



**Consultants & Advisors
(Tax, Corporate & Finance)**

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(Effective from July 01, 2023)**

INCOME TAX ORDINANCE, 2001

INCOME TAX RATES FOR TAX YEAR 2024
(July 01, 2023 to June 30, 2024)

CHARGE OF TAX

CHAPTER II OF INCOME TAX ORDINANCE,
2001

RATE OF SUPER TAX

(Under Section 4B Read With Division IIA of Part I of First Schedule)

Type of Company	Tax Rate
Banking Company	4% of income
Person, other than banking company having income equal to or exceeding Rs.500 million	0% of income

SUPER TAX ON HIGH EARNING PERSONS

(Under Section 4C Read With Division IIB of Part I of First Schedule)

S. No.	Income under section 4C	Rate of Tax	
		For tax year 2022	For tax year 2023 and onwards
(1)	(2)	(3)	(4)
1.	Where income does not exceeds Rs.150 million	0%	0%
2.	Where income does not exceeds Rs.150 million but does not exceed Rs. 200 million	1% of the Income	1% of the Income
3.	Where income does not exceeds Rs.200 million but does not exceed Rs. 250 million	2% of the Income	2% of the Income
4.	Where income does not exceeds Rs.250 million but does not exceed Rs. 300 million	3% of the Income	3% of the Income
5.	Where income does not exceeds Rs.300 million but does not exceed Rs. 350 million	4% of the Income	4% of the Income
6.	Where income does not exceeds Rs.350 million but does not exceed Rs. 400 million		6% of the Income
7.	Where income does not exceeds Rs.400 million but does not exceed Rs. 500 million		8% of the Income
8.	Where income exceeds Rs. 500 million		10% of the Income

Income Under Section 4C	Tax Rate
<u>SUPER TAX ON SPECIFIED SECTORS - SLAB NO. 5 FOR TAX YEAR 2022</u>	
Persons engaged in business of airlines, automobiles, beverages, cement, chemicals, cigarette and tobacco, fertilizer, iron and steel, LNG terminal, oil marketing, oil refining, petroleum and gas exploration and production, pharmaceuticals, sugar and textiles	10% of Income where income U/S 4C exceeds Rs.300 million
<u>FOR TAX YEAR, 2023</u>	
Banking Company (Where Income U/S 4C exceeds Rs.300 million)	10% of Income

The Provisions of section 147 shall apply on tax payable under this section.

TAX ON DIVIDENDS

(Under Section 5 Read With Division III of Part I of First Schedule)

Nature of Payment	Tax Rate
a. Dividend paid by Independent Power Producer where dividend is a pass through item under an Implementation of Power Purchase Agreement of Energy Purchase Agreement and is required to be reimbursed by Central Power Purchasing Agency (CPPA-G) of its predecessor or successor entity.	7.5%
b. Mutual Funds, Real Estate Investment Trusts and cases other than those mentioned in clauses (a) (c) and (d)	15%
c. Dividend received from Special Purpose Vehicle:- Received by a REIT Scheme Received by Others	0% 35%
d. Dividend from a company where no tax is payable by such company, due to exemption of income or carry forward of business losses under Part VIII of Chapter III or claim of tax credits under Part X of Chapter III	25%

TAX ON CERTAIN PAYMENTS TO NON-RESIDENTS
(UNDER SECTION 6 READ WITH DIVISION IV OF PART I OF THE FIRST SCHEDULE)

Nature of Payment	Tax Rate
Gross amount of the royalty, or fee for technical services	15%
Any other case	10%

**TAX ON SHIPPING AND AIR TRANSPORT INCOME OF A
NON-RESIDENT PERSON**
**(UNDER SECTION 7 READ WITH DIVISION V OF PART I OF THE FIRST
SCHEDULE)**

Nature of Payment	Tax Rate
Gross amount received or receivable on account of shipping income	8%
Gross amount received or receivable on account of air transport income	3%

TAX ON SHIPPING OF A RESIDENT PERSON

(UNDER SECTION 7A)

Nature of Payment	Tax Rate
Ships and all floating crafts including tugs, dredgers, survey vessels and other specialized craft purchased or bare-boat chartered and flying Pakistan flag	Tax amount equivalent to one US \$ per gross registered tonnage per annum
ships, vessels and all floating crafts including tugs, dredgers, survey vessels and other specialized craft not registered in Pakistan and hired under any charter other than bare-boat charter	Tax amount equivalent to fifteen US cents per ton of gross registered tonnage per chartered voyage provided that such tax shall not exceed one US \$ per ton of gross registered tonnage per annum
A Pakistan resident ship owning company registered with the Securities and Exchange Commission of Pakistan after the 15 th day of November, 2019 and having its own sea worthy vessel registered under Pakistan Flag	Tax amount equivalent to seventy five US cents per ton of gross registered tonnage per annum

TAX ON PROFIT ON DEBT

(UNDER SECTION 7B READ WITH DIVISION IIIA OF PART I OF THE FIRST SCHEDULE)

Amount of Profit	Tax Rate
Profit on debt not exceeding Rs.5,000,000	15%
Profit on debt exceeding Rs.5,000,000/- shall be chargeable to tax under Normal Tax Regime, as per slab rates of salary/business income, whichever is applicable.	

TAX ON BUILDERS

(Under Section 7C Read with Division VIIIA of Part I of First Schedule)

PROJECTS UNDERTAKEN FOR DEVELOPMENT AND SALE OF RESIDENTIAL, COMMERCIAL OR OTHER PLOTS INITIATED AND APPROVED DURING TAX YEAR, 2017 ONLY.

Area (Sq. Ft.)	(A) Karachi, Lahore and Islamabad	(B) Hyderabad, Sukkur, Multan, Faisalabad, Rawalpindi, Gujranwala, Sahiwal, Peshawar, Mardan, Abbottabad, Quetta	(C) Urban Areas not specified in (A) and (B)
<u>For commercial buildings</u>			
-	Rs. 210/- per Sq. Ft.	Rs. 210/- per Sq. Ft.	Rs. 210/- per Sq. Ft.
<u>For residential buildings</u>			
Up to 750	Rs.20/- per Sq. Ft.	Rs.15/- per Sq. Ft.	Rs.10/- per Sq. Ft.
751 to 1500	Rs.40/- per Sq. Ft.	Rs.35/- per Sq. Ft.	Rs.25/- per Sq. Ft.
1501 & more	Rs.70/- per Sq. Ft.	Rs.55/- per Sq. Ft.	Rs.35/- per Sq. Ft.

TAX ON DEVELOPERS

(Under Section 7D Read with Division VIII B of Part I of First Schedule)

PROJECTS UNDERTAKEN FOR DEVELOPMENT AND SALE OF RESIDENTIAL, COMMERCIAL OR OTHER PLOTS INITIATED AND APPROVED DURING TAX YEAR, 2017 ONLY.

Area (Sq. Yd.)	(A) Karachi, Lahore and Islamabad	(B) Hyderabad, Sukkur, Multan, Faisalabad, Rawalpindi, Gujranwala, Sahiwal, Peshawar, Mardan, Abbottabad, Quetta	(C) Urban Areas not specified in (A) and (B)
<u>For commercial buildings</u>			
-	Rs. 210/- per Sq. Yd.	Rs. 210/- per Sq. Yd.	Rs. 210/- per Sq. Yd.
<u>For residential buildings</u>			
Up to 120	Rs.20/- per Sq. Yd.	Rs.15/- per Sq. Yd.	Rs.10/- per Sq. Yd.
121 to 200	Rs.40/- per Sq. Yd.	Rs.35/- per Sq. Yd.	Rs.25/- per Sq. Yd.
201 & more	Rs.70/- per Sq. Yd/	Rs.55/- per Sq. Yd.	Rs.35/- per Sq. Yd.

**TAX ON BUILDERS AND DEVELOPERS WHO OPT FOR TAXATION UNDER SECTION
COMPUTATION OF TAX UNDER RULE 10 OF ELEVENTH SCHEDULE**

TAX ON BUILDERS

Area in (1)	Karachi, Lahore and Islamabad (2)	(B) Hyderabad, Sukkur, Multan, Faisalabad, Rawalpindi, Gujranwala, Sahiwal, Peshawar, Mardan, Abbottabad, Quetta	Urban Areas not specified in columns (2) and (3)
<u>For commercial buildings</u>			
Any size	Rs. 250/- per Sq. ft.	Rs. 230/- per Sq. ft.	Rs. 210/- per Sq. ft.
<u>For residential buildings</u>			
Up to 3000 Sq. ft.	Rs.80/- per Sq. ft.	Rs.65/- per Sq. ft.	Rs.50/- per Sq. ft.
3000 Sq. ft. and above	Rs.125/- per Sq. ft.	Rs.110/- per Sq. ft.	Rs.100/- per Sq. ft.

