thousand per annum per student; and (2) Other education and training services and educational support services falling under CPC 929 other than CPC Code 9292.</td></tr><tr><td></td><td>9292</td><td>Educational support services</td><td>5%</td><td>Nil</td></tr></table>	#	C P C	Description	Rate	Condition	38	92	Education services	3%	This rate shall apply to: – (1) pre-primary, primary, secondary, post-secondary non-tertiary and tertiary education services, falling under CPC codes from 921 to 925, where the amount of fee/charges for such services exceeds rupees five hundred thousand per annum per student; and (2) Other education and training services and educational support services falling under CPC 929 other than CPC Code 9292.		9292	Educational support services	5%	Nil
#	C P C	Description	Rate	Condition																																					
38	92	Education services	3%	The rate shall apply to – (1) the services where the amount of fee/charges for such service exceeds rupees five hundred thousand per annum per student; and (2) the training services.																																					
C P C	Description	Rate	Condition																																						
92	Education services	3%	Applies to: (1) CPC 921-925 where fee exceeds Rs. 500,000 p.a./student; AND (2) other education/training (CPC 929 excl. CPC 9292).																																						
9292	Educational support services	5%	Nil																																						
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38	92	Education services	3%	This rate shall apply to: – (1) pre-primary, primary, secondary, post-secondary non-tertiary and tertiary education services, falling under CPC codes from 921 to 925, where the amount of fee/charges for such services exceeds rupees five hundred thousand per annum per student; and (2) Other education and training services and educational support services falling under CPC 929 other than CPC Code 9292.																																					
	9292	Educational support services	5%	Nil																																					

#	Provision /Section	Existing Position	Proposed Position / New Insertion (Finance Bill 2026)	Statutory Text (As Inserted / Substituted by Finance Bill 2026)																									
21	Second Schedule (Pt. II), S.No. 45 <i>Beauty and physical well-being services – simplified to flat rate</i>	Existing S.No. 45 [Second Schedule Part II, SSTs Act 2011]: <table> <tr> <th>#</th><th>C P C</th><th>Description</th><th>Rate</th><th>Condition</th></tr> <tr> <td>4952</td><td></td><td>Beauty & physical well-being services</td><td>8 %</td><td>Nil</td></tr> <tr> <td></td><td></td><td></td><td>5 %</td><td>The rate shall apply to the services provided or rendered subject to the condition that (1) the registered person integrates his POS with SRB's Computerized System for real-time reporting of each sale; and (2) no such service is provided without getting SRB's invoice number and printing the same along with SRB QR code.</td></tr> </table>	#	C P C	Description	Rate	Condition	4952		Beauty & physical well-being services	8 %	Nil				5 %	The rate shall apply to the services provided or rendered subject to the condition that (1) the registered person integrates his POS with SRB's Computerized System for real-time reporting of each sale; and (2) no such service is provided without getting SRB's invoice number and printing the same along with SRB QR code.	Simplified to a single flat rate: CPC 972 @ 8%, Nil. The conditional 5% POS-integration tier is removed entirely.	S.No. 45 [substituted]: <table> <tr> <th>#</th><th>C P C</th><th>Description</th><th>Rate</th><th>Condition</th></tr> <tr> <td>4952</td><td></td><td>Beauty and physical well-being services</td><td>8%</td><td>Nil</td></tr> </table>	#	C P C	Description	Rate	Condition	4952		Beauty and physical well-being services	8%	Nil
#	C P C	Description	Rate	Condition																									
4952		Beauty & physical well-being services	8 %	Nil																									
			5 %	The rate shall apply to the services provided or rendered subject to the condition that (1) the registered person integrates his POS with SRB's Computerized System for real-time reporting of each sale; and (2) no such service is provided without getting SRB's invoice number and printing the same along with SRB QR code.																									
