



THE GOVERNMENT TRADING TAXATION ACT, 1926



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THE GOVERNMENT TRADING TAXATION ACT, 1926

¹ACT NO. III OF 1926.

[24th February, 1926]

An Act to determine the liability of certain Governments to taxation in ²[Pakistan] in respect of trading operations.

WHEARES it is expedient to determine the liability to taxation for the time being in force in ²[Pakistan] of ³* * *, ⁴[the Government of a Province of Pakistan ³* * *] in respect of any trade or business carried on by or on behalf of such Government;

It is hereby enacted as follow:-

¹ For Statement of Objects and Reasons, see Gazette of India, 1925, Pt. V, page 227.

It has been extended to Khairpur State, see the Khairpur (Federal Laws) (Second Extension) Order, 1953 (G.G.O. 14 of 1953).

Extended also to the Baluchistan States Union with effect from the 1st April, 1953, see the Baluchistan States Union (Federal Laws) (Second Extension) Order, 1953 (G.G.O. 18 of 1953.)

The Act has been and shall be deemed to has been brought into force in Gwadur with effect from the 8th September, 1958, by the Gwadur (Application of Central Laws) Ordinance, 1960 (37 of 1960).

It has been extended to the whole of Pakistan by the Central Laws (Statute Reform) Ordinance, 1960 (21 of 1960), s. 3 and 2nd Sch. (with effect from the 14th October, 1955).

² Subs. by Ordinance 21 of 1960, s. 3 and 2nd Sch. (with effect from the 14th of October, 1955), for "the Provinces and the Capital of the Federation", which had been subs. by A.O., 1949, for British India.

³ Certain words omitted by the Federal Laws (Revision and Declaration) Ordinance, 1981 (27 of 1981), s. 3 and Sch., II.

⁴ The original words "exclusive of British India" have successively been amended by A.O., 1949, the Finance Act, 1956 (1 of 1956) and A. O., 1964, Art. 2 and Sch., to read as above.

1. Short title and commencement.—(1) This Act may be called the Government Trading Taxation Act, 1926.

(2) It shall come into force on such date¹ as the ²[Federal Government] may, by notification in the ³[official Gazette] appoint.

⁴**2. Liability of Provincial Governments to taxation in respect of trading operations.** Where a trade or business of any kind is carried on by or on behalf of the Government of a Province outside that Province, that Government shall, in respect of the trade or business and all operations connected therewith and all income arising in connection therewith and all property occupied for the purposes thereof, be liable to taxation under the Income Tax Ordinance, 1979 (XXX of 1979), in the same manner and to the same extent as in the like case a company would be liable.]

¹ The 1st April, 1926 ; see *Gazette of India, Ext., 1926, p. 60.*

² Subs. by F.A.O., 1975, Art. 2 and Table, for "Central Government" which was previously amended by A. O., 1937 for "G. G. in C.".

³ Subs. by A. O., 1937 for "Gazette of India".

⁴ Subs. by Ord. 27 of 1981, s. 3 and Sch., II for section 2, which was previously amended by various enactments.