In case of mixed use buildings having both commercial and residential areas, respective rates mentioned above shall apply.

**TAX ON BUILDERS AND DEVELOPERS WHO OPT FOR TAXATION UNDER SECTION
COMPUTATION OF TAX UNDER RULE 10 OF ELEVENTH SCHEDULE**

TAX ON DEVELOPERS

Area in (1)	Karachi, Lahore and Islamabad (2)	(B) Hyderabad, Sukkur, Multan, Faisalabad, Rawalpindi, Gujranwala, Sahiwal, Peshawar, Mardan, Abbottabad, Quetta	Urban Areas not specified in columns (2) and (3)
<u>Entire Project</u>			
Any size	Rs.150/- per Sq.Yd.	Rs.130/- per Sq.Yd.	Rs.100/- per Sq.Yd.
<u>For development of industrial area</u>			
Any size	Rs.20/- per Sq. Yd.	Rs.20/- per Sq. Yd.	Rs.10/- per Sq. Yd.

In case of development of plots and constructing buildings on the same plots as one project, both rates shall apply.

TAX ON DEEMED INCOME

(Under Section 7E Read With Division VIIC of Part I of First Schedule)

Deemed Income	Tax Rate
Five percent (5%) of fair market value of Capital Asset	20% of Deemed Income

TAX ON TAXABLE INCOME

CHAPTER III OF INCOME TAX ORDINANCE,
2001

SALARY

(Under Section 12 Read with sub-clause (2) of DIVISION I of PART I of FIRST SCHEDULE)

Sr. No.	Total Income	Tax Rate
1.	Up to Rs. 600,000	Rs.0
2.	Rs.600,001 to Rs.1,200,000	2.5% of amount exceeding Rs.600,000
3.	Rs.1,200,001 to Rs.2,400,000	Rs.15,000 plus 12.5% of amount exceeding Rs.1,200,000
4.	Rs.2,400,001 to Rs.3,600,000	Rs.165,000 plus 22.5% of amount exceeding Rs.2,400,000
5.	Rs.3,600,001 to Rs.6,000,000	Rs.435,000 plus 27.5% of the amount exceeding Rs.3,600,000
6.	Rs.6,000,001 and above	Rs.1,095,000 plus 35% of the amount exceeding Rs.6,000,000

The above rates shall be applicable in case income chargeable under the head “salary” exceeds seventy-five per cent of total taxable income.

DIRECTORSHIP FEE AND BOARD MEETING

(Under Section 149(3) of the Ordinance

Nature of Perquisites	Rate of Tax
Directorship Fee and Board Meeting	20% of gross amount paid

TERMINATION BENEFITS

(Under Section 12(2)(e)(iii) of the Ordinance

Nature of Perquisites	Rate of Tax
Golden Handshake	3 years average rate of tax

INCOME FROM BUSINESS

(Under Section 18 Read with sub-clause (1) Division I of Part I of First Schedule)

BUSINESS INDIVIDUALS AND ASSOCIATION OF PERSONS (AOPS)

Total Income	Tax Rate
Up to Rs.600,000	0%
Rs.600,001 to Rs.800,000	7.5% of amount exceeding Rs.600,000
Rs.800,001 to Rs.1,200,000	Rs.15,000 plus 15% of amount exceeding Rs.800,000
Rs.1,200,001 to Rs. 2,400,000	Rs.75,000 plus 20% of amount exceeding Rs.1,200,000
Rs.2,400,001 to Rs. 3,000,000	Rs.315,000 plus 25% of amount exceeding Rs.2,400,000
Rs.3,000,001 to Rs. 4,000,000	Rs.465,000 plus 30% of amount exceeding Rs.3,000,000
Rs.4,000,001 and above	Rs.765,000 plus 35% of amount exceeding Rs.4,000,000

RATE OF TAX FOR COMPANIES

(Under Section 18 Read with Division II of Part I of First Schedule)

Type of Company	Tax Rate
Small Company	20%
Banking Company	39%
Any other company	29%

CAPITAL GAIN

Capital Gain on acquisition of Capital Assets in terms of Shares (Under Section 37(5) to (10))

Description	Tax Rate
Every person acquiring capital assets being shares of company including those disposal of which are not made through registered Stock Exchange and are not settled through NCCPL.	10% of Fair Market Value of Shares

Responsible Person: Every person acquiring capital asset being shares of company.

Note: The tax deducted shall be adjustable.

CAPITAL GAIN

Capital Gain on disposal of Immovable Property (Under Section 37(1A) - DIVISION VIII of Part I of First Schedule

Sr. No.	Holding Period	Tax Rate for Open Plots	Tax Rate for Constructed Property	Tax Rate for Flats
1.	Where the holding period does not exceed one year	15%	15%	15%
2.	Where the holding period exceeds one year but does not exceed two years	12.5%	10%	7.5%
3.	Where the holding period exceeds two years but does not exceed three years	10%	7.5%	0
4.	Where the holding period exceeds three years but does not exceed four years	7.5%	5%	0
5.	Where the holding period exceeds four years but does not exceed five years	5%	0	0
6.	Where the holding period exceeds five years but does not exceed six years	2.5%	0	0
7.	Where the holding period exceeds six years	0%	0	0

CAPITAL GAIN

Capital Gain on disposal of Immovable Property (Under Section 37(1A) - DIVISION VIII of Part I of First Schedule

Exemption provided under Clause (9A) and (9B) of Part III to the Second Schedule:-

(9A) The amount of tax payable on income chargeable under the head, “Capital Gains” on disposal of immovable property shall be reduced by fifty percent on the first sale of immovable property acquired or allotted to ex-servicemen and serving acquired or allotted to ex-servicemen and serving personal of Armed Forces or ex-employees or serving personnel of Federal and Provincial Governments, being original allottees of the immovable property, duly certified by the allotment authority:

Provided that for capital gains arising after completion of three years from the date of acquisition of immovable property the amount of tax payable shall be reduced by seventy-five percent.

(9B) The tax payable on the income, profits and gains of projects of ‘low cost housing’, developed by Naya Pakistan Housing and Development Authority (NAPHDA) or under the Ehsaas Program shall be reduced by 90%.

Provided that exemption under this clause shall continue to remain available to such projects which commence on or before the 30th day of June, 2024.

CAPITAL GAIN

Capital Gain on Sale of Securities

(Under Section 37A Read with DIVISION VII of Part I of First Schedule)

S. No.	Holding Period	Tax Year 2023 and onwards	
		Securities acquired till 30-Jun-22	Securities acquired on or after 1-Jul-22
(1)	(2)	(3)	
1.	Where the holding period does not exceed one year	12.5%	15%
2.	Where the holding period exceeds one year but does not exceed two Years	12.5%	12.5%
3.	Where the holding period exceeds two years but does not exceed three Years	12.5%	10%
4.	Where the holding period exceeds three years but does not exceed four Years	12.5%	7.5%
5.	Where the holding period exceeds four years but does not exceed five Years	12.5%	5%
6.	Where the holding period exceeds five years but does not exceed six years	12.5%	2.5%
7.	Where the holding period exceeds six years	12.5%	0%
8.	Future commodity contracts entered into by members of Pakistan Mercantile Exchange	5%	5%

Provided that for securities except at S. No.8 of the table –

(i) the reduced rates of tax on capital gain arising on disposal shall apply where the securities are acquired on or after the first day of July, 2022; and

Continued

CAPITAL GAIN

Capital Gain on Sale of Securities

(Under Section 37A Read with DIVISION VII of Part I of First Schedule)

“(ii) the rate of 12.5% tax shall be charged on capital gain arising on disposal where the securities are acquired on or after the first day of July, 2013 but on or before the 30th day of June, 2022; and

(iii) the rate of 0% tax shall be charged on capital gain arising on disposal where the securities are acquired before the first day of July, 2013:”

Provided further that this section shall not apply to the disposal of shares of a listed company made otherwise than through registered stock exchange and which are not settled through NCCPL; Through initial public offer during listing process except where the detail of such disposal is furnished to NCCPL for computation of capital gains and tax thereon under this section and the provisions of section 37 shall apply on such disposal of shares of a listed company, or disposal of shares through initial public offer accordingly;”

CAPITAL GAIN

Capital Gain on Sale of Securities

(Under Section 37A Read with DIVISION VII of Part I of First Schedule)

Provided further that the rate for companies in respect of debt securities shall be as specified in Division II of Part I of the First Schedule:

Provided further that a mutual fund or a collective investment scheme or a REIT scheme shall deduct Capital Gains Tax at the rates as specified below, on redemption of securities as prescribed namely

Category	Rate
Individual and association of persons	10% for stock funds (if dividend receipts are less than capital Gains) 12.5% for stock funds (if dividend receipts are more than capital Gains) 10% for other funds
Company	10% for stock funds 10% for stock funds (if dividend receipts are less than capital Gains) 12.5% for stock funds (if dividend receipts are more than capital Gains) 25% for other funds

Provided further that no capital gains tax shall be deducted, if the holding period of the security is more than six years in case of a mutual fund or collective investment scheme or a REIT scheme.

