FARHAN & ASSOCIATES
Advocates & Solicitors



TAX RATES
TAX YEAR
2023-24

www.farhanassociate.com.pk

ABOUT US

Farhan & Associates is a multi oriented Pakistan-based corporate law firm since 2006 working as a progressive and dynamic full service law firm with help of a talent pool of some of the best Pakistani young lawyers. The firm has its office in Lahore through which we can provide seamless legal services.

Beginning with a very modest setting, Farhan & Associates has grown over the years both in size and in reputation and has become a benchmark of quality amongst professional law firms in Pakistan providing legal services in its core practice areas.

OUR VISION

Don't hesitate to call us any time; we will solve your problem. In cooperation with our Clients we are guided by the following principles:

- Non-disclosure;
- High quality of our work, while maintaining a competitive remuneration level;
- A professional team in the law firm;
- Helping the Clients to save their costs, while maintaining a high level of service and focusing on achieving the best possible outcome;
- Current availability of a specific representative of the Law Firm dealing with the case;
- Systematic reporting of the status of conducted cases;
- Ongoing consultation with the Client of the steps taken;
- Constant contact with the Client;
- Cooperation with the best notaries, accountants and sworn translators who help to ensure that the Client's matters are dealt with quickly and efficiently.

OUR PRIORITIES

We put into practice a benchmark which is considered as our elementary manuscript in all aspects of our services to our clients:

- Client satisfaction is the core focus of our all activities by rendering prompt, timely and effective integrated services.
- Continuous education and development programs for our team members are part of our belief system; to keep up with the changing global environment.
- Our inspiration is to be a renowned and eminent global law firm and to provide swift, reliable and high quality legal services to the foreign investors and Pakistani entrepreneurs.
- We ensure our clients of the confidentiality and respect for their information and values.



Memoir of

FARHAN SHAHZAD

Member Punjab Bar Council

Former Vice Chairman Punjab Bar Council

B.Com, LL.B, CTC, DIPL, DTL, MABA **(USA)**, MIBA **(UK)**

Farhan Shahzad is dedicated to sustaining and preserving his legacy of quality, integrity and strives for law practice excellence, by consistently delivering highly skilled, ethical and committed legal representation to his clients. With his experience and in-depth knowledge of the market he is able to address all of his clients' needs, assisting corporations and individuals at a local or international level on the legal issues involving them. He stands up for his clients' causes, endeavoring for the best results, day by day.

- Vice Chairman Punjab Bar Council (2021-22)
- Member Punjab Bar Council (2021-25)
- General Secretary Pakistan Tax Bar Association (2019-21)
- President Lahore Tax Bar Association (2016-17)
- General Secretary Lahore Tax Bar Association (2012-13)
- Joint Secretary Lahore Tax Bar Association (2008-09)
- Compiling of book "Compendium of Tax Laws" in 2012.
- Visiting Faculty Punjab Judicial Academy and BZU 2016-17.
- Twenty (20) years' experience of Taxation, Accounts and Financial cases running independent firm Farhan & Associates in Lahore, Pakistan.
- Member American Bar Association (USA)
- Four years' experience of Taxation, Accounts and Financial Matters with Zafar & Associates, Lahore Pakistan from 10-10-2003 to 06-07-2006.
- Co-Convener Finance & Taxation, LCCI 2008 to onward.
- Advocacy Training Programme with British Council, Lahore 2006.
- Tax Training Programme with Directorate of Training, FBR 2006.
- Compiling of book "The Sales Tax Act, 1990" in 2005.
- Member International Bar Association (UK)

TAX — Income Tax, Sales Tax, Federal Excise Duty, Customs

TAX — Sales Tax on Services (Punjab, Sindh, KPK, Balochistan & Islamabad)

TAX — Real Estate Laws

TAX YEAR 2023

TAX RATES FOR NON-SALARIED INDIVIDUALS / AOPs

[Division I, Part I of the First Schedule]

