

**Suspension of ST registration: order is not a question of law but of facts, rules
LHC**

Lahore High Court (LHC) has ruled that order for suspension of sales tax registration under the Sales Tax Act, 1990 is not a question of law but of facts. Sales tax appeals filed by Federal Board of Revenue have been dismissed by the LHC. It is reliably learnt that the LHC has recently dismissed three sales tax references filed by the Commissioner Inland Revenue, RTO, Faisalabad against order passed by Appellate Tribunal Inland Revenue, Lahore. On behalf of Faisalabad based respondent-taxpayer Advocate Waheed Shahzad Butt appeared before the LHC and argued the case.

Sources told this correspondent that the FBR through Commissioner Inland Revenue, RTO, Faisalabad, has filed sales tax appeals raising the questions, Whether on the facts and circumstances of the case, the learned Appellate Tribunal was justified to annul the order passed under section 21(2) of the Sales Tax Act, 1990, Whether on the facts and circumstances of the case, respondent was justified to contest the issue of jurisdiction after filing of return of sales tax with the Commissioner Inland Revenue having jurisdiction over the declared premises.

The LHC order states, "In this reference application order passed by the Appellate Tribunal Inland Revenue, Lahore has been assailed, whereby suspension of registration was declared without lawful authority under the given facts. The learned counsel for the applicant department is confronted to show that proposed questions are of law and are arising out of Appellate Tribunal's order.

He submits that findings of Appellate Tribunal regarding jurisdiction of Taxation officer, on the basis of business address, is against the facts on record. Suffice it to observe that question of jurisdiction based on the business address is question of fact. The questions as proposed are neither of law, nor could we find any proposition of law arising from the impugned order.

It may be observed that suspension took place in the year 2012 and current status of respondent-taxpayer as registered person is not denied. Waheed Shahzad Butt, Advocate for respondent-taxpayer has apprised that respondent-taxpayer is continuing business as registered person. Since no question of law is rising, therefore, we decline to answer the proposed questions. The instant reference application is decided against the applicant department: LHC ordered.

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