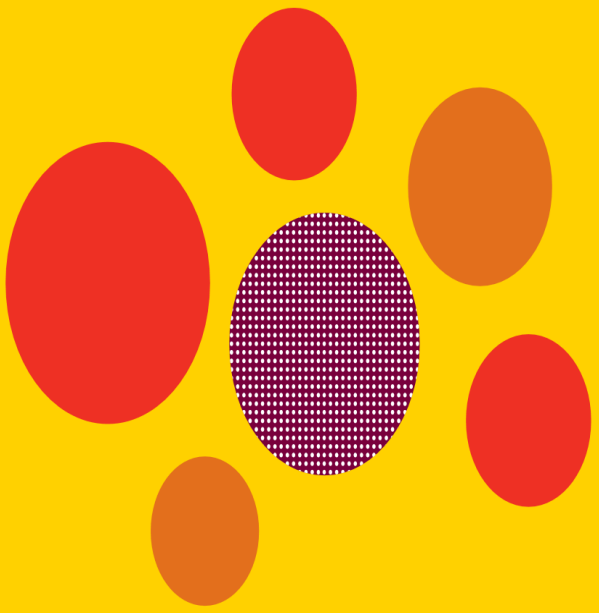
Hassan Naeem & Co.
Chartered Accountants

Tax Fact Card | 2023-24



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FINANCE ACT, 2023

PREFACE

This tax fact card is for exclusive use of clients and staff of **UHY Hassan Naeem & Co.** The material contained in this memorandum is in the nature of tax facts only, and neither purports nor is intended to be advice on any particular matter. Readers should not act or rely upon any matter or information contained in this Tax Fact Card without taking appropriate professional advice. This tax fact card incorporates all the amendments made through Finance Act, 2023.

The Part-I of card is consist of tax rates for annual tax liability computation at the time of filing of annual income tax return or other purpose as the case may be, Part-II pertains to advance tax rates newly enacted for builders & developers, Part-III contains withholding tax rates for deducting tax at source while making payments and Part-IV is comprised of advance tax rates on which certain persons are required to collect tax while receiving payments. Necessary instructions are also given at end of the card.

PART-I

ANNUAL INCOME TAX LIABILITY

Income tax rates for computation of annual income tax liability of Individuals, AOPs & Companies subject to provisions of Income Tax Ordinance, 2001, are given below

BUSINESS/OTHER INDIVIDUALS AND AOPS

S. No.	Taxable Income	Rate of tax
1	Up to Rs.600,000	0%
2	Rs.600,001 to Rs.800,000.	7.5% of the amount exceeding Rs. 600,000
3	Rs.800,001 to Rs.1,200,000.	Rs.15,000 plus 15% of the amount exceeding Rs.800,000
4	Rs.1,200,001 to Rs.2,400,000.	Rs. 75,000 plus 20% of the amount exceeding Rs. 1,200,000
5	Rs.2,400,001 to Rs.3,000,000.	Rs.315,000 plus 25% of the amount exceeding Rs.2,400,000
6	Rs.3,000,001 to Rs.4,000,000.	Rs.465,000 plus 30% of the amount exceeding Rs.3,000,000
7	More than Rs.4,000,000	Rs.765,000 plus 35% of the amount exceeding Rs.4,000,000

TAX RATES FOR SALARIED INDIVIDUALS – 12 & 149

S. No.	Taxable Income	Rate of tax
1	Upto Rs.600,000	0%
2	Rs.600,001 to Rs.1,200,000	2.5% of the amount exceeding Rs.600,000
3	Rs.1,200,001 to Rs.2,400,000.	Rs.15,000 plus 12.5% of the amount exceeding Rs.1,200,000
4	Rs.2,400,001 to Rs.3,600,000	Rs.165,000 plus 22.5% of the amount exceeding Rs.2,400,000
5	Rs.3,600,001 to	Rs.435,000 plus 27.5% of the

	Rs.6,000,000	amount exceeding Rs.3,600,000
6	Taxable income exceeds Rs. 6,000,000	Rs.1,095,000 plus 35% of the amount exceeding Rs.6,000,000

Note: Every person responsible for making payment for directorship fee or fee for attending Board meeting or such fee by whatever name called will deduct tax at the rate of 20% of gross amount paid.