1.	Upto Rs. 600,000	0%
2.	Rs. 600,001 to Rs. 800,000	5%
3.	Rs. 800,001 to Rs. 1,200,000	Rs. 10,000 + 12.5%
4.	Rs. 1,200,001 to Rs. 2,400,000	Rs. 60,000 + 17.5%
5.	Rs. 2,400,001 to Rs. 3,000,000	Rs. 270,000 + 22.5%
6.	Rs. 3,000,001 to Rs. 4,000,000	Rs. 405,000 + 27.5%
7.	Rs. 4,000,001 to Rs. 6,000,000	Rs. 680,000 + 32.5%
8.	Exceeding Rs. 6,000,000	Rs. 1,330,000 + 35%

TAX RATES FOR SALARIED PERSONS

[Division I, Part I of the First Schedule]

1.	Upto Rs. 600,000	0%
2.	Rs. 60,001 to Rs 1,200,000	2.5%
3.	Rs. 1,200,001 to Rs 2,400,000	Rs.15,000 +12.5 %
4.	Rs. 2,400,001 to Rs 3,600,000	Rs.165,000 +20 %
5.	Rs. 3,600,001 to Rs. 6,000,000	Rs.405,000 +25 %
6.	Rs. 6,000,001 to Rs 12,000,000	Rs.1,005,000 +32.5 %
7.	Exceeding Rs. 12,000,000	Rs.2,955,000 +35 %

MINIMUM TAX

Nature of Payment	Section	Filer	Non-Filer
MINIMUM TURNOVER Tax for Companies (except otherwise specified)	113	1.25% of turnover	
MINIMUM TURNOVER TAX for Ind. & AOPs (annual turnover Rs. 100 Million or more)	113	1.25% of turnover	
In case of SSGPL, SNGPL, PIAC & Poultry Industry	113	0.75% of turnover	
Motorcycle dealers,Oil Refineries, Oil Marketing Companies	113	0.5% of turnover	
Distributors of Pharmaceuticals, FMCG, Cigrattes, Flour Milling, Petroleum Agents & Distributors, Rice Mills & Dealers, Tier-1 Retailers of FMCG, Persons through e-commerce running online market place u/s 2(38B), Persons engaged in sale/purchases of used vehicles	113	0.25% of turnover	
SALE of Goods (by Companies)	153(1)(a)	4.00%	8.00%
(by all Others)		4.50%	9.00%
SALE of Rice, Cotton Seed & Edible Oil	153(1)(a)	1.50%	3.00%
Sales of FMCG by Distributor (Companies)	153(1)(a)	0.25%	0.50%
Sales of FMCG by Distributor (Others)	153(1)(a)	0.25%	0.50%
SERVICES (Companies)	153(1)(b)	8.00%	16.00%
SERVICES (Except Companies)	153(1)(b)	10.00%	20.00%
SERVICES rendered by Transport, Freight forwarding, Air Cargo, Courier, Manpower outsourcing, Hotel, Security Guard, Software development, Tracking, Advertising (other than print or electronic media) Share Registrar, Engineering, warehousing, services by asset management companies, data services, Telecommunication infradtructure (Tower) services, Car rental, Building maintenance, by Pakistan Stock Exchange Ltd. & Pakistan Mercantile Exchange Ltd., Inspection, Certification Testing and Training Services oilfied services, telecommunication services, collateral management services, travel & Tour services	153(1)(b)	3.00%	6.00%
Services Electronic & Print Media Advertising (Companies / Ind. / AOP)	153(1)(b)	1.50%	3.00%
SERVICES of Stitching, Dyeing, Printing, Embroidery, Washing, Sizing & Weaving rendered to Exporter or Export House	153(2)	1.00%	2.00%
CONTRACTS (except listed companies)	153(1)(c)	6.50%	13.00%
other than companies		7.00%	14.00%
ADVERTISING Agents Commission	233(1)	10.0%	20.0%
LIFE INSURANCE Agents (if less than 0.5M)	233(1)	8.0%	16.0%
BROKERAGE & COMMISSION (other than above)	233(1)	12.0%	24.0%
ELECTRICITY Bill (Ind. & AOPs)	235 (4)(a)	upto Bill Rs. 360,000 P.A	