#	C P C	Description	Rate	Condition																									
4952		Beauty and physical well-being services	8%	Nil																									

#	Provision /Section	Existing Position	Proposed Position / New Insertion (Finance Bill 2026)	Statutory Text (As Inserted / Substituted by Finance Bill 2026)
PART B SINDH AGRICULTURAL INCOME TAX ACT, 2025				
1	Section 2(1)(a)(ii)(c) & (iii) <i>Definition of "agricultural income" – cross-reference fix</i>	Section 2(1)(a)(ii)(c) & (iii) [SAITA 2025]: "(c) the sale by a cultivator or receiver of rent-in-kind of the produce raised or received by him, in respect of which no process has been performed other than a process of the nature described in paragraph (ii); (iii) any income derived from any building owned and occupied...of any land with respect to which, or the produce of which any operation mentioned in paragraphs (ii) and (iii) is carried on..."	Para (c) corrected: " ~~(ii)~~ " → " (b) " – now points to para (b) within sub-clause (ii), not the whole sub-clause. Sub-clause (iii) corrected: " ~~(ii) and (iii)~~ " → " (b) and (c) of sub-clause (ii) " – fixes internal cross-reference error.	Amendment modifies existing wording only – no standalone new text inserted.
2	Section 2(1)(b), proviso <i>"Agricultural income year" – authority to permit different period</i>	Proviso to Section 2(1)(b) [SAITA 2025]: "Provided that the Officer of SRB may, on an application filed by an owner or a person authorized by the owner, allow such owner to use and implement a different period of twelve months as his agricultural income year and such period shall be treated as the agricultural income year for that owner."	Authority elevated: " ~~Officer of SRB~~ " → " AITO, not below the rank of Commissioner " – permission restricted to a senior, specifically-defined officer.	Amendment modifies existing wording only – no standalone new text inserted.
3	Section 2(1)(d)(iii) <i>"AITN" definition for companies – conjunctive → alternative</i>	Section 2(1)(d)(iii) [SAITA 2025]: "(iii) in the case of a company, the NTN and the SECP's incorporation number of the company and NTN or NIC of its directors."	Requirement changed: " ~~and the SECP's incorporation~~ " → " or the SECP registration " – NTN or SECP registration number (no longer both mandatorily required).	Amendment modifies existing wording only – no standalone new text inserted.

#	Provision /Section	Existing Position	Proposed Position / New Insertion (Finance Bill 2026)	Statutory Text (As Inserted / Substituted by Finance Bill 2026)
4	Section 2(1)(g) <i>Definition of "assessment year" – omitted entirely</i>	Section 2(1)(g) in SAITA 2025: “(g) “assessment year” means the period of twelve months beginning from the first day of July next following the agricultural income year and includes any such period which is deemed under any provision of this Act to be the assessment year in respect of any cultivated land or agricultural income or any agricultural income year.”	Clause (g) omitted in its entirety.	Provision deleted – no replacement text.
5	Section 2(1)(j) & (s) <i>"Company" & "small company" – co-operative societies included</i>	Section 2(1)(j) [SAITA 2025]: “(j) “company” includes a foreign company and shall have the same meaning as defined under clauses (17) and (35) of section 2 of the Companies Act, 2017 (Act No. XIX of 2017);” Section 2(1)(s) [SAITA 2025]: “(s) “small company” means a company registered on or after the first day of July, 2005, under the Companies Act, 2017 (XIX of 2017), which – (i) has annual turnover not exceeding one hundred and fifty million rupees; and (ii) is not formed by the splitting up or the reconstitution of company already in existence;”	Clause (j) expanded: After the reference to Act No. XIX of 2017, the words "and also includes a co-operative society" are added. Clause (s) expanded: After the same reference, the words "and also means a co-operative society" are added.	Clause (j) [as amended – added words]: “...shall have the same meaning as defined under clauses (17) and (35) of section 2 of the Companies Act, 2017 (Act No. XIX of 2017) and also includes a co-operative society;” Clause (s) [as amended – added words]: “...”small company” means a company registered on or after the first day of July, 2005, under the Companies Act, 2017 (Act No. XIX of 2017) and also means a co-operative society, which – ...”