TAX ON SMALL AND MEDIUM ENTERPRISES

(Under Section 100E read with Rule 3 of Fourteenth Schedule)

Sr. No.	Category	Turnover	Rates
1.	Category-1	Where annual business turnover does not exceed Rupees 100 million	7.5% of taxable income
2.	Category-2	Where annual business turnover exceeds 100 million but does not exceed Rupees 250 million	15% of taxable income

OPTION FOR FINAL TAX REGIME AND EXPORTS

(Under Section 100E read with Rule 4 of Fourteenth Schedule)

Sr. No.	Category	Turnover	Rates
1.	Category-1	Where annual business turnover does not exceed Rupees 100 million	0.25% of gross turnover
2.	Category-2	Where annual business turnover exceeds 100 million but does not exceed Rupees 250 million	0.5% of gross turnover

MINIMUM TAX ON THE INCOME OF CERTAIN PERSONS

(Under Section 113 Read With Division IX of Part I of First Schedule

Sr. No.	Person(s)	Tax Rate
1.	(a) Sui Southern Gas Company Limited and Sui Northern Gas Pipelines Limited (for the cases where annual turnover exceeds rupees one billion.) (b) Pakistan International Airlines Corporation; and (c) Poultry industry including poultry breeding, broiler production, egg production and poultry feed production	0.75%
2.	(a) Oil refineries (b) Motorcycle dealers registered under the Sales Tax Act, 1990 (c) Oil marketing companies	0.5%
3.	(a) Distributors of pharmaceutical products, fast-moving consumer goods and cigarettes; (b) Petroleum agents and distributors who are registered under the Sales Tax Act, 1990; (c) Rice mills and dealers; (d) Tier-1 retailers of fast-moving consumer goods who are integrated with Board or its computerized system for real time reporting of sales and receipts; (e) Person's turnover from supplies through e-commerce including from running an online marketplace as defined in clause (38B) of section 2. (f) Persons engaged in the sale and purchase of used vehicles (g) Flour Mills	0.25%
4.	In all other cases	1.25%

MINIMUM TAX ON THE INCOME OF CERTAIN PERSONS

(Under Section 113 Read With Part II of Second Schedule

Clause	Person(s)	Tax Rate
(28D)	<p>For Tax Year, 2020, in case of trader having turnover upto ONE HUNDRED MILLION rupees.</p> <p>Provided that tax liability of traders for tax year, 2019 and 2020 shall not be less than tax paid in tax year, 2018 in case trader has filed income tax return for tax year, 2018.</p> <p>“Trader” means an individual engaged in business of buying and selling of goods in the same state including a retailer and a wholesaler but SHALL NOT include a distributor.</p>	0.5%
(28E)	In case of trader of yarn being individual	0.5%

ALTERNATE CORPORATE TAX **(Under Section 113C of the Ordinance)**

Description	Tax Rate
A company is required to pay corporate tax on the accounting profit if the corporate tax is higher than the tax payable by a company under Division II of Part I of the First Schedule and minimum tax payable under any of the provisions of the Ordinance.	17%

PAYMENT FOR FOREIGN PRODUCED COMMERCIALS

(Under Section 152A of the Ordinance)

Nature of Payment	Tax Rate (In ATL)	Tax Rate (Not in ATL)
Payment to non-resident for foreign produced commercial	20%	40%

ADVANCE TAX, DEDUCTION OF TAX AT
SOURCE AND TRANSITIONAL ADVANCE TAX
PROVISIONS

PART V OF CHAPTER X AND CHAPTER XII OF
INCOME TAX ORDINANCE, 2001

SECTION 100D – SPECIAL PROVISIONS RELATING TO BUILDERS AND DEVELOPERS
(ADVANCE TAX: SEE RULE 5 OF ELEVENTH SCHEDULE)

Description	Tax Rate
Advance tax to be paid by builder or developer falling under this scheme	1/4 th of tax liability for the year as determined in accordance with sub-rule (1) of rule 2 in four equal installments

SECTION 148 - IMPORTS

(Deduction of Tax at Source: See Part II of First Schedule)

Sr. No. (1)	Persons (2)	Tax Rate (Irrespective of ATL) (3)
1.	Persons importing goods classified in Part I of the Twelfth Schedule	1% of import value as increased by customs-duty, sales tax and federal excise duty.
2.	Persons importing goods classified in Part II of the Twelfth Schedule	2% of import value as increased by customs-duty, sales tax and federal excise duty <i>and 3.5% of the import value as increased by customs duty, sales tax and federal excise duty in case of commercial importer</i>
3.	Persons importing goods classified in Part III of the Twelfth Schedule	5.5% of import value as increased by customs-duty, sales tax and federal excise duty and 6% of the import value as increased by customs duty sales tax and federal excise duty in case of a commercial importer;

Provided that rate specified in column (3):-

Clause	Persons	Tax Rate (Irrespective of ATL)
(a)	Manufacturers covered under the rescinded Notification No. S.R.O 1125(I)/2011 dated 31 st December, 2011 as it stood on 28 th June, 2019 on import of items covered under aforementioned S.R.O.	1% of import value as increased by customs-duty, sales tax and federal excise duty.
(b)	Persons importing finished pharmaceutical products that are not manufactured otherwise in Pakistan, as certified by the Drug Regulatory Authority of Pakistan	4% of import value as increased by customs-duty, sales tax and federal excise duty.
(c)	In case of importers of CKD Kits of electric vehicles for small cars or SUVs with 50 Kwh battery or below and LCVs with 150 kwh battery or below	1% of import value as increased by customs-duty, sales tax and federal excise duty.

SECTION 148 - IMPORTS

(Deduction of Tax at Source: See Part II of First Schedule)

Provided further that rate of tax on value of import of mobile phone by any person shall be as follows:-

S.No.	C & F Value of Mobile Pones (in US Dollars)	Tax in Rs.	
		In CBU Condition under PCT Heading 8517.1219	In CKD/SKD Condition under PCT Heading 8517.1211
1	Upto 30 except smart phones	Rs.70/-	NIL
2	Exceeding 30 and upto 100 and smart phones upto 100	Rs.100/-	NIL
3	Exceeding 100 and upto 200	Rs.930/-	NIL
4	Exceeding 200 and upto 350	Rs.970/-	NIL
5	Exceeding 350 and upto 500	Rs.5,000/-	Rs.3,000/-
6	Exceeding 500	Rs.11,500/-	Rs.5,200/-

Responsible Person: Custom Authorities, Tax to be withheld at percentage of import value increased by custom duty, sales tax and federal excise duty.

Tax Rates (Not in ATL) are in accordance with Tenth Schedule to the Ordinance.

SECTION 149 - SALARY

(Deduction of Tax at Source: See sub-clause 1 of Division I of Part I of First Schedule)

Sr. No.	Total Income	Tax Rate
1.	Up to Rs. 600,000	Rs.0
2.	Rs.600,001 to Rs.1,200,000	2.5% of amount exceeding Rs.600,000
3.	Rs.1,200,001 to Rs.2,400,000	Rs.15,000 plus 12.5% of amount exceeding Rs.1,200,000
4.	Rs.2,400,001 to Rs.3,600,000	Rs.165,000 plus 22.5% of amount exceeding Rs.2,400,000
5.	Rs.3,600,001 to Rs.6,000,000	Rs.435,000 plus 27.5% of the amount exceeding Rs.3,600,000
6.	Rs.6,000,001 and above	Rs.1,095,000 plus 35% of the amount exceeding Rs.6,000,000

The above rates shall be applicable in case income chargeable under the head “salary” exceeds seventy-five per cent of total taxable income.