RATE OF TAX ON IMPORT OF MOBILE PHONES U/S 148

C & F Value of Mobile Phones (in US $)	Tax (In Rs.)	
	In CBU Conditions PCT Headings 8517.1219	In CKD/SKD Conditions Under PCT Heading 8517.1211
upto 30 except smart phones	70	0
Exceeding 30 and upto 100 and smart phones upto 100	100	0
Exceeding 100 and upto 200	930	0
Exceeding 200 and upto 350	970	0
Exceeding 350 and upto 500	5,000	3,000
Exceedings 500	11,500	5,200

INCOME FROM PROPERTY (IND & AOPs) [Section 15 & 155]

Upto Rs. 300,000	0%
Rs. 300,001 to Rs. 600,000	5%
Rs. 600,001 to Rs. 2,000,000	Rs. 15,000 + 10%
Rs. 2,000,000 and above	Rs. 155,000 + 25%

In case of Company, rate of tax to be deducted u/s 155 shall be 15% of gross amount of rent.

FINAL DISCHARGE OF TAX

Nature of Payment	Section	Filer	Non-Filer
IMPORTS (Details 12th Schedule)	148		
Table-I (Capital goods)		1%	2.00%
Table-II (Raw material)		2%	4.00%
Table-III (Others)		5.50%	11.00%
IMPORTS of Finished Pharamcueticals Products		4.00%	8.00%
Manufacturers Covered under SRO 1125(I)/2015		1.00%	2.00%
DIVIDEND	150	15% to 30%	
PROFIT on Debt upto Rs. 0.5M (except Companies)	151	15%	30%
PROFIT on Debt exceeding Rs. 0.5M (other than Companies)	151	15%	30%
ROYALTY or Fee for Technical Services received by Non-Residents	152 (1)	15.0%	30.0%
CONTRACTS by non-resident	152(1A)	7%	
Services Media Person Advertisement	152(1AAA)	10%	
Fee for Offshore Digital Services	152(1C)	5%	
CONTRACTS - IND / AOP / Coy	152(2A)	7.0%	10.0%
CONTRACTS by Sports Persons		10.0%	20.0%
EXPORTS	154	1.00%	
EXPORTS of Services	154(A)	1.00%	
Export proceeds of Computer software or IT services	154(A)	0.25% of proceed	
PRIZE on Prize Bond / Cross Word Puzzle	156	15.0%	30.0%
WINNINGS from raffle, lottery, quiz etc.	156	20.0%	40.0%
COMMISSION on Petroleum Products	156A	12.0%	24.00%

CAPITAL GAIN ON DISPOSAL OF SECURITIES

Section 37A

Holding Period	Rate of Tax
Where the holding period does not exceed one year	15.00%
Where the holding period exceeds one year but does not exceed two years	12.50%
Where the holding period exceeds two years but does not exceed three years	10.00%
Where the holding period exceeds three years but does not exceed four years	7.50%
Where the holding period exceeds four years but does not exceed five years	5.00%
Where the holding period exceeds five years but does not exceed six years	2.50%
Where the holding period exceeds six years	0.00%
Future commodity contracts entered into by members of Pakistan MercantileExchange	5%

TAX ON HIGH EARNING PERSONS FOR POVERTY ALLEVIATION U/S 4C

Income under section 4C	Rate of tax
upto Rs. 150 million	0% of the income
exceeds Rs. 150 million to 200 million	1% of the income
exceeds Rs.200 million to 250 million	2% of income
exceeds Rs. 250 million to 300 million	3% of the income
If income exceeds 300 million	4% of the income
Banking Company, Airlines, 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 (When the income exceeds Rs. 300 Million)	10% of the income

CAPITAL GAIN UNDER SECTION 37

Holding period	Open Plots	Construsted Plots	Flats
Where less than 12 months	15%	15%	15%
1 year to upto 2 years	12.50%	10%	7.50%
2 year to upto 3 years	10%	7.50%	-
3 year to upto 4 years	7.50%	5%	
4 years to upto 5 years	5%	-	-
5 years to upto 6 years	2.50%	-	-
where the holding period exceed 6 years	0%	-	-