Exemptions/Tax reductions:

a) Medical allowance up to 10% of Basic Salary.

b) Full time teacher rebate is 25% of tax liability.

CORPORATE RATE OF TAX

- **Small Company Excluding SME whose taxation is provided in 14th Schedule.**

  (Companies other than SME whose Paid up capital is up to Rs.50m & annual turnover up to 250m).

  - Corporate Tax Rate for Small Company is 20%.

- **Banking Company & Other than Small Company**
  - Corporate Tax Rate for Companies (other than Banking) is 29%.
  - Corporate Tax Rate for Banking Companies is 39%.

Note: Income of Insurance & banking Companies is chargeable to tax under 4th & 7Th Schedule respectively.

SUPER TAX RATES – 4B

Sr. No	Person	Rate of Super Tax	
		TY 2020	TY 2021 and 2022
1	▪ Banking Company.	4%	4%

2	▪ Person other than a banking company, having income equal to or exceeding Rs.500 million.	0%	0%

*Section 4b is applicable till TY 2022 only.

SUPER TAX ON HIGH EARNING PERSONS – 4C

S. No.	Income under section 4C	TY 2022	TY 2023 onwards
1	Where income does not exceed Rs.150 Million	0%	0%
2	Where income exceeds Rs. 150 million but does not exceed Rs. 200 million	1%	1%
3	Where income exceeds Rs. 200 million but does not exceed Rs. 250 million	2%	2%
4	Where income exceeds Rs. 250 million but does not exceed Rs. 300 million	3%	3%
5	Where income exceeds Rs. 300 million but does not exceed Rs.350 million	4%	4%
6	Where income exceeds Rs. 350 million but does not exceed Rs.400 million		6%
7	Where income exceeds Rs. 400 million but does not exceed Rs.500 million		8%
8	Where income exceeds Rs. 500 million		10%

- For banking companies for Tax Year 2023, the rate of tax shall be 10% when the income exceeds Rs. 300 Million.
- For below specified sector 10% where the income exceeds Rs. 300 million.
  - 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
  - Textiles

SMALL & MEDIUM ENTERPRISE-SME – 2(59A), 100E & 14TH SCHEDULE

For Tax Year 2021 & Onwards

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 turnover	15% of

		exceeds Rupees 100 Million but does not exceed Rupees 250 Million	taxable income

Option for Final Tax Regime

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 turnover exceeds Rupees 100 Million but does not exceed Rupees 250 Million	0.5% of gross turnover

- Option for Final or Normal Tax Regime shall be exercised at the time of filing of return of income and option once exercised shall be irrevocable for three tax years.

- "small and medium enterprise" means a person who is engaged in manufacturing as defined in clause (iv) of sub-section (7) of section 153 of the Ordinance and his business turnover in a tax year does not exceed two hundred and fifty million rupees:

  Provided that if annual business turnover of a small and medium enterprise exceeds two hundred and fifty million rupees, it shall not qualify as small and medium enterprise in the tax year in which annual turnover exceeds that turnover or any subsequent tax year

RATES OF TAX ON DIVIDEND – 5 & 150

Sr. No.	Dividend By	Rate
(a)	▪ In case of dividend paid by independent Power Purchasers (IPPs) where such dividend is a passed through item under and implementation Agreement or Power Purchase Agreement or Energy Purchase Agreement and is required to be reimbursed by Central Power Purchasing Agency (CPPA-G) or its predecessor or successor entity.	7.5%
(b)	▪ Mutual funds, Real Estate Investment Trusts and cases other than those mentioned in clauses (a), (c) & (d).	15%
(c)	▪ In case of dividend received by a REIT scheme from Special Purpose Vehicle. ▪ In case of dividend received by others from Special Purpose Vehicle as defined under the Real Estate Investment Trust Regulations, 2015.	0% 35%
(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%

Note: Tax Chargeable and WH/advance tax on dividend is same now.

TAX ON DEEMED INCOME – 7E

The rate of tax under section 7E shall be 20%.