Responsible Person: Every Employer

SECTION 150 - DIVIDEND

(Deduction of Tax at Source: See Division I of Part III of First Schedule)

Nature of Payment	Tax Rate (In ATL)	Tax Rate (Not in ATL)
(a) Dividend paid by Independent Power Purchasers where such dividend is a pass through item under an Implementation Agreement or Power Purchase Agreement or Energy Purchase Agreement and is required to be re-imbursed by Central Power Purchasing Agency (CPPA-G) or its predecessor or successor entity;	7.5%	15%
(b) In Mutual Funds, Real Estate Investment Trusts and cases other than those mentioned in clauses (a), (c) and (d).	15%	30%
(c) Dividend received from Special Purpose Vehicles:- Received by a REIT Scheme Received by Others	0% 35%	0% 70%
(d) in case of a person receiving dividend from a company where no tax is payable by such company, due to exemption of income or carry forward of business losses under Part VIII of Chapter III or claim of tax credits under Part X of Chapter III	25%	50%

Responsible Person: Every Person

Tax Rates (Not in ATL) are in accordance with Tenth Schedule to the Ordinance.

SECTION 150A – RETURN ON INVESTMENT IN SUKUK

(Deduction of Tax at Source: See Division IB of Part III of First Schedule)

Description	Tax Rate (In ATL)	Tax Rate (Not in ATL)
a) In case the Sukuk – holder is a company,	25%	50%
b) In case the Sukuk – holder is an individual or an association of person, if the return on investment is more than one million,	12.5%	25%
c) In case the Sukuk – holder is an individual and an association of person, if the return on investment is less than one million, and	10%	20%

Responsible Person: Special Purpose Vehicle, Company

Tax Rates (Not in ATL) are in accordance with Tenth Schedule to the Ordinance.

SECTION 151 - PROFIT ON DEBT

(Deduction of Tax at Source: See Division IA of Part III of First Schedule)

(Deduction of Tax at Source Under Section 151(1))

Nature of Payment	Tax Rate (In ATL)	Tax Rate (Not In ATL)
<i>Yield on National Deposit Certificates including Defence Saving Certificates</i>	15%	30%
<i>Profit on account or deposits maintained with company or institution</i>	15%	30%
<i>Government Securities</i>	15%	30%
<i>Profit on Bonds, Certificates, Debentures, Security or Instruments of any kind other than loan agreements.</i>	15%	30%

Responsible Person: Payer

Tax Rates (Not in ATL) are in accordance with Tenth Schedule to the Ordinance.

SECTION 152 - PAYMENT TO NON-RESIDENTS

(Deduction of Tax at Source Under Section 152(1) Read with Division IV of Part I of First Schedule)

Nature of Payment	Tax Rate (Irrespective of ATL)
Royalty or Fee for Technical Service	15%
Gross amount of fee for offshore digital services	5%

Responsible Person: Every Person making payment

SECTION 152 - PAYMENT TO NON-RESIDENTS

(Deduction of Tax at Source Under Section 152(1A) Read with Division II of Part III of First Schedule)

Nature of Payment	Tax Rate (In ATL)	Tax Rate (Not in ATL)
On execution of contract - Contract or sub-contract under a construction, assembly or installation project in Pakistan including a contract for the supply of supervisory activities relating to such project. - Any other contract for construction or services rendered relating there to. - Contract for advertisement services rendered by TV Satellite Channels.	7%	14%

Responsible Person: Every Person making payment

Tax Rates (Not in ATL) are in accordance with Tenth Schedule to the Ordinance.

SECTION 152 - PAYMENT TO NON-RESIDENTS

(Deduction of Tax at Source Under Section 152(1AA) Read with Division II of Part III of First Schedule)

Nature of Payment	Tax Rate (Irrespective of ATL)
Any payment of insurance premium or re-insurance to a non-resident person	5%

Responsible Person: Every person making payment

(Not applicable in the case of payment to P.E of non-resident persons, Section 152(2AA))

(Deduction of Tax at Source Under Section 152(1AAA) Read with Division II of Part III of First Schedule)

Nature of Payment	Tax Rate (In ATL)	Tax Rate (Not in ATL)
Payment to non-resident media person relaying from outside Pakistan, for advertisement services provided.	10%	20%

Tax deductible under this sub-section shall be MINIMUM TAX on income of non-resident person arising out of such payment, Section 152(1BBB)

Responsible Person: Every person making payment

Tax Rates (Not in ATL) are in accordance with Tenth Schedule to the Ordinance.

SECTION 152– PAYMENT TO NON RESIDENT

(Deduction of Tax at Source Under Section 152(1C) Read with Division IV of Part I of First Schedule)

Nature of Payment	Tax Rate
Gross amount of the royalty, or fee for technical services	15%
Gross amount of the fee for offshore digital services	5%

Responsible Person: Every person making payment

SECTION 152– PAYMENT TO NON RESIDENT

(Deduction of Tax at Source Under Section 152(1D) Read with Clause (3A) of Division II of Part III of First Schedule)

Nature of Payment	Tax Rate
Gross amount of capital gain arising on the disposal of debt instruments and Government securities including treasury bills and Pakistan Investment bonds invested through SCRA shall be chargeable to FINAL TAX	10%

Responsible Person: Every banking company or financial institution maintaining Special Convertible Rupee Account (SCRA) of a non-resident company having no permanent establishment in Pakistan.

SECTION 152– PAYMENT TO NON RESIDENT

(Deduction of Tax at Source Under Section 152(1DA) Read with Clause (3A) of Division II of Part III of First Schedule)

Nature of Payment	Tax Rate
Gross amount of capital gain arising on the disposal of debt instruments and government securities and certificates (including Shariah compliant variant) invested through Foreign Currency Value Account (FCVA) or a non-resident Pakistani Rupee Value Account (NRVA) of a non-resident individual holding Pakistan Origin Card (POC) or National ID Card for Overseas Pakistanis (NICOP) of Computerized National ID Card (NIC) shall be chargeable to FINAL TAX	10%

Responsible Person: Every banking company maintaining a Foreign Currency Value Account (FCVA) or a non-resident Pakistani Rupee Value Account (NRVA) of a non-resident individual holding Pakistan Origin Card (POC) or National ID Card for Overseas Pakistanis (NICOP) of Computerized National ID Card (NIC)

SECTION 152– PAYMENT TO NON RESIDENT

(Deduction of Tax at Source Under Section 152(2) Read with Division II of Part III of First Schedule)

Nature of Payment	Tax Rate (Irrespective of ATL)
Payment for profit on debt to a non-resident having no permanent establishment in Pakistan	10% of gross amount paid in case of persons other than those covered under clauses (78) and (79) of Part I of the Second Schedule [clause (5A) Part-II Second Schedule .
Any other payment to non-resident, not otherwise specified	20% of the gross amount or reduced rate under <u>Double Taxation Agreement</u> if applicable

Responsible Person: Every person making payment

DEDUCTION AT SOURCE – PAYMENT TO NON-RESIDENT

(Under Section 152(2A) Read with Division II of Part III of First Schedule)

Nature of Payment	Tax Rate (In ATL)	Tax Rate (Not in ATL)
<p>Every Prescribed person making payment to a Permanent Establishment of Non- Resident. For:</p> <p><u>Clause (b) of section 152(2A)</u></p> <p>(i) In cases of transport services, freight forwarding services, air cargo services, courier services, manpower outsourcing services, hotel services, security guard services, software development services, IT services and IT enabled services as defined in section 2, tracking services, advertising services (other than by print or electronic media), share registrar services, engineering services, car rental services, building maintenance services, services rendered by Pakistan Stock Exchange Limited and Pakistan Mercantile Exchange Limited inspection and certification, testing and training services, oilfield services.</p>	4%	Same as ATL

*152(2B) – The tax deductible U/S 152(2A) shall be **MINIMUM TAX**:*

***Provided** that tax deductible under clause (a) of sub-section (2A) shall **NOT BE MINIMUM TAX** where payments are received for sale of goods by a company being a manufacturer of such goods.*

Responsible Person: Every Person making payment

Tax Rates (Not in ATL) are in accordance with Tenth Schedule to the Ordinance.