TAX ON DEEMED RENTAL INCOME U/S 7E

Value of Property to be Taxed	Rate
Fair market value of the property(s), in aggregate exceeding Rs. 25 million	5%

PAYMENT OF TAX THROUGH ELECTRICTY CONNECTIONS U/S 99 A

Gross amount of Monthly Bill	Tax
Where the amount does not exceed Rs. 30,000	Rs. 3,000
Where the amount exceeds Rs. 30,000 but does not exceed Rs. 50,000	Rs. 5,000
Where the amount exceeds Rs. 50,000 but doesnot exceed Rs. 100,000	Rs. 10,000
Specified retailers and service providers through Income Tax General Orde	Rs. 200,000

TAX RATES FOR COMPANIES

[Division II, Part I of the First Schedule]

Type	Tax Rates
BANKING Companies	39%
PUBLIC / PRIVATE Companies	29%
SMALL COMPANY	20%
Alternate Corporate Tax	17%
Modarba	25%



TAX YEAR 2023

Nature of Payment	Section	ATL	Non-ATL
ELECTRICITY			
Upto 500	235	0%	
exceeds 500 upto 2,000	235	10% of the amount	
Exceeds 2,000	235	Rs. 1,950/- +12% for commercial consumers Rs. 1,950/- + 5% for Industrial Consumers	
Domestic Electricity	235A	0 if bill is less then 25,000/- monthly & 7.5% of amount of bill exceeding Rs. 25,000/-	
PHONE AND INTERNET			
Telephone Bill exceeding Rs. 1,000/-	236(a)	10%	
Telephone Bill / Phone Cards	236(b)	15.00%	
Internet Bill	236(d)	15.00%	
ADVANCE TAX			
Advance tax on functions and gatherings	236C(b)	10%	
DISTRIBUTORS, DEALERS AND WHOLESALERS			
All Except Fertilizers	236G	0.10%	0.10%
Fertilizers	236G	0.70%	0.70%
Wholesalers, Dealers, Distributors	236G	0.25%	(If appearing in both ST & IT ATL list)
Advance tax on sale to Retailers	236H	0.50%	1.00%
SALE AND PURCHASE OF PROPERTY			
Sale of Property	236C	2.00%	4.00%
Purchase of Property	236K	2.00%	7.00%
PROFIT ON DEBT (Section 7B)			
Upto Rs. 5,000,000/-		15%	30%
OTHERS			
Auction	236A	10.00%	20.00%
Auction (in case of Immoveable property)	236A	5.00%	10.00%

WEALTH STATEMENT AND RECONCILIATION STATEMENT

Section 116(2)

Filing of Wealth Statement alongwith Reconciliation u/s 116(2) is compulsory for all individual (including salaried & members of AOPs) taxpayers.

REBATE FOR TEACHERS & RESEARCHERS

[Clause 1(2) Part III of the Second Schedule]

Reduction of 25% tax for full time Teacher or Researcher, employed in Non Profit Education or Recognized Research Institutions.

ABOLISHED SECTIONS	
59C	Acquiring company is allowed to adjust loss for latest tax year.
65H	Provide incentive for industrial promotion,
100F	Immunity from probe under Section 111 of the Income Tax Ordinance, 2001.
60C	Deductible allowance for the amount of any profit on debt.
62	Entitlement of a resident tax payer to tax credit on investment in new shares
62A	Tax creadit for investment in health insurance.
236I	Collection of advance tax by education
236Q	Payment to residents for use of machinery and equipments

Nature of Payment	Section	ATL	Non-ATL
MOTOR VEHICLES			
ON REGISTRATION BY EXCISE & TAXATION AND ON SALE BY MANUFACTURER	231B(1) & (3)	Filer	Non-Filer
Upto 850cc		10,000	30,000
851cc to 1000cc		20,000	60,000
1001cc to 1300cc		25,000	75,000
1301cc to 1600cc		50,000	150,000
1601cc to 1800cc		150,000	450,000
1801cc to 2000cc		200,000	600,000
2001cc to 2500cc		300,000	900,000
2501cc to 3000cc		400,000	1,200,000
Above 3000cc		500,000	1,000,000
ADVANCE TAX ON PURCHASE OF PRIVATE MOTOR VEHICLE	231B(2)	Filer	Non-Filer
Upto 850cc		0%	5,000
851cc to 1000cc		5,000	10,000
1001cc to 1300cc		7,500	15,000
1301cc to 1600cc		12,500	25,000
1601cc to 1800cc		18,750	37,500
1801cc to 2000cc		25,000	50,000
2001cc to 2500cc		37,500	75,000
2501cc to 3000cc		50,000	100,000
Above 3000cc		62,500	125,000