6	Section 3 <i>Charge of agricultural income tax – year terminology</i>	Section 3(1) [SAITA 2025]: “Subject to the provisions of this Act, there shall be charged, levied, assessed and paid for each assessment year agricultural income tax in respect of total agricultural income of the agricultural income year of an owner at the rates specified in the First Schedule to this Act.”	Terminology aligned: ~~“assessment year agricultural”~~ → “agricultural income year the agricultural” Additionally, the words ~~“of the agricultural income year”~~ (second occurrence) are omitted, removing duplicate reference.	Amendment modifies existing wording only – no standalone new text inserted.

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7	Section 5 <i>Super tax – basis year terminology</i>	Section 5 [SAITA 2025]: "A super tax shall be imposed for an assessment year, at the rates specified in the Second Schedule, which shall be payable by the owner on the agricultural income of the respective agricultural income year commencing from 1st January 2025. This super tax shall be in addition to tax paid under section 3(1)."	~~"assessment year"~~ → "agricultural income year" – consistent with the terminology change in section 3.	Amendment modifies existing wording only – no standalone new text inserted.
8	Section 7(f) <i>Depreciation allowance – ownership wording</i>	Section 7(f) [SAITA 2025]: "(f) in respect of depreciation of such buildings, machinery and plant being property of the taxpayer used for the purpose of earning agricultural income, allowance at the rate of fifteen percent of the written down value; and"	Wording clarified: ~~"being property"~~ → "in the ownership" of the taxpayer – no apparent substantive change.	Amendment modifies existing wording only – no standalone new text inserted.
9	Section 10 <i>Default surcharge – new Explanation (penalty excluded from tax due)</i>	Section 10 [SAITA 2025]: "Where any taxpayer does not pay the tax due by the date as prescribed, he shall, in addition to the agricultural income tax due and any penalty, pay default surcharge at the rate of twelve percent or KIBOR plus three percent per annum, whichever is higher, of the amount of tax involved for the period of default." No Explanation existed on what 'tax due' includes/excludes.	New Explanation added: "For the purpose of this section, the tax due does not include the amount of penalty." – default surcharge is computed on tax alone, excluding any penalty component.	Explanation to Section 10 [added at end]: "Explanation. – For the purpose of this section, the tax due does not include the amount of penalty."

#	Provision /Section	Existing Position	Proposed Position / New Insertion (Finance Bill 2026)	Statutory Text (As Inserted / Substituted by Finance Bill 2026)
10	Section 11 <i>Penalty for failure to furnish return – floor reduced & first-default concession</i>	Section 11 [SAITA 2025]: "Where any person, without reasonable cause, fails to furnish the return in the prescribed manner and within the prescribed time, the AITO may impose upon such person penalty equal to 0.1% of the tax payable in respect of that agricultural income year for each day of default or rupees one thousand for each day of default, whichever is higher: Provided that the amount of penalty shall not exceed – (i) ten thousand rupees, in case where the agricultural income does not exceed twelve hundred thousand rupees; (ii) fifty thousand rupees, in case where the agricultural income exceeds twelve hundred thousand rupees but does not exceed forty million rupees; and (iii) one hundred thousand rupees, where the agricultural income exceeds forty million rupees."	Floor amount reduced: ~~"rupees one thousand"~~ → "rupees one hundred" per day of default. First-default concession added: After "Provided that", the words ", for the first default by an owner since his registration under this Act and the rules made thereunder," are inserted.	Section 11 [as amended – changed/added text]: "...rupees one hundred for each day of default, whichever is higher: Provided that, for the first default by an owner since his registration under this Act and the rules made thereunder, the amount of penalty shall not exceed – (i) ten thousand rupees... (ii) fifty thousand rupees... (iii) one hundred thousand rupees..."
