



🏠 > Pakistan

## Sindh Revenue Board clarifies service tax on card payments at restaurants remains at 8%

Earlier reports suggested the Sindh government had reinstated a 15% service tax on card payments

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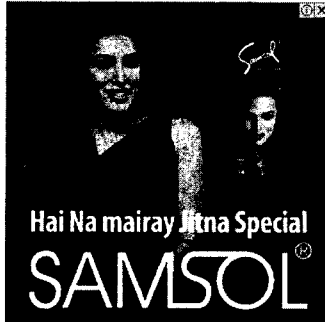


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**The Sindh Revenue Board has refuted reports claiming a 15% service sales tax on debit and credit card payments for restaurant bills.**

A spokesperson from the Sindh Revenue Board confirmed that the service sales tax for payments made via debit and credit cards at hotels and restaurants remains at 8%.



Under the Sindh Finance Act, a 15% service sales tax is levied on cash payments for restaurant bills. However, if the payment is made using a debit or credit card, the service tax is reduced to 8%.

Earlier reports suggested the Sindh government had reinstated a 15% service tax on card payments at restaurants and hotels, reversing an earlier reduction to 8%. This misinformation has now been clarified by the board.

The Sindh Revenue Board also stated that 58 establishments in Karachi are authorised to apply the 8% tax rate. This adjustment aims to encourage digital transactions and ensure compliance within the hospitality sector.

The service tax on card payments remains a critical revenue source, reflecting the government's commitment to balancing the provincial budget and addressing revenue shortfalls.

The actual impact of this tax policy on restaurant sales and revenue will be monitored in the coming months. Further evaluations of tax compliance and revenue outcomes are planned by the Sindh Revenue Board.