TAX ON RETURN ON INVESTMENT IN SUKUKS – 5AA & 150A

S. No	Particulars	Rate
1	▪ In the case the sukuk-holder is a company	25%
2	▪ In case the sukuk-holder is Individual & AOP; a) return on investment is more than one million. b) return on investment is less than one million.	 12.5% 10%

Note: Tax Chargeable & WH is same

TAX ON CERTAIN PAYMENTS/INCOME OF NON-RESIDENTS 6 & 7

S. No	Nature of Payment or Income	Rate
1	▪ Gross amount of the royalty or fee for technical services.	15%
2	▪ In any other case (fee for offshore digital services, fee for money transfer operations, card network services, payment gateway services, interbank financial telecommunication services)	10%
3	▪ In the case of shipping income.	8%
4	▪ In the case of air transport income.	3%

THE RATE OF TAX ON PROFIT ON DEBT (INDIVIDUAL & AOP) UNDER SECTION 7B

The rate of tax for profit on debt imposed under section 7B shall be 15%.

Note:

1- In case profit is more than 5m, same will be taxable at normal rates of individuals & AOP.

2- The provisions of section 7B shall not apply to yield or profit on investment in Bahbood Savings Certificate or Pensioner's Benefit Account, provided that tax on the said yield or profit on debt is paid at normal tax rates.

3- Yield or profit on investment in Bahbood Savings Certificate or Pensioner's Benefit Account is chargeable to tax at the rate of 5% at the time of filing of return.

MINIMUM TAX ON TURNOVER- 113 (RESIDENT & PE OF NRP)

S. No.	Person(s)	Rate
1	▪ Sui Southern Gas Company Limited and Sui Northern Gas Pipelines Limited (for the cases where annual turnover exceeds rupees one billion.); ▪ Pakistan International Airlines Corporation; and ▪ Poultry industry including poultry breeding, broiler production, egg production and poultry feed production.	0.75%
	▪ Oil refineries ▪ Motorcycle dealers registered under the Sales Tax Act, 1990. ▪ Oil marketing companies	0.5%
2	▪ Distributors of pharmaceutical products, fast moving consumer goods and cigarettes; ▪ Petroleum agents and distributors who are	0.25%

	registered under the Sales Tax Act, 1990; ▪ Rice mills and dealers; and ▪ Tier 1 Retailer of fast moving consumer goods who are integrated with Board or its computerized system for real time reporting of sales and receipts ▪ Person's turnover from supplies through e – commerce including from running an online market place as defined in clause (38B) of section 2. ▪ Persons engaged in the sales and purchase of used vehicles; and ▪ Flour mills.	
4	▪ In all other cases.	1.25%

a) Alternative corporate tax u/s 113C is only applicable to Companies the rate of which is 17% on accounting profit.

b) The rate of minimum tax under sub-section (1) of section 113 in the case of distributors, dealers, sub-dealers, wholesalers and retailers of fast moving consumer goods, fertilizer, locally manufactured mobile phones, sugar, electronics excluding imported mobile phones, cement, steel and edible oil shall be 0.25% subject to the condition that beneficiaries of reduced rate are appearing on the Active Taxpayers' Lists issued under the provisions of the Sales Tax Act, 1990 and the Income Tax Ordinance, 2001: Provided that the benefit under this clause shall be available to only those Tier-1 retailers as defined under Sales Tax Act, 1990 who are integrated and configured with Board or its computerized system for real time reporting of sales or receipts.

c) The rate of minimum tax under section 113 shall be 0.5% in case of a trader of yarn being an individual.

d) The provisions of section 113 of the Ordinance shall not apply to SMEs.

CAPITAL GAINS ON SALE OF IMMOVABLE PROPERTY- 37(1A)

S.No.	Holding Period	Rate of Tax		
		Plot	Constructed property	Flat
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%	-
5	Where the holding period exceeds four years but does not exceed five years	5%	0%	-
6	Where the holding period exceeds five years but does not exceed six years	2.5%	-	-
7	Where the holding period exceeds six years	0%	-	-

WITHHOLDING ON PURCHASE OF SHARES - 37(6)

The purchaser of shares of private companies and those shares of listed companies that are not being traded on stock exchange, shall deduct advance tax at the rate of 10% of value of shares.