DEDUCTION AT SOURCE – PAYMENT TO NON-RESIDENT

(Under Section 152(2A) Read with Division II of Part III of First Schedule)

Nature of Payment	Tax Rate (In ATL)	Tax Rate (Not in ATL)
Every Prescribed person making payment to a Permanent Establishment of Non- Resident. For:		
<u>Clause (b) of section 152(2A)</u>		
In cases other than sub-paragraph (i)		
(ii) Sale of goods by a Company	5%	10%
Sale of goods other than by Companies	5.5%	11%
(ii) Rendering/providing of services by Company	9%	Same as ATL
Rendering/providing of services other than by Companies	11%	Same as ATL
(iii) Execution of a contract other than a contract for sale of goods or providing/rendering of services.		
- Payment to sports person	10%	Same as ATL
- Payment to a Company	8%	Same as ATL

Responsible Person: Every Person making payment

Tax Rates (Not in ATL) are in accordance with Tenth Schedule to the Ordinance.

DEDUCTION AT SOURCE – PAYMENT TO NON-RESIDENT

(Under Section 152(4B) – Transactions Falling under “Cohesive Business Operation”)

(4B) The Commissioner may, in case of payment that constitutes part of an overall arrangement of a cohesive business operation as referred to in paragraph (ii) of sub-clause (g) of clause (41) of section 2, on application made by the person making payment and after making such inquiry, as the Commissioner thinks fit, allow by order in writing, the person to make payment after deduction of tax equal to twenty percent of the tax chargeable on such payment under sub-section (1A):

Provided that the credit of the tax so deducted shall be available to the permanent establishment of the non-resident accounting for overall profits arising on the overall cohesive business operation.

Responsible Person: Every Person making payment

DEDUCTION AT SOURCE – PAYMENT TO NON-RESIDENT

“Cohesive Business Operation” as defined U/S 2(41)(g)

Section 2(41)(g)

(41) “permanent establishment” in relation to a person, means a fixed place of business through which the business of the person is wholly or partly carried on, and includes –

(g) a fixed place of business that is used or maintained by a person if the person or an associate of a person carries on business at that place or at another place in Pakistan and–

(i) that place or other place constitutes a permanent establishment of the person or an associate of the person under this sub-clause; or

(ii) business carried on by the person or an associate of the person at the same place or at more than one place constitute complementary functions that are part of a cohesive business operation.

Explanation.—For the removal of doubt, it is clarified that–

(A) the term “cohesive business operation” includes an overall arrangement for the supply of goods, installation, construction, assembly, commission, guarantees or supervisory activities and all or principal activities are undertaken or performed either by the person or the associates of the person; and

(B) supply of goods include the goods imported in the name of the associate or any other person, whether or not the title to the goods passes outside Pakistan.

Responsible Person: Every Person making payment

**SECTION 152A– PAYMENT FOR FOREIGN PRODUCED
COMMERCIALS**
(Deduction of Tax at Source)

Nature of Payment	Tax Rate (In ATL)	Tax Rate (Not in ATL)
Payment to non-resident for foreign produced commercial	20%	40%

Responsible Person: Every Person making payment

Tax Rates (Not in ATL) are in accordance with Tenth Schedule to the Ordinance.

SECTION 153 – PAYMENT FOR GOODS, SERVICES AND CONTRACTS

(Deduction of Tax at Source: See Division III of Part III of First Schedule)

(Payment in full or in part including by way of advance to a resident person.)

(Deduction of Tax at Source Under Section 153(1)(a))

Nature of Payment	Tax Rate (In ATL)	Tax Rate (Not in ATL)
For sale of rice, cotton seed, edible oil.	1.5%	3%
For sale of any other goods including toll manufacturing		
(i) In the case of companies	5%	10%
(ii) In the case of other than companies	5.5%	11%

Provisions of section 153 shall not apply to traders being individuals having turnover upto One Hundred Million rupees in case trader falls under definition of “Trader” provided under clause (28D) of Part II of Second Schedule.

Note: Advance tax U/S 153(1)(a) shall be withheld where payment is greater than or equal to Rs.75,000/- in aggregate, during a financial year

Responsible Person: Federal Government. Company including a Small Company. Association of person constituted by or under any law. Non-profit Organization Foreign Contractor or Consultant, Consortium or Joint venture. An Exporter or an Export House. Association of person having turnover of 100 Million or more. Individual having turnover of 100 Million or more. Persons registered under Sales Tax Act, 1990, having turnover of one hundred million rupees or more.

Tax Rates (Not in ATL) are in accordance with Tenth Schedule to the Ordinance.

SECTION 153– PAYMENT FOR GOODS, SERVICES AND CONTRACTS

(Deduction of Tax at Source: See Division III of Part III of First Schedule)

(Payment in full or in part including by way of advance to a resident person.)

(Deduction of Tax at Source Under Section 153(1)(b))

Nature of Payment	Tax Rate (In ATL)	Tax Rate (Not in ATL)
Transport services, freight forwarding services, air cargo services, courier services, manpower outsourcing services, hotel services, security guard services, software development services, IT services and IT enabled services as defined in section 2, tracking services, advertising services (other than by print or electronic media), share registrar services, engineering services including architectural services, warehousing services, services rendered by asset management companies, data services provided under license issued by the Pakistan Telecommunication Authority, telecommunication infrastructure (tower) services, car rental services, building maintenance services, services rendered by Pakistan Stock Exchange Limited and Pakistan Mercantile Exchange Limited, inspection, certification, testing and training services, oilfield services, telecommunication services, collateral management services, travel and tour services, REIT management services, services rendered by National Clearing Company of Pakistan Limited.	4%	8%

SECTION 153– PAYMENT FOR GOODS, SERVICES AND CONTRACTS

(Deduction of Tax at Source: See Division III of Part III of First Schedule)

(Payment in full or in part including by way of advance to a resident person.)

(Deduction of Tax at Source Under Section 153(1)(b))

Nature of Payment	Tax Rate (In ATL)	Tax Rate (Not in ATL)
All others		
(i) In the case of Companies	9%	18%
(ii) In all other than Companies	11%	22%
(iii) Person making payments to electronic and print media for advertisement services	1.5%	3%
Clause (28F) of Part II of Second Schedule: in case of oil tanker contractor services	2%	4%

Note: Advance tax U/S 153(1)(b) shall be withheld where payment is greater than or equal to Rs.30,000/- in aggregate, during a financial year.

CONTINUED

Responsible Person: Same as previous slide.

SECTION 153– PAYMENT FOR GOODS, SERVICES AND CONTRACTS

(Deduction of Tax at Source: See Division III of Part III of First Schedule)

(Payment in full or in part including by way of advance to a resident person.)

(Deduction of Tax at Source Under Section 153(1)(b))

Exemption from withholding provisions of Section 153(1)(b) provided under clause (79A) of Part IV of Second Schedule

(79A) The Provisions of clause (b) of sub-section (1) of section 153 shall not apply to payments received by National Telecommunication Corporation against provision of telecommunication services including ancillary services specified in sub-section (3) of section 41 of the Pakistan Telecommunication (Re-organization) Act, 1996 (XVII of 1996).

SECTION 153 – PAYMENT FOR GOODS, SERVICES AND CONTRACTS

(Deduction of Tax at Source: See Division III of Part III of First Schedule)

(Payment in full or in part including by way of advance to a resident person.)

(Deduction of Tax at Source Under Section 153(1)(c))

Nature of Payment	Tax Rate (In ATL)	Tax Rate (Not in ATL)
(i) Payment to Sports persons	10%	20%
(ii) In the case of Companies	7.5%	15%
(iii) In the case of other than companies	8%	16%

Responsible Person: Federal Government. Company including a Small Company. Association of person constituted by or under any law. Non-profit Organization Foreign Contractor or Consultant, Consortium or Joint venture. An Exporter or an Export House Association of person having turnover of 50 Million or more. Individual having turnover of 50 Million or more. Persons registered under Sales Tax Act, 1990
Tax Rates (Not in ATL) are in accordance with Tenth Schedule to the Ordinance.