11	Section 15 <i>Exemption – Gazette notification required; basis changed</i>	Section 15 [SAITA 2025]: "Government may exempt any land or class of owner from payment of the whole or any part of the amount of agricultural income tax in a manner and to the extent as may be prescribed."	Formal notification required: ~~"may"~~ → "may, by notification in the Official Gazette," Basis changed: ~~"in a manner and to the extent as prescribed"~~ → "subject to the conditions and restrictions as may be specified therein"	Section 15 [as amended]: "Government may, by notification in the Official Gazette, exempt any land or class of owner from payment of the whole or any part of the amount of agricultural income tax, subject to the conditions and restrictions as may be specified therein."
12	Section 16 <i>Maintenance of record – obligation shifted from AITO to owner</i>	Section 16 [SAITA 2025]: "Maintenance of account. Accounts regarding demand and recovery of tax shall be maintained by the AITO in such manner as may be prescribed."	Section 16 substituted in full: New heading – 'Maintenance of record'. Record-keeping obligation shifted from the AITO (tax authority) to the owner (taxpayer).	Section 16 [substituted]: "16. Maintenance of record. An owner shall maintain record and books of accounts as may be prescribed."

#	Provision /Section	Existing Position	Proposed Position / New Insertion (Finance Bill 2026)	Statutory Text (As Inserted / Substituted by Finance Bill 2026)
13	Section 19 <i>Application of SST Act provisions – opening clause & scope of clauses (b) and (c)</i>	Section 19 [SAITA 2025]: "Notwithstanding anything contained in this Act or any other law for the time being in force, the provisions of the Sindh Sales Tax on Services Act, 2011 (Sindh Act No. XII of 2011) and rules, notifications, orders and instructions issued thereunder, shall mutatis mutandis apply for collection and payment of agricultural income tax under this Act in so far as they relate to – (a) registration; (b) assessment, audit, adjudication, enforcement and recovery; (c) appeals and prosecution; (d) exemption of penalty and default surcharge; and (e) other allied and ancillary matters."	Non-obstante replaced: ~~"Notwithstanding anything contained in this Act or any other law for the time being in force"~~ → "Subject to the provisions of this Act and the rules made thereunder" – SST Act provisions now expressly subordinate to SAITA. Clause (b): ~~"and recovery;"~~ → "recovery and prosecution;" – prosecution added to (b). Clause (c): ~~"appeals and prosecution"~~ → "revision, appeals and reference applications" – prosecution moved to (b); revision and reference applications added.	Section 19 [as amended]: "Subject to the provisions of this Act and the rules made thereunder, the provisions of the Sindh Sales Tax on Services Act, 2011...shall mutatis mutandis apply...in so far as they relate to – (a) registration; (b) assessment, audit, adjudication, enforcement, recovery and prosecution; (c) revision, appeals and reference applications; (d) exemption of penalty and default surcharge; and (e) other allied and ancillary matters."
14	Section 20, proviso <i>Record-sharing obligation – Board of Revenue, Sindh</i>	Proviso to Section 20 [SAITA 2025]: "Provided that the Board shall provide all relevant records, including past assessments, survey reports, land revenue records and other relevant data necessary for the assessment and collection of agricultural income tax."	~~"Board"~~ → "Board of Revenue, Sindh and its officers" – obligation to furnish land/assessment records redirected to the body that actually holds them.	Amendment modifies existing wording only – no standalone new text inserted.
15	Section 22 <i>Delegation – new power to Chairman or Member</i>	Section 22 [SAITA 2025]: "Delegation of functions and powers by the Board. The Board may, subject to such conditions as it deems necessary, delegate any of its functions and powers to any Department of Government or agency for the purposes of this Act."	Existing text renumbered as sub-section (1). No change to wording. New sub-section (2) added: Board may delegate its functions and powers to its Chairman or a Member (separate and additional to the sub-section (1) delegation to government departments/agencies).	New Section 22(2) [added]: "(2) The Board may, subject to such conditions and limitations as it may deem appropriate, delegate any of its functions and powers as assigned to it under this Act to its Chairman or a Member."