CAPITAL GAIN ON SALE OF SECURITIES – 37A

S. No.	Holding Period	Rate of Tax for Tax year 2023 and onwards
1	Where the holding period does not exceed one year	15%
2	Where the holding period exceeds one year but does not exceed two years	12.5%
3	Where the holding period exceeds two years but does not exceed three years	10%
4	Where the holding period exceeds three years but does not exceed four years	7.5%
5	Where the holding period exceeds four years but does not exceed five Years	5%
6	Where the holding period exceeds five years but does not exceed six years	2.5%
7	Where the holding period exceeds six years	0%
8	Future commodity contracts entered into by members of Pakistan Mercantile Exchange	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

(ii) the rate of 12.5% tax shall be charged on capital gain arising on disposal where the securities are acquired on or after 1.7.2013 but on or before the 30th day of June, 2022.

(iii) 0% shall be charged on securities acquired before 1.7.2013.

a) In respect of debt securities, the rate for companies shall be Corporate rate of tax.

b) In case of 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

Category	Rate
Individual and association of persons	10% for stock funds 10% for other funds
Company	10% for stock funds 25% for other funds

Provided further that in case of a stock fund if dividend receipts of the fund are less than capital gains, the rate of tax deduction shall be 12.5%:

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

PART-II
ADVANCE TAX FOR BUILDERS AND DEVELOPERS

From 1.7.2023 onwards, builder and developers are required to pay quarterly advance tax on basis of area of project excluding those projects already registered u/s 100D.

Area	(A) Karachi, Lahore and Islamabad	(B) Hyderabad, Sukkur, Multan, Faisalabad, Rawalpindi, Gujranwala, Sahiwal, Sialkot, Bahawalpur, Peshawar, Mardan, Abbottabad, Quetta	(C) Urban Areas not specified in A and B
TAX ON BUILDERS FOR COMMERCIAL BUILDINGS			
Area in Sq. Ft.	**Rate/ Sq. ft.**		
Any size	Rs.250	Rs.230	Rs.210
FOR RESIDENTIAL BUILDINGS			
Area in Sq. ft.	**Rate/ Sq. ft.**		
upto 3000	Rs.80	Rs.65	Rs.50
Above 3000	Rs.125	Rs.110	Rs.100
TAX ON DEVELOPERS FOR ALL PROJECTS			
Area in Sq. Yds.	**Rate/Sq. Yd**		
Any size	Rs.150	Rs.130	Rs.100
FOR DEVELOPMENT OF INDUSTRIAL AREAS			
Area in Sq. Yds.	**Rate/Sq. Yd**		
Any size	Rs.20	Rs.20	Rs.10

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

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

PART-III
WITHHOLDING TAX REGIME

Income Tax withholding regime which requires to withhold tax at source while making payments subject provisions of Ordinance.

TAXES TO BE WITHHELD AT IMPORT STAGE ON IMPORTS - 148

S. No.	Imports Particulars	Rate
1	▪ Persons importing goods classified in Part I of the Twelfth Schedule.	1%
2	▪ Commercial importer importing goods classified in Part II of the Twelfth Schedule.	3.5%
2a	▪ Persons importing goods classified in Part II of the Twelfth Schedule	2%
3	▪ Persons importing goods classified in Part III of the Twelfth Schedule	5.5%
3a	▪ Commercial importer importing goods classified in Part III of the Twelfth Schedule	6%

Note below points:

a) In case of manufacturers covered under rescinded Notification No. S.R.O. 1125(I)/2011 dated the 31st December, 2011 as it stood on the 28th June, 2019 on import of items covered under the aforementioned S.R.O. shall be 1%.

b) In case of persons importing finished pharmaceutical products that are not manufactured otherwise in Pakistan, as certified by the Drug Regulatory Authority of Pakistan shall be 4%.

c) In case of import of CKD kits electric vehicles for small cars or SUVs with 50 kwh battery or below and LCVs with 150 Kwh battery or below shall be 1%.

d) The withholding under section 148 shall not apply on import of motor vehicles up to 1000cc in CBU condition.