ADVANCE TAX ON PRIVATE MOTOR VEHICLE	234		
Upto 1000cc		800	1,600
1001cc to 1199cc		1,500	3,000
1200cc to 1299cc		1,750	3,500
1300cc to 1499cc		2,500	5,000
1500cc to 1599cc		3,750	7,500
1600cc to 1999cc		4,500	9,000
2000cc & Above		10,000	20,000

ADVANCE TAX ON PASSANGER TRANSPORT VEHICLE	234	Non Air Conditioned	Air Conditioned
4 or more persons but less than 10 persons		500	1,000
10 or more persons but less than 20 persons		1,500	2,000
20 persons or more		2,500	4,000

EXPLAINATION	
82D	Defination of resident indvidual
92	Exemption of member in case of exempt income of AOP
111	Seprate notice for concealment of income not required

NEW INSERTION	
99A	Payment of Tax through electricity connection
105A	Restriction on frequent audit proceedings



TAX YEAR 2024

TAX RATES FOR NON-SALARIED INDIVIDUALS / AOPs

[Division I, Part I of the First Schedule]

Upto Rs. 600,000	0%
Rs. 600,000 to Rs. 800,000	7.50%
Rs. 800,000 to Rs. 1,200,000	Rs. 15,000 + 15%
Rs. 1,200,000 to Rs. 2,400,000	Rs. 75,000 + 20%
Rs. 2,400,000 to Rs. 3,000,000	Rs. 315,000 + 25%
Rs. 3,000,000 to Rs. 4,000,000	Rs. 465,000 + 30%
Rs. 4,000,000 and above	Rs.765,000 + 35%

TAX RATES FOR SALARIED PERSONS

[Division I, Part I of the First Schedule]

Upto Rs. 600,000	0%
Rs. 60,000 to Rs 1,200,000	2.5%
Rs. 1,200,000 to Rs 2,400,000	Rs.15,000 +12.5 %
Rs. 2,400,000 to Rs 3,600,000	Rs.165,000 +22.5 %
Rs. 3,600,000 to Rs .6,000,000	Rs.435,000 +27.5 %
Rs. 6,000,000 and above	Rs.1,095,000 +35 %