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16	Section 23(2) <i>Repeal and saving – scope of pending proceedings</i>	Section 23(2) [SAITA 2025]: "Any proceeding under the repealed Ordinance pending, prior to the date this Act come into force, before any authority, the Appellate Tribunal or any Court by way of appeal, reference, revision or prosecution shall be continued and disposed of as if this Act had not come into force."	After 'proceeding': " taken or required to be taken " inserted – broadening scope beyond already-pending proceedings. ~~"pending,"~~ omitted (consistent with broader scope). ~~"before any authority, the Appellate Tribunal or any"~~ → " by any authority or officer, including the Appellate Authority or Tribunal or " ~~"continued"~~ → " continued, decided "	Section 23(2) [as amended]: "Any proceeding taken or required to be taken under the repealed Ordinance prior to the date this Act comes into force by any authority or officer, including the Appellate Authority or Tribunal or Court by way of appeal, reference, revision or prosecution shall be continued, decided and disposed of as if this Act had not come into force."																																													
17	Second Schedule (see section 5) <i>Super tax on agricultural income – rate structure substituted</i>	Existing Second Schedule [SAITA 2025] – 8-slab progressive structure: <table><tr><th>#</th><th>Agricultural income (for super tax purposes)</th><th>Rate of super tax</th></tr><tr><td>1</td><td>Does not exceed Rs. 150 million</td><td>0% of the income</td></tr><tr><td>2</td><td>Exceeds Rs. 150m but not Rs. 200 million</td><td>1% of the income</td></tr><tr><td>3</td><td>Exceeds Rs. 200m but not Rs. 250 million</td><td>2% of the income</td></tr><tr><td>4</td><td>Exceeds Rs. 250m but not Rs. 300 million</td><td>3% of the income</td></tr><tr><td>5</td><td>Exceeds Rs. 300m but not Rs. 350 million</td><td>4% of the income</td></tr><tr><td>6</td><td>Exceeds Rs. 350m but not Rs. 400 million</td><td>6% of the income</td></tr><tr><td>7</td><td>Exceeds Rs. 400m but not Rs. 500 million</td><td>8% of the income</td></tr><tr><td>8</td><td>Exceeds Rs. 500 million</td><td>10% of the income</td></tr></table>	#	Agricultural income (for super tax purposes)	Rate of super tax	1	Does not exceed Rs. 150 million	0% of the income	2	Exceeds Rs. 150m but not Rs. 200 million	1% of the income	3	Exceeds Rs. 200m but not Rs. 250 million	2% of the income	4	Exceeds Rs. 250m but not Rs. 300 million	3% of the income	5	Exceeds Rs. 300m but not Rs. 350 million	4% of the income	6	Exceeds Rs. 350m but not Rs. 400 million	6% of the income	7	Exceeds Rs. 400m but not Rs. 500 million	8% of the income	8	Exceeds Rs. 500 million	10% of the income	Second Schedule substituted in full – simplified to 2 slabs: <table><tr><th>#</th><th>Agricultural income (for super tax purposes)</th><th>Rate of super tax</th></tr><tr><td>1</td><td>Does not exceed Rs. 500 million</td><td>0% of the income</td></tr><tr><td>2</td><td>Exceeds Rs. 500 million</td><td>8% of the income</td></tr></table> Net effect: <i>Progressive bands between Rs. 150m–Rs. 500m eliminated (that range now pays 0%). Top rate reduced from 10% → 8%.</i>	#	Agricultural income (for super tax purposes)	Rate of super tax	1	Does not exceed Rs. 500 million	0% of the income	2	Exceeds Rs. 500 million	8% of the income	Second Schedule [substituted in full]: <table><tr><th>#</th><th>Agricultural income for purposes of levy of super tax</th><th>Rate of super tax</th></tr><tr><td>1</td><td>Where agricultural income does not exceed Rs. 500 million</td><td>0% of the income</td></tr><tr><td>2</td><td>Where agricultural income exceeds Rs. 500 million</td><td>8% of the income</td></tr></table>	#	Agricultural income for purposes of levy of super tax	Rate of super tax	1	Where agricultural income does not exceed Rs. 500 million	0% of the income	2	Where agricultural income exceeds Rs. 500 million	8% of the income
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