Rate of tax on value of import of mobile phone by any person

S. No.	C & F Value of mobile phone (in US Dollar)	Tax (in Rs.)	
		In CBU condition PCT Heading 8517.1219	**In CKD/SKD condition PCT Heading 8517.1211**
1	Up to 30 except smart phones	70	0
2	Exceeding 30 and up to 100 and smart phones up to 100	100	0
3	Exceeding 100 and up to 200	930	0

4	Exceeding 200 and up to 350	970	0
5	Exceeding 350 and up to 500	5,000	3,000
6	Exceeding 500	11,500	5,200

Note:

* The provisions of section 148 shall not apply on **mobile phones** brought in personal baggage under the Baggage Rules, 2006.

*The provisions of section 148 shall not apply on import of machinery and equipment as listed in S. No 32 of Part-I of Fifth Schedule to the Customs Act, 1969 subject to the same conditions and limitations as specified therein.

PROFIT ON DEBT - 151

Sr. No.	Particulars of Profit	Rate
1	The rate of tax deducted on profit on debt	15%

Note: The provisions of clause (a) of sub-section (1) of section 151 shall not apply in respect of any amount paid as yield or profit on investment in Bahbood Savings Certificate or Pensioner's Benefit Account and Shuhada Family Welfare Account's

PAYMENTS TO NON-RESIDENTS – 152

S. NO.	Particulars of Payments for Services	Rate
1 152(2A)	▪ Payment to PE of Non-residents in Pakistan for sale of Goods; a) Company; b) Other than Company.	 5% 5.5%
2 152(2A)	▪ Payment to PE of Non-residents in Pakistan for rendering of Services:	

	a) In the 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 ,training services and oilfield services.	4%
3 152(2A)	▪ Other than services mentioned in Sr. No-2: a) Company. b) Other than Company.	 9% 11%
4 152(2A)	▪ On execution of Contracts with PE of NRP (Other than contracts of service and sale of goods); a) Sports Person. b) Others.	 10% 8%
5 152(1A)	▪ Every person making a payment to a non-resident person on the execution of; a) a contract or sub-contract under a construction, assembly or installation project in Pakistan, including a contract for the supply of supervisory activities in relation to such project; or b) any other contract for construction or	7%

	services rendered relating thereto; or c) a contract for advertisement services rendered by T.V. Satellite Channels,	
6 152(1AA)	▪ Every person making a payment of insurance premium or re-insurance premium to a non-resident person.	5%
7 152(1AAA)	▪ Every person making a payment for advertisement services to a non-resident media person relaying from outside Pakistan.	10%
8 152(1D) 152(1DA)	▪ Every banking company or a financial institution maintaining special convertible rupee account (SCRA) of a non-resident company having no permanent establishment in Pakistan.	10%
9 152(2)	▪ All payments made to a non-resident person other than above.	20%
10 152(1DC)	▪ Every exchange company licensed by the State Bank of Pakistan making a payment of service charges or commission or fee to the global money transfer operators, international money transfer operators or such other persons engaged in international money transfers or cross-border remittances.	10%
11 152(1DD)	▪ Every banking company while making payment to card network company or payment gateway or any other person, of any transaction fee or licensing fee or service charges or commission or fee.	10%

PAYMENT OF GOODS, SERVICES & CONTRACTS - 153

Section	Payments	Rate
153(1)(a)	▪ Sale of Goods including Toll manufacturing a) Company. b) Other than Company.	 5% 5.5%
	▪ Distributors of Pharmaceuticals & cigarette.	1%
	▪ For sale of rice, cotton seed oil and edible oil.	1.5%
	▪ Silver & Gold	1%
	▪ Goods supplied to Utility Stores Corporation of Pakistan by Individual or AOP. For supply of tea, spices, salt, dry milk, sugar, pulses wheat flour and ghee for the period commencing from the 7th day of April, 2020 and ending on 30th day of September, 2020: ▪ Except this deduction shall not be applicable to supply of tea, spices, salt and dry milk which are sold under a brand name. ▪ Provided further that this deduction shall not be applicable where rate of tax under clause (a) of sub-section (1) of section 153 is less than 1.5% of the gross amount of payment under any provisions of the Ordinance.	1.5%