MINIMUM TAX

Nature of Payment	Section	Filer	Non-Filer
MINIMUM TURNOVER Tax for Companies (except otherwise specified)	113	1.25% of turnover	
MINIMUM TURNOVER TAX for Ind. & AOPs (annual turnover Rs. 10 Million or more)	113	1.25% of turnover	
In case of SSGPL, SNGPL, PIAC & Poultry Industry,	113	0.75% of turnover	
Motorcycle dealers,Oil Refineries, Oil Marketing Companies	113	0.5% of turnover	
Distributors of Pharmaceuticals, FMCG, Cigrattes, Flour Milling, Petroleum Agents & Distributors, Rice Mills & Dealers, Tier-1 Retailers of FMCG, Persons through e-commerce running online market place u/s 2(38B), Persons engaged in sale/purchases of used vehicles	113	0.25% of turnover	
SALE of Goods (by Companies)	153(1)(a)	5.00%	10.00%
(by all Others)		5.50%	11.00%
SALE of Rice, Cotton Seed & Edible Oil	153(1)(a)	1.50%	3.00%
Sales of FMCG by Distributor (Companies)	153(1)(a)	5.00%	10.00%
Sales of FMCG by Distributor (IND/ AOP)		5.50%	11.00%
SERVICES (Companies)	153(1)(b)	9.00%	18.00%
SERVICES (Except Companies)	153(1)(b)	11.00%	22.00%
SERVICES rendered by Transport, Freight forwarding, Air Cargo, Courier, Manpower outsourcing, Hotel, Security Guard, Software development, Tracking, Advertising (other than print or electronic media) Share Registrar, Engineering, warehousing, services by asset management companies, data services, Telecommunication infrastructure (Tower) services, Car rental, Building maintenance, by Pakistan Stock Exchange Ltd. & Pakistan Mercantile Exchange Ltd., Inspection, Certification Testing and Training Services.oilfiled services, telecommunication services, collateral management services, travel & Tour services.	153(1)(b)	4.00%	8.00%
Services Electronic & Print Media Advertising (Companies / Ind. / AOP)	153(1)(b)	1.50%	3.00%
SERVICES of Stitching, Dyeing, Printing, Embroidery, Washing, Sizing & Weaving rendered to Exporter or Export House	153(2)	1.00%	2.00%
CONTRACTS (companies)	153(1)(c)	7.50%	15.00%
other than companies		8.00%	16.00%
ADVERTISING Agents Commission	233(1)	10.0%	20.0%
LIFE INSURANCE Agents (if less than 0.5M)	233(1)	8.0%	16.0%
BROKERAGE & COMMISSION (other than above)	233(1)	12.0%	24.0%
ELECTRICITY Bill (Ind. & AOPs)	235 (4)(a)	upto Bill Rs. 360,000 P.A	

RATE OF TAX ON IMPORT OF MOBILE PHONES U/S 148

C & F Value of Mobile Phones (in US $)	Tax (In Rs.)	
	In CBU Conditions PCT Headings 8517.1219	In CKD/SKD Conditions Under PCT Heading 8517.1211
upto 30 except smart phones	70	-
Exceeding 30 and upto 100 and smart phones upto 100	100	-
Exceeding 100 and upto 200	930	-
Exceeding 200 and upto 350	970	-
Exceeding 350 and upto 500	5,000	300
Exceedings 500 and upto 700	11,000	5,200

FINAL DISCHARGE OF TAX

Nature of Payment	Section	Filer	Non-Filer
IMPORTS (Details 12th Schedule)	148		
Table-I (Capital goods)		1%	2.00%
Table-II (Raw material)		2%	4.00%
Table-III (Commerical Inputs)		6.00%	12.00%
IMPORTS of Finished Pharamcueticals Products		4.00%	8.00%
Manufacturers Covered under SRO 1125(I)/2015		1.00%	2.00%
DIVIDEND	150	15% to 30%	
PROFIT on Debt upto Rs. 0.5M *(except Companies)*	151	15%	30%
PROFIT on Debt exceeding Rs. 0.5M *(other than Companies)*	151	15%	30%
ROYALTY or Fee for Technical Services received by Non-Residents	152 (1)	15.0%	30.0%
CONTRACTS by non-resident	152(1A)	7%	
Services Media Person Advertisement	152(1AAA)	10%	
Fee for Offshore Digital Services	152(1C)	10%	
Supply of Goods - (Companies)	152(2A)(A)	5.0%	10.0%
Supply of Goods - IND / AOP		5.5%	11.0%
SERVICES - (Companies)	152(2A)(B)	9.0%	18.0%
SERVICES - IND / AOP		11.0%	22.0%
SERVICES rendered by Transport, Freight forwarding, Air Cargo, Courier, Manpower outsourcing, Hotel, Security Guard, Software development, Tracking, Advertising (other than print or electronic media) Share Registrar, Engineering, warehousing, services by asset management companies, data services, Telecommunication infrastructure (Tower) services, Car rental, Building maintenance, by Pakistan Stock Exchange Ltd. & Pakistan Mercantile Exchange Ltd., Inspection, Certification Testing and Training Services.oilfiled services, telecommunication services, collateral management services, travel & Tour services.	152(2A)(B)	4.0%	8.0%
CONTRACTS- IND / AOP / COY	152(2A)(C)	8.0%	16.0%
CONTRACT by Sports Person		10.0%	20.0%
EXPORTS	154	1.00%	
INDENTING COMMISSION	154(2)	5.00%	
EXPORTS of Services	154(A)	1.00%	
Export proceeds of Computer software or IT services	154(A)	0.25% of proceed	
PRIZE on Prize Bond / Cross Word Puzzle	156	15.0%	30.0%
WINNINGS from raffle, lottery, quiz etc.	156	20.0%	40.0%
COMMISSION on Petroleum Products	156A	12.0%	24.00%