SECTION 153 – PAYMENT FOR GOODS, SERVICES AND CONTRACTS

EXEMPTION FROM SECTION 153(1)(a) AND (b) TO SPECIFIED SECTORS

(Payment in full or in part including by way of advance to a resident person.)

(Clause (45A) of Part IV to the Second Schedule)

(45A) The rate of deduction of withholding tax under clauses (a) and (b) of sub-section (1) of section 153 shall be one per cent on local sales, supplies and services provided or rendered to the taxpayers falling in the following categories namely:-

- (i) textile and articles thereof;
- (ii) carpets;
- (iii) leather and articles thereof including artificial leather footwear;
- (iv) surgical goods; and
- (v) sports goods;

Explanation.— For removal of doubt, it is clarified that the relief of reduced rate for withholding tax under clause (a) and (b) of sub-section (1) of section 153 is available only to the local sales, supplies and services made by the taxpayers of categories specified at serial no (i) to (v) of this clause:

Provided that the rate of deduction of withholding tax under clauses (a) and (b) of sub-section (1) of section 153 shall be 0.5% on local sales, supplies and services made by traders of yarn to the above mentioned categories of taxpayers.

SECTION 153(2) – PAYMENT BY EXPORTER OR AN EXPORT HOUSE **(SPECIFIED)**

(Deduction of Tax at Source: See Division IV of Part III of First Schedule)

Nature of Payment	Tax Rate (In ATL)	Tax Rate (Not In ATL)
Every Exporter or Export House making a payment in full or in part including a payment by way of advance to a resident person or permanent establishment, in Pakistan, of a non-resident person, for rendering of or providing services of stitching, dying, printing, embroidery, washing, sizing and weaving shall deduct tax.	1%	2%

Responsible Person: Every Exporter or an Export House

Tax Rates (Not in ATL) are in accordance with Tenth Schedule to the Ordinance.

SECTION 154 - EXPORTS

(Deduction of Tax at Source: See Division IV of Part III of First Schedule)

(Deduction of Tax at Source: Under Section 154(1))

Nature of Payment	Tax Rate (Irrespective of ATL)
On realization of proceeds on account of export of goods [exemption under clause (47C) of Part IV of Second Schedule, to cooking oil or vegetable ghee exported to Afghanistan if tax u/s 148 is paid]	1%

Responsible Person: Authorized dealer / Banking Company

SECTION 154 - EXPORTS

(Deduction of Tax at Source: Under Section 154(3))

Nature of Payment	Tax Rate (Irrespective of ATL)
On realization of proceeds on account of sale of goods to an exporter under inland back to back LC or any other arrangement as may be prescribed by FBR	1%

Responsible Person: Authorized dealer / Banking Company

(Deduction of Tax at Source: See Under Section 154(3A))

Nature of Payment	Tax Rate (Irrespective of ATL)
Exports of goods located in EPZ	1%

Responsible Person: EPZ Authority

(Deduction of Tax at Source: See Under Section 154(3B))

Nature of Payment	Tax Rate (Irrespective of ATL)
Payment to indirect exporters as defined in DTRE Rules, 2001	1%

Responsible Person: Direct exporters / export house registered under DTRE Rules, 2001⁶¹

SECTION 154 - EXPORTS

(Deduction of Tax at Source Under Section 154(3C))

Nature of Payment	Tax Rate (Irrespective of ATL)
Clearance of goods exported	1%

Responsible Person: Collector of custom

SECTION 154A – EXPORT OF SERVICES

(Deduction of Tax at Source: See Division IVA of Part III of First Schedule)

Sr. No.	Type of Receipts	Rate of Tax irrespective of ATL
1.	Export proceeds of Computer software or IT services or IT Enabled services by persons registered with Pakistan Software Export Board	0.25% of Proceeds for tax year 2024 upto tax year 2026
2.	Any other case	1% of proceeds

Responsible Person: Authorized Dealer/Banking Company

SECTION 155 - INCOME FROM PROPERTY

(Deduction of Tax at Source: See Division V of Part III of First Schedule)

Sr. No.	Gross Amount of Rent	***Rate of Tax (In ATL)
<u>A. In case of Individuals and Association of Persons (AOP)</u>		
1.	Upto Rs.300,000	Nil
2.	Rs.300,001 to Rs.600,000	5% of the amount exceeding 300,000
3.	Rs.600,001 to Rs.2,000,000	Rs.15,000 plus 10% gross amount exceeding Rs.600,000
4.	Above Rs.2,000,000	Rs.155,000 plus 25% gross amount exceeding Rs.2,000,000
<u>B. In case of Companies</u>		
1.	Withholding Tax Rate	15%

****** Rate of withholding income tax for person not appearing in ATL shall be increased by 100% as prescribed for the persons appearing in ATL.***

Responsible Person: Every person prescribed U/S 155(3) of the Ordinance

SECTION 156 – PRIZES AND WINNINGS

(Deduction of Tax at Source: See Division VI of Part III of First Schedule)

Nature of Payment	Tax Rate (In ATL)	Tax Rate (Not In ATL)
Payment of prize on a prize bond or cross word puzzle	15%	30%
Payment on a winning from a raffle, lottery, prize on winning a quiz, prize offered by companies for promotion of sale	20%	40%

Responsible Person: Every Person

Tax Rates (Not in ATL) are in accordance with Tenth Schedule to the Ordinance.

SECTION 156A – PETROLEUM PRODUCTS

(Deduction of Tax at Source: See Division VIA of Part III of First Schedule)

Nature of Payment	Tax Rate (In ATL)	Tax Rate (Not in ATL)
Payment to petrol pump operator on account of sale of petroleum products	12%	24%

Responsible Person: Every Person

Tax Rates (Not in ATL) are in accordance with Tenth Schedule to the Ordinance.

SECTION 231AB - CASH WITHDRAWAL FROM BANK

Nature of Payment	Tax Rate (Not in ATL)
Payment of cash withdrawal by person who is not appearing in Active Taxpayers' List exceeding Rs.50,000/- in a day	0.6%

Explanation. – For removal of doubt, it is clarified that the said fifty thousand rupees shall be aggregate cash withdrawals in a single day.”

Responsible Person: Every Banking Company

SECTION 231B – ADVANCE TAX ON MOTOR VEHICLES

(Advance Tax Under Section 231B(1) & 231B(3): See Division VII of Part IV of First Schedule) - (At the time of registration of motor vehicle)

Nature of Payment	Tax Rate (In ATL)	Tax Rate (Not in ATL)
1) Upto 850cc	Rs.10,000	Rs.30,000
2) 851cc to 1000cc	Rs.20,000	Rs.60,000
3) 1001cc to 1300cc	Rs.25,000	Rs.75,000
4) 1301cc to 1600cc	Rs.50,000	Rs.150,000
5) 1601cc to 1800cc	Rs.150,000	Rs.450,000
6) 1801cc to 2000cc	Rs.200,000	Rs.600,000
7) 2001cc to 2500cc	6% of the Value	
8) 2501cc to 3000cc	8% of the Value	
9) Above 3000cc	10% of the Value	

Provided that the value for the purpose of Sr. No.7 to 9 of the above Table shall be in case of motor vehicle-

- i. Imported in Pakistan, the import value assessed by the Customs authorities as increased by customs duty, federal excise duty and sales tax payable at import stage;*
- ii. Manufactured or assembles locally in Pakistan, the invoice value inclusive of all duties and taxes; or*
- iii. Auctioned, the auction value inclusive of all duties and taxes;*

Provided further that in cases where engine capacity is not applicable and the value of vehicle is Rupees five million or more, the rate of tax collectible shall be 3% of the import value as increased by customs duty, sales tax and federal excise duty in case of imported vehicles or invoice value in case of locally manufactured or assembled vehicles.

Responsible Person: Motor Vehicle registration authority

Tax Rates (Not in ATL) are in accordance with Tenth Schedule to the Ordinance.