153(1)(b)	▪ 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%
153(1)(b)	▪ Person making payment to Electronic & Print Media for advertising services.	1.5%
	▪ Other Services; a) Company. b) Other than Company.	 9% 11%
153(1)(c)	▪ In case of sportsperson.	10%

	▪ Execution of Contracts;	
	a) Company.	7.5%
	b) Other than Company.	8 %

The rate of tax under clause (a) of sub-section (1) of section 153 in the case of distributors, dealers, sub-dealers, wholesalers and retailers of fast moving consumer goods, fertilizer, electronics excluding mobile phones, sugar, cement, Steel and edible oil as recipient of payment shall be 0.25% of gross amount of payments subject to the condition that beneficiaries of reduced rate are appearing on the Active Taxpayers' Lists issued under the provisions of the Sales Tax Act, 1990 and the Income Tax Ordinance, 2001 (XLIX of 2001): Provided that the benefit under this clause shall only be available to those Tier-1 retailers as defined under Sales Tax Act, 1990 who are integrated and configured with Board or its computerized system for real time reporting of sales or receipts.

EXEMPTIONS:

Section 153(1) shall not apply to the following persons as recipients of payments:

1) Persons receiving payments--

   (a) not exceeding **rupees seventy-five thousand on account of supply of goods**, in a financial year; and

   (b) not exceeding **rupees thirty thousand on account of services** rendered or execution of a contract, in a financial year.

2) A Provincial Government;
3) A local authority;

4) Persons who are residents of Azad Kashmir and execute contracts in Azad Kashmir only and produce a certificate to this effect from the concerned income tax authority;
5) Subject to fulfillment of procedure laid down in clause (12) of Part IV of Second Schedule, persons receiving payments exclusively for the supply of agriculture produce including following–

   (I) fresh milk;

   (II) fish by any person engaged in fish farming;

   (III) live chicken, birds and eggs by any person engaged in poultry farming;

   (IV) live animals by any person engaged in cattle farming;

   (V) unpackaged meat; and

   (VI) raw hides. Provided that this clause shall not apply to the payments for agriculture produce which has been subjected to any process other than that which is ordinarily performed to render such produce to be fit to be taken to the market.
6) Companies receiving payments for the supply of electricity and gas including transmission payment;
7) Companies receiving payments for the supply of crude oil;
8) Hotels and restaurants receiving payments in cash for providing accommodation or food or both, as the case may be;
9) Shipping companies and air carriers receiving payments for the supply of passenger tickets and for the cargo charges of goods transported;
10) Individuals who are not registered under section 181 of the Ordinance, receiving payments for the supply of sand, bricks, grit, gravel, crushed stone, soft mud or clay; and

11) Artisans, plumbers, electricians, surface finishers, carpenters, painters or daily wagers, receiving payments in respect of services provided or rendered to the construction sector including construction of buildings, roads, bridges and other such structures or the development of land, subject to the following conditions, namely: –
    a. services under this clause are provided or rendered by an individual who is not registered under section 181;
    b. the name, Computerized National Identity Card Number and address of such individual is recorded by the recipient of such service; and
    c. payment for such services is made directly to such individual.;

Further, Provisions of section 153(1) shall not apply in following cases;

1) Any payment received by an oil distribution company or an oil refinery and provisions of sub-section (2A) of section152 shall not apply to Permanent Establishment of Non-resident Petroleum Exploration and Production (E&P) Companies] for supply of its petroleum products.
2) Payments received by a person on account of supply of petroleum product imported by the same person under the Government of Pakistan's deregulation policy of POL products
3) Payments received on sale of air tickets by travelling agents, who have paid withholding tax on their commission income.

4) Any payment received by a petroleum agent or distributor who is registered under Sales Tax Act, 1990 on account of supply of petroleum products.
5) Sale of goods by commercial importer who sold goods in same condition as were imported by same person on which tax under section 148 has been paid;
6) A refund of any security; and
7) a payment made by the Federal Government, a Provincial Government or a Local Government to a contractor for construction materials supplied to the contractor by the said Government or the authority;
8) Payment for lease rentals;
9) The provisions of section 153 shall not apply on the purchase of used motor vehicles from general public.
10) The rate of deduction of withholding tax under 153(1)(a)(b) 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;

    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.