CAPITAL GAIN ON DISPOSAL OF SECURITIES

Section 37A Holding Period	Rate of Tax
Where the holding period does not exceed one year	15.00%
Where the holding period exceeds one year but does not exceed two years	12.50%
Where the holding period exceeds two years but does not exceed three years	10.00%
Where the holding period exceeds three years but does not exceed four years	7.50%
Where the holding period exceeds four years but does not exceed five years	5.00%
Where the holding period exceeds five years but does not exceed six years	2.50%
Where the holding period exceeds six years	0.00%
Future commodity contracts entered into by members of Pakistan MercantileExchange	5%

Tax on High Earning Persons For poverty Alleviation U/S 4C

Income under section 4C	Rate of tax
upto Rs. 150 million	0% of the income
exceeds Rs. 150 million to 200 million but does not exceed Rs. 200 million	1% of the income
exceeds Rs. 250 million to 300 million	3% of the income
exceeds 300 million to Rs. 350 Million	4% of the income
exceeds Rs. 350 Million to Rs. 400 Million	6% of the income
exceeds Rs. 400 Million to Rs. 500 Million	8% of the income
Where income exceeds Rs. 500 Million	10% of the income



TAX YEAR 2024

Capital Gain under section 37

Holding period	Open Plots	Construsted Plots	Flats
Where less than 12 months	15%	15%	15%
1 year to upto 2 years	12.50%	10%	7.50%
2 year to upto 3 years	10%	7.50%	0%
3 year to upto 4 years	7.50%	5%	
4 years to upto 5 years	5%	0%	0%
5 years to upto 6 years	2.50%	0%	0%
where the holding period exceed 6 years	0%	0%	0%

Tax on Deemed Rental Income u/s 7E

Value of Property to be Taxed	Rate
Fair market value of the property(s), in aggregate exceeding Rs. 25 million	5%

Payment of Tax Through Electricty Connections u/s 99

Gross amount of Monthly Bill	Tax
Where the amount does not exceed Rs. 30,000	Rs. 3,000
Where the amount exceeds Rs. 30,000 but does not exceed Rs. 50,000	Rs. 5,000
Where the amount exceeds Rs. 50,000 but doesnot exceed Rs. 100,000	Rs. 10,000
Specified retailers and service providers through Income Tax General Orde	Rs.200,000

TAX RATES FOR COMPANIES

[Division II, Part I of the First Schedule]

Type	Tax Rates
BANKING Companies	39%
PUBLIC / PRIVATE Companies	29%
SMALL COMPANY	20%
Alternate Corporate Tax	17%
Modarba	25%

ELECTRICITY

Upto 500	235	0%
exceeds 500 upto 2,000	235	10% of the amount
Ecxeeds 2,000	235	consumers Rs. 1,950/- + 5% for Industrial Consumers
Domestic Electricity	235A	0 if bill is less then 25,000/- monthly & 7.5% of amount of bill exceeding Rs. 25,000/-

Telephone Bill exceeding Rs. 1,000/-	236(1)(a)	15%
Telephone Bill / Phone Cards	236(1)(b)	15.00%
Internet Bill	236(1)(d)	15.00%

DISTRIBUTORS, DEALERS AND WHOLESALERS

All Except Fertilizers	236G	0.10%	0.20%
Fertilizers	236G	0.70%	1.40%
Wholesalers, Dealers, Distributors	236G	0.25%	(If appearing in both ST & IT ATL list)
Advance tax on sale to Retailers	236H	0.50%	1.00%

SALE AND PURCHASE OF PROPERTY

Sale of Property	236C	3.00%	6.00%
Purchase of Property	236K	3.00%	10.5%

PROFIT ON DEBT (Section 7B)

Upto Rs. 5,000,000/-	15%	30%

INCOME FROM PROPERTY (IND & AOPs) [Section 15 & 155]

Upto Rs. 300,000	0%
Rs. 300,001 to Rs. 600,000	5%
Rs. 600,001 to Rs. 2,000,000	Rs. 15,000 + 10%
Rs. 2,000,000 and above	Rs. 155,000 + 25%

In case of company, rate of tax to be deducted under section 155 shall be 15% of gross amount of rent.