SECTION 231B – ADVANCE TAX ON MOTOR VEHICLES

(Advance Tax on Under Section 231B(1A))

Nature of Payment	Tax Rate (In ATL)	Tax Rate (Not In ATL)
At the time of leasing of motor vehicle	NIL	4%

Responsible Person: Every leasing company, scheduled bank, investment bank, development finance institution or modaraba

SECTION 231B – ADVANCE TAX ON MOTOR VEHICLES

(Advance Tax Under Section 231B(2): See Division VII of Part IV of First Schedule)

(At the time of transfer of registration or ownership)

Nature of Payment	Tax Rate (In ATL)	Tax Rate (Not in ATL)
1) Upto 850cc	Nil	Nil
2) 851cc to 1000cc	Rs.5,000	Rs.15,000
3) 1001cc to 1300cc	Rs.7,500	Rs.22,500
4) 1301cc to 1600cc	Rs.12,500	Rs.37,500
5) 1601cc to 1800cc	Rs.18,750	Rs.56,250
6) 1801cc to 2000cc	Rs.25,000	Rs.75,000
7) 2001cc to 2500cc	Rs.37,500	Rs.112,500
8) 2501cc to 3000cc	Rs.50,000	Rs.150,000
9) Above 3000cc	Rs.62,500	Rs.187,500

Provided that in cases where engine capacity is not applicable and the value of vehicle is Rupees five million or more, the rate of tax collectible shall be Rupees twenty thousand:

Provided further that the rate of tax to be collected under this clause shall be reduced by ten percent each year from the date of first registration in Pakistan.

Responsible Person: Motor Vehicle registration authority

Tax Rates (Not in ATL) are in accordance with Tenth Schedule to the Ordinance.

SECTION 231B – ADVANCE TAX ON MOTOR VEHICLES

(Advance Tax Under Section 231B(2A)

See Clause (3) in Division VII of Part IV of First Schedule)

(At the time of subsequent selling of locally manufactured vehicles within 90 days of delivery)

Nature of Payment	Tax Rate (In ATL)	Tax Rate (Not in ATL)
1) Upto 1000cc	Rs.100,000	Rs.300,000
2) 1001cc to 2000cc	Rs.200,000	Rs.600,000
3) 2001cc and above	Rs.400,000	Rs.1,200,000

Responsible Person: Motor Vehicle registration authority

Tax Rates (Not in ATL) are in accordance with Tenth Schedule to the Ordinance.

SECTION 231C – ADVANCE TAX ON FOREIGN DOMESTIC WORKERS

Nature of Payment	Tax Rate
Any authority issuing or renewing domestic aide visa to any foreign national as a domestic worker at the time of issuing or renewing such visa shall collect tax from the agency, sponsor or the person as the case may be...	Rs.200,000

The tax collected or collectible under this section shall be adjustable advance tax for the tax year to which it relates on the income of such agency, sponsor or a person, as the case may be, employing the services of such foreign national

Responsible Person: Any authority issuing or renewing domestic aide visa to any foreign national as a domestic worker.

SECTION 233 – BROKERAGE AND COMMISSION

(Deduction of Tax at Source: See Division II of Part IV of First Schedule)

Nature of Payment	Tax Rate (ATL)	Tax Rate (Not in ATL)
Brokerage and commission income (including non-resident agents)		
1. In case of advertising agents	10%	20%
2. Life Insurance Agents where commission received is less than Rs.0.5 million per annum	8%	16%
3. Persons not covered in 1 and 2 above	12%	24%

Responsible Person: Federal Government, Provincial Government, Local Government, A Company, AOP constituted by or under any law

SECTION 234 – TAX ON MOTOR VEHICLES

(Deduction of Tax at Source Under Section 234(1) Read with Clause (3) of Division III of Part IV of First Schedule)

Nature of Payment	Tax Rate	Tax Rate (Not In ATL)
(3) Other Private Vehicles With Engine Capacity of :-		
a) Upto 1000cc	Rs.800	Rs.1,600
b) 1001cc to 1199cc	Rs.1,500	Rs.3,000
c) 1200cc to 1299cc	Rs.1,750	Rs.3,500
d) 1300cc to 1499cc	Rs.2,500	Rs.5,000
e) 1500cc to 1599cc	Rs.3,750	Rs.7,500
f) 1600cc to 1999cc	Rs.4,500	Rs.9,000
g) 2000cc & above	Rs.10,000	Rs.20,000

Responsible Person: Person collecting motor vehicle tax

Tax Rates (Not in ATL) are in accordance with Tenth Schedule to the Ordinance.

SECTION 234 – TAX ON MOTOR VEHICLES

(Deduction of Tax at Source Under Section 234(1) Read with Clause (4) of Division III of Part IV of First Schedule)

Nature of Payment	Tax Rate	Tax Rate (Not In ATL)
(4) Where the motor vehicle tax is collected in lump sum:-		
a) Upto 1000cc	Rs.10,000	Rs.20,000
b) 1001cc to 1199cc	Rs.18,000	Rs.36,000
c) 1200cc to 1299cc	Rs.20,000	Rs.40,000
d) 1300cc to 1499cc	Rs.30,000	Rs.60,000
e) 1500cc to 1599cc	Rs.45,000	Rs.90,000
f) 1600cc to 1999cc	Rs.60,000	Rs.120,000
g) 2000cc & above	Rs.120,000	Rs.240,000

Responsible Person: Person collecting motor vehicle tax

Tax Rates (Not in ATL) are in accordance with Tenth Schedule to the Ordinance.

SECTION 234 – TAX ON MOTOR VEHICLES

(Deduction of Tax at Source Under Section 234(3) & (4) Read with Division III of Part IV of First Schedule)

Nature of Payment	Tax Rate	Tax Rate (Not In ATL)
(i) In the case of goods Transport Vehicles.	Rs.2.50 per kg of the laden weight	Rs.5.00 per kg of the laden weight
1(A) Transport vehicle with laden weight of 8120 Kg or more after a period ten years from the date of first registration Passenger transport	Rs.1,200 per annum	Rs.2,400 per annum

Responsible Person: Person collecting motor vehicle tax

Tax Rates (Not in ATL) are in accordance with Tenth Schedule to the Ordinance.

SECTION 234 – TAX ON MOTOR VEHICLES

(Deduction of Tax at Source Under Section 234(3) & (4) Read with Division III of Part IV of First Schedule)

Nature of Payment	Tax Rate	Tax Rate (Not In ATL)
<p>(2)In the case of Passenger Transport Vehicles plying for hire, seating capacity.</p> <p><u>Non-Air Conditioned Vehicles</u></p> <p>(a) 4 or more persons but less than 10 persons.</p> <p>(b) 10 or more persons but less than 20 persons.</p> <p>(c) 20 persons or more.</p> <p><u>Air Conditioned Vehicles</u></p> <p>(a) 4 or more persons but less than 10 persons.</p> <p>(b) 10 or more persons but less than 20 persons.</p> <p>(c) 20 persons or more.</p> <p><u>Responsible Person: Person collecting motor vehicle tax</u></p> <p><i>Tax Rates (Not in ATL) are in accordance with Tenth Schedule to the Ordinance.</i></p>	<p>Rs.200 per seat per annum</p> <p>Rs.500 per seat per annum</p> <p>Rs.1,000 per seat per Annum</p> <p>Rs.375 per seat per annum</p> <p>Rs.750 per seat per annum</p> <p>Rs.1,500 per seat per Annum</p>	<p>Rs.400 per seat per annum</p> <p>Rs.1,000 per seat per annum</p> <p>Rs.2,000 per seat per Annum</p> <p>Rs.750 per seat per annum</p> <p>Rs.1,500 per seat per annum</p> <p>Rs.3,000 per seat per Annum</p>

SECTION 235 – ELECTRICITY CONSUMPTION

(Deduction of Tax at Source Under Section 235 Read with clause (1) and (2) of Division IV of Part IV of First Schedule)

Gross amount of Electricity Bill of Commercial and industrial consumer	Tax
Does not exceed Rs.500.	0
exceeds Rs.500 but does not exceed Rs.20,000	10%
Exceeds Rs.20,000	Rs. 1950 plus 12% of the amount exceeding Rs. 20,000 for commercial consumers Rs. 1950 plus 5% of the amount exceeding Rs. 20,000 for industrial consumers

Gross amount of Electricity Bill of Domestic consumer	Tax Rate (In ATL)	Tax Rate (Not in ATL)
Less than Rs.25,000	NIL	0%
Exceeds Rs.25,000	NIL	7.5%

Responsible Person: Person preparing electricity bill

SECTION 236 – TELEPHONE AND INTERNET USERS

(Deduction of Tax at Source: See Division V of Part IV of First Schedule)

Nature of Payment	Tax Rate (Irrespective of ATL)
<u>Telephone subscribers</u>	
Monthly bill up to Rs.1,000/-	Nil
Bill exceeding Rs.1,000/-	10%
Subscriber of internet, mobile telephone and pre-paid internet or telephone card	15%

Responsible Person: Person preparing telephone bill / issuing or selling prepaid card for mobile phones

SECTION 236A – ADVANCE TAX AT THE TIME OF SALE BY AUCTION

(Deduction of Tax at Source: See Division VIII of Part IV of First Schedule)

Nature of Payment	Tax Rate (In ATL)	Tax Rate (Not in ATL)
Sale of any property or goods, by auction In case of immovable property sold by auction <i>and sale by auction of train management services by Pakistan Railways</i> the rate of collection of tax shall be 5% of gross sale price	10%	20%

Responsible Person: Every person

Tax Rates (Not in ATL) are in accordance with Tenth Schedule to the Ordinance.