INCOME FROM PROPERTY (INDIVIDUALS AND AOPS) – SECTION 155

Income	Rate
Where the gross amount of rent does not exceed Rs. 300,000	Nil
Where the gross amount of rent exceeds Rs.300,000 but does not exceed Rs.600,000	5% of the gross amount exceeding Rs. 300,000
Where the gross amount of rent exceeds Rs.600,000 but does not exceed Rs.2,000,000	Rs. 15,000 plus 10% of the gross amount exceeding Rs. 600,000
Where the gross amount of rent exceeds Rs. 2,000,000	Rs. 155,000 plus 25 percent of the gross amount exceeding Rs.2,000,000

Note: In case **rental payment is made to a Company**, withholding rate will be 15% of gross rent amount.

OTHER WITHHOLDING.

Section	WHT Agent	Payment Nature	Rate
154	Authorized dealer in foreign exchange/ Banking company/ EPZ Authority/ Direct exporter	▪ Export proceeds on supply of goods, on realization of foreign exchange on exports, exports of goods by an Industrial undertaking within EPZ & payment to indirect exporter for a contract by exporter.	1%

	and an export house/ Collector of Customs		
154A	Every authorized dealer in foreign exchange	On export proceeds of following; ▪ Services or technical services rendered outside Pakistan or exported from Pakistan. ▪ Royalty, commission or fee by resident company from a foreign enterprise ▪ Construction contracts executed outside Pakistan. ▪ Foreign commission due to an indenting commission agent. ▪ Other services rendered outside Pakistan as notified by the Board from time to time	1%
		▪ Exports proceeds for tax years 2024 up to tax year 2026 of Computer software or IT services or IT Enabled services by persons registered with Pakistan Software Export Board.	0.25%

156	All Payers	▪ Prize on prize bonds or cross word puzzle. ▪ Winning prizes from raffle, lottery, quiz etc.	15% 20%
156A	All Payers	▪ Commission or discount on petroleum products to a Petrol Pump Operator.	12%

PART-IV
ADVANCE TAX REGIME

In advance tax regime tax is collected by recipients of payments contrary to withholding tax regime.

Section	Collector	Payment Particulars	Rate
231AB	Bank	▪ On cash withdrawal of more than Rs.50,000	0.6% [Only from Non-filers]
231B	Excise & Taxation Authority / Manufacturer of Vehicles	▪ Tax to be collected by Excise & taxation authority on registration of new motor vehicle &/or by Manufacturer on sale of new vehicles.	
		Up to 850CC	10,000

		851cc to 1000cc	20,000
		1001cc to 1300cc	25,000
		1301c to 1600cc	50,000
		1601cc to 1800cc	150,000
		1801cc to 2000cc	200,000
		2001cc to 2500cc	6% of value
		2501cc to 3000cc	8% of value
		Above 3000cc	10% of value
		▪ Excise & taxation authority will collect tax for transfer of motor vehicle.	
		Up to 850CC	0
		851cc to 1000cc	5,000
		1001cc to 1300cc	7,500
		1301c to 1600cc	12,500
		1601cc to 1800cc	18,750
		1801cc to 2000cc	25,000
		2001cc to 2500cc	37,500
		2501cc to 3000cc	50,000
		Above 3000cc	62,500
	▪ Where engine capacity is not applicable and value of vehicle is Rs.5 million or more		3% of import value and in case of locally manufactured or assembled, of invoice value.
	▪ Every company leasing vehicle will collect advance tax of the value of Motor Vehicle from		4%

	only Non-Filer customers.		
231B(2A)	Excise & Taxation Authority	E&T if the locally manufactured motor vehicle has been sold prior to registration by the person who originally purchased it from the local manufacturer.	
		Up to 1000cc	100,000
		1001 to 2000cc	200,000
		2001 to above	400,000
It is clarified that a motor vehicle does not include motor vehicle used for public transportation, carriage of goods and agriculture machinery, rickshaw or motorcycle-rickshaw and any other motor vehicle having engine capacity upto 200cc for the purpose of section 231B.			
231C	Vis issuing or renewing authority	▪ Shall collect at the time of issuing or renewing domestic aide visa to foreign nationals from persons or agency employing those foreign persons in Pakistan.	Rs.200,000