MOTOR VEHICLES

On Registration by Excise & Taxation and on Sale by Manufacturer	231B(1) & (3)	Filer	Non-Filer
Upto 850cc		10,000	
851cc to 1000cc		20,000	
1001cc to 1300cc		25,000	
1301cc to 1600cc		50,000	
1601cc to 1800cc		150,000	
1801cc to 2000cc		200,000	
2001cc to 2500cc		6% of the Value	18%
2501cc to 3000cc		8% of the Value	24%
Above 3000cc		10% of the Value	30%
Leased Motor Vehicles		0%	4%

Advance tax on purchase of Private Motor Vehicle	231B(2)	Filer	Non-Filer
Upto 850cc		0%	5,000
851cc to 1000cc		5,000	10,000
1001cc to 1300cc		7,500	15,000
1301cc to 1600cc		12,500	25,000
1601cc to 1800cc		18,750	37,500
1801cc to 2000cc		25,000	50,000
2001cc to 2500cc		37,500	75,000
2501cc to 3000cc		50,000	100,000
Above 3000cc		62,500	125,000

Advance tax on Private Motor Vehicle	234	Filer	Non-Filer
Upto 1000cc		800	1,600
1001cc to 1199cc		1,500	3,000
1200cc to 1299cc		1,750	3,500
1300cc to 1499cc		2,500	5,000
1500cc to 1599cc		3,750	7,500
1600cc to 1999cc		4,500	9,000
2000cc & Above		10,000	20,000

Advance tax on Passanger Transport Vehicle	234	Non Air Conditioned	Air Conditioned
4 or more persons but less than 10 persons		500	1,000
10 or more persons but less than 20 persons		1,500	2,000
20 persons or more		2,500	4,000



TAX YEAR 2024

OTHERS			
Auction	236A	10.00%	20.00%
Auction (in case of Immoveable property)	236A	5.00%	10.00%
FOREIGN PAYMENTS			
Section 236(Y)			
Foreign Payments Through Credit or Debit Card		5%	
BONUS SHARES			
Section 236(Z)			
Bonus Shares issued by Listed & Unlisted Companies		10%	
ADVANCE TAX			
Section 231 (AB)			
Every banking company shall deduct advance adjustable tax rate.		NILL	0.60%
TAX ON BUILDERS			
Second Schedule, Part-II, Clause 21			
Tax Reduction for Builders		10%	20%
TAX ON YOUTH ENTERPRISE			
Second Schedule, Part-II, Clause 22			
Tax Reduction of Youth Enterprises Rs. 5 Million, (Rs 2 Million for AOP/IND)		50%	
TAX ON CONSTRUCTION HOUSE			
Section 65(I)			
Tax Credit lower 10% or Rs. 1 Million for Construction of New houses		10%	
IT AND IT ENABLED SERVICES			
Rule 7G, Seventh Schedule			
Reduced Tax Rates for Banking Companies for Additional Advance IT and IT Enabled services		20%	



All Provincial Bar Councils have been Exempted from Income tax on the recommendation of Mr. Farhan Shahzad Chairman Inter Provincial Bar Councils Relations and Foreign Affairs Committee through insertion in sub-clause(2), table 2, column (1) of Clause (66) in Second Schedule of the Income Tax Ordinance, 2001.

* A word of caution: Due care and caution has been taken to print this paper and if any error, mistake or omission is found to have crept in, the information would be gladly accepted and efforts would be made to remove the same in next time. For further detail please consult the relevant Law.

Legal Assistance for Income Tax / Sales Tax / FED, feel free to Call or E-mail at lawhouse@live.com

(Amendments upto 30-06-2023)

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