SECTION 236C – ADVANCE TAX ON SALE/TRANSFER OF IMMOVABLE PROPERTY

(Deduction of Tax at Source: See Division X of Part IV of First Schedule)

Nature of Payment	Tax Rate (In ATL)	Tax Rate (Not in ATL)
Transfer or attesting transfer of Immoveable property.	3% of gross sale price	6% of gross sale price

Provided further that if the seller or transferor is a non-resident individual holding Pakistan Origin Card (POC) or National ID Card for Overseas Pakistanis (NICOP) of Computerized National ID Card (NIC) who had acquired the said immovable property through Foreign Currency Value Account (FCVA) or a non-resident Pakistani Rupee Value Account (NRVA) maintained with authorized banks in Pakistan under the foreign exchange regulations issued by State Bank of Pakistan, the tax collected under this section from such persons shall be final discharge of tax liability in lieu of capital gains taxable U/S 37 earned by the seller or transferor .

*Responsible Person: Every person Registering or attesting transfer Tax Rates (Not in ATL) are in accordance with Tenth Schedule to the Ordinance. Responsible Person: Every person Registering or attesting transfer Tax Rates (Not in ATL) are in accordance with Tenth Schedule to the Ordinance. *The transfer shall not be made unless the seller or transferor has discharged its tax liability under section 7E and evidence to this effect has been furnished to the said person in the prescribed mode, form, and manner.**

SECTION 236CA – ADVANCE TAX ON TV PLAYS AND ADVERTISEMENTS

(Deduction of Tax at Source: See Division XA of Part IV of First Schedule)

Nature of Payment	Tax Rate
Foreign-produced TV drama serial or play	Rs.1,000,000/- per episode
Foreign-produced TV play (single episode)	Rs.3,000,000/-
Advertisement starring foreign actor	Rs.100,000/- per second.

Responsible Person: Any licensing authority certifying any commercial for advertisement starring foreign actor, for screening and viewing on any landing rights channel.

SECTION 236CB – ADVANCE TAX ON FUNCTIONS AND GATHERINGS

(Deduction of Tax at Source: See Division XI of Part IV of First Schedule

Nature of Payment	Tax Rate
Advance tax on functions and gatherings	10%

Responsible Person: includes the owner, a leaseholder, an operator or a manager of a marriage hall, marquee, hotel, restaurant, commercial lawn, club, a community place or any other place used for such purpose."

SECTION 236G- ADVANCE TAX ON SALES TO DISTRIBUTORS, DEALERS OR WHOLESALERS

(Deduction of Tax at Source: See Division XIV of Part IV of First Schedule

Nature of Payment	Tax Rate (In ATL)	Tax Rate (Not in ATL)
Advance tax has to be collected (on gross amount of sales) from wholesaler, distributor & dealers at the time of sales made to them.	0.1% on Gross Sale	0.1% on Gross Sale
i) Fertilizer	0.7%	1.4%
ii) Other than Fertilizer	0.1%	0.2%

Provided that the rate of advance tax on sale to distributors, dealers or wholesalers of fertilizer shall be 0.25%, if they are already appearing on both the Active Taxpayers' Lists issued under the provisions of the Sales Tax Act, 1990 and the Income Tax Ordinance, 2001 (XLIX of 2001).

Responsible Person: Every Manufacture or Commercial importer of pharmaceuticals, poultry and animal feed, edible oil and ghee, auto-parts, tyres, varnishes, chemicals, cosmetics, IT equipment, electronics, sugar, cement, iron & steel products, fertilizers, motorcycles, pesticides, cigarettes, glass, textile, beverages, paint or foam sector.

Tax Rates (Not in ATL) are in accordance with Tenth Schedule to the Ordinance.

SECTION 236H- ADVANCE TAX ON SALES TO RETAILERS

(Deduction of Tax at Source: See Division XV of Part IV of First Schedule)

Nature of Payment	Tax Rate (In ATL)	Tax Rate (Not In ATL)
Advance tax has to be collected (on ex-depot sale price) from retailers at the time of sales made to them.	0.5%	1%

Responsible Person: Every Manufacture, distributor, dealer, wholesaler or Commercial importer of pharmaceuticals, poultry and animal feed, edible oil and ghee, auto-parts, tyres, varnishes, chemicals, cosmetics, IT equipment, electronics, sugar, cement, iron & steel products, motorcycles, pesticides, cigarettes, glass, textile, beverages, paint or foam sector.

Tax Rates (Not in ATL) are in accordance with Tenth Schedule to the Ordinance.

SECTION 236K - ADVANCE TAX ON PURCHASE/TRANSFER OF IMMOVABLE PROPERTY

(Deduction of Tax at Source: See Division XVIII of Part IV of First Schedule)

Nature of Payment	Tax Rate (In ATL)	Tax Rate (Not In ATL)
Fair Market Value of Property	3%	10.5%

Provided that if the buyer or transferee is a non-resident individual holding Pakistan Origin Card (POC) or National ID Card for Overseas Pakistanis (NICOP) or Computerized National ID Card (NIC) who had acquired the said immovable property through Foreign Currency Value Account (FCVA) or a non-resident Pakistani Rupee Value Account (NRVA) maintained with authorized banks in Pakistan under the foreign exchange regulations issued by State Bank of Pakistan, the tax collected under this section from such persons shall be final discharge of tax liability for such buyer or transferee.

Responsible Person: Every person registering or attesting transfer.

Tax Rates (Not in ATL) are in accordance with Tenth Schedule to the Ordinance.

SECTION 236Y - ADVANCE TAX ON AMOUNTS REMITTED ABROAD

(Deduction of Tax at Source: See Division XXVII of Part IV of First Schedule)

Nature of Payment	Tax Rate (In ATL)	Tax Rate (Not In ATL)
Amount remitted abroad through credit, debit or prepaid cards	5% of gross amount remitted	10% of gross amount remitted

Responsible Person: Every banking company.

Tax Rates (Not in ATL) are in accordance with Tenth Schedule to the Ordinance.

SECTION 236Z - ADVANCE TAX ON BONUS SHARES ISSUED BY THE COMPANY

Nature of Payment	Tax Rate
Issuance of Bonus Shares	10% of value of shares

Responsible Person: Every company issuing bonus shares.

Tax paid under this section shall be final tax on the income of the shareholder of the company arising from issuing of bonus shares.

CLAUSE (111AB) & (111AC) OF PART IV OF SECOND SCHEDULE

Following Non-resident individuals shall not be treated as Persons Not Appearing in Active Taxpayers' List and shall be charged according to the withholding income tax rates applicable for persons appearing in Active Taxpayers' List

(111AB) The Provisions of section 100BA and Rule 1 of the Tenth Schedule shall not apply to non-resident individual holding Pakistan Origin Card (POC) or National ID Card for Overseas Pakistanis (NICOP) or Computerized National ID Card (CNIC) maintaining a Foreign Currency Value Account (FCVA) or Non-Resident Pakistani Rupee Value Account (NRVA) with authorized banks in Pakistan under the foreign exchange regulations issued by the State Bank of Pakistan.

(111AC) The provisions of section 100BA and rule 1 of the Tenth Schedule shall not apply to non-resident individual holding Pakistan Origin Card (POC) or National ID Card for Overseas Pakistanis (NICOP) in respect of transactions on which tax is collectible under section 236C and 236K of the Ordinance.

DISCLAIMER

Material contained in this CARD is in nature of general comments. Readers should not act or rely upon any information contained in this CARD without taking appropriate professional advice.



THANK YOU

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