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| **Constitutional Provision - Constitution 1973 http://www.finance.gov.pk/images/gap_news.gif** |
| **Article-160**(1)Within six months of the commencing day and thereafter at intervals not exceeding five years, the President shall constitute a National Finance commission consisting of the Minister of Finance of the Federal Government, the Ministers of Finance of the Provincial Governments, and such other persons as may be appointed by the President after consultation with the Governors of the Provinces.  (2)     It shall be the duty of the National Finance Commission to make recommendations to the President as to:-  a)       the distribution between the Federation and the Provinces of the net proceeds of the taxes mentioned in Clause (3);  b)      the making of grants-in-aid by the Federal Government to the Provincial Governments;  c)       the exercise by the Federal Government and the Provincial Governments of the borrowing powers conferred by the Constitution; and  d)      any other matter relating to finance referred to the Commission by the President.  (3)     The taxes referred to in paragraph (a) of Clause (2) are the following taxes raised under the authority of [(Majlis-i-Shoora) (Parliament)], namely:-  i)       taxes on income, including corporation tax, but not including taxes on income consisting of remuneration paid out of the Federal Consolidated Fund;  ii)      taxes on the sales and purchases of goods imported, exported, produced, manufactured or consumed;  iii)     export duties on cotton, and such other export duties as may be specified by the President;  iv)     such duties of excise as may be specified by the President; and  v)     such  other taxes as may be specified by the President.  (3A)   The share of the Provinces in each Award of National Finance Commission shall not be less than the share given to the Provinces in the previous Award.  (3B)   The Federal Finance Minister and Provincial Finance Ministers shall monitor the implementation of the Award biannually and lay their reports before both Houses of Majlis-e-Shoora (Parliament) and the Provincial Assemblies”.  (4)     As soon as may be after receiving the recommendations of the National Finance Commission, the President shall, by Order, specify, in accordance with the recommendations of the Commission under paragraph (a) of Clause (2), the share of the net proceeds of the taxes mentioned in Clause (3) which is to be allocated to each Province, and that share shall be paid to the Government of the Province concerned, and, notwithstanding the provision of Article 78 shall not form part of the Federal Consolidated Fund.  (5)     The recommendations of the National Finance Commission, together with an explanatory memorandum as to the action taken thereon, shall be laid before both Houses and the Provincial Assemblies.  (6)     At any time before an Order under Clause (4) is made, the President may, by order, make such amendments or modification in the law relating to the distribution of revenues between the Federal Government and the Provincial Governments as he may deem necessary or expedient.    (7)     The President may, by order, make grants-in-aid of the revenues of the Provinces in need of assistance and such grants shall be charged upon the Federal Consolidated Fund. |