

Government of Pakistan
Revenue Division
Federal Board of Revenue

C. No. 1/2-STB/2019

Islamabad, the 15th July, 2019

SALES TAX CIRCULAR

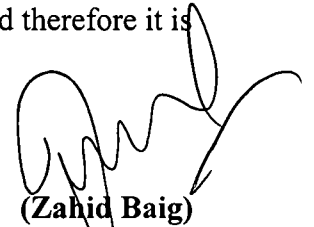
SUBJECT: CLARIFICATION REGARDING SALES TAX EXEMPTION ON WHEAT FLOUR

In the wake of changes introduced in the Sales Tax Act, 1990, through the Finance Act, 2019, it is being generally reported that the sales tax has been imposed on wheat flour.

02. For general information and in order to do away with the confusion on the issue, it clarified that no sales tax has been imposed on wheat flour in any form i.e. *aata, maida or suji*.

03. It is further elaborated that serial number 19 of the Table-1 of Sixth Schedule to the Sales Tax Act, 1990, has been amended through the Finance Act, 2019, to withdraw exemption on those products of milling industry, other than wheat and meslin flours, which are sold in retail packing bearing brand name or a trademark. This amendment does not affect the exemption already available to wheat flour and it remains exempted from sales tax under this serial, even if it is packed or sold under a brand name.

04. Further, through the Finance Act, 2019, a new serial number 59 was added to the Table-1 of Eighth Schedule to the Act, whereby the sales tax at reduced rate of 10% has been imposed on the products of milling industry except wheat and meslin flour if sold in retail packing under a brand name or trademark. This serial number also excludes wheat flour and therefore it is not applicable to wheat flour.



(Zahid Baig)
Second Secretary (ST&FE-L&P)

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