233	Federal Government/ Company/ AOP or Individual having turnover 100 million or more	▪ In case of Advertising Agents. ▪ Life Insurance Agents where Commission received is less than Rs. 0.5 Million per annum. ▪ Persons not covered in 1 & 2.	10% 8% 12%
234	Person Collecting Motor Vehicle Tax	▪ Goods Transport Vehicles a) In the case of goods Transport Vehicles. b) Goods Transport vehicle with laden weight of 8120 Kg or more after a	Rs. 2.5 per kg of laden weight Rs.1,200 per annum

		period ten years from the date of first registration.	
		• Passenger Transport Vehicles plying for hire, seating capacity a) 4 or more persons but less than 10 persons. b) 10 or more persons but less than 20 persons.	 Rs.500/seat/annum for non-air conditioned and Rs.1,000/seat/annum for air conditioned Rs.1,500/seat/annum for non-air conditioned and Rs.2,000/seat/annum for air conditioned

		c) 20 persons or more.	Rs.2,500/seat/annum for non-air conditioned and Rs.4,000/seat/annum for air conditioned
234		▪ Other Motor vehicles	Amount (PKR)
		Upto 1000cc	800
		1001cc to 1199cc	1,500
		1200cc to 1299cc	1,750
		1300cc to 1499cc	2,500
		1500cc to 1599cc	3,750
		1600cc to 1999cc	4,500
		2000cc & above	10,000
235	Electricity Distribution Companies	▪ Commercial & Industrial Consumers	
		Up to Rs.500	0%
		From Rs.501 to Rs.20,000	10% of amount
		Exceeds 20,000	Rs 1950 plus 12% of amount exceeding Rs 20,000 for commercial consumer And Rs 1950 plus 5% of amount exceeding

			Rs 20,000 for industrial consumer
		▪ Domestic Consumers bill	
		Less than 25k	0%
		Above 25K	7.5%
235 (1A)	Electricity Distribution Companies	▪ Retailers and service provider's monthly bill; a) Up to Rs,30,000/- b) Rs. 30,001 to Rs.50,000 c) Rs. 50,001 to Rs.100,00 d) As notified by board in income tax general order	Rs. 3,000 Rs. 5,000 Rs. 10,000 Up to Rs. 200,000

236	Person issuing bill or selling units through electronic medium	▪ Telephone subscribers and internet. a) Monthly bill up to Rs.1,000 b) Bill exceeding 1,000	0% 10%
		▪ In the case of subscriber of internet, mobile telephone and prepaid internet or telephone card	15%
236A	Person making sale by Auction or auction by tender	▪ Sale of Immoveable property by auction. ▪ Sale of train management services by Pakistan Railway ▪ Sale of other goods by auction.	5% 5% 10%

236C	Registration / Transfer Authority including public private housing societies / builders	▪ From seller on gross consideration received on sale of Immoveable property.	3% (Filer) 6%(non-filer)
236K	Registration / Transfer Authority including public private housing societies / builders	▪ From purchaser on purchase of immovable property on fair market value of property	3% (Filer) 10.5%(non-filer)
236G	Manufacturer or commercial importer of pharmaceuticals, poultry and animal feed, edible oil and ghee, auto-parts,	▪ Sale to Distributors, dealers & wholesalers a) Fertilizers b) Other than Fertilizers	 0.7% 0.1%

	tyres, varnishes, chemicals, cosmetics, IT equipment,] electronics, sugar, cement, iron and steel products, fertilizer, motorcycles, pesticides, cigarettes, glass, textile, beverages, paint or foam sector	The rate of advance tax on sale to distributors, dealers or wholesalers of fertilizer 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).'';	0.25%,
236H	Manufacturer, distributor, dealer, wholesaler or commercial importer of pharmaceuticals, poultry and animal feed, edible oil and ghee, auto-parts, tyres, varnishes,	▪ Sale to all Retailers:	0.5%

	chemicals, cosmetics, IT equipment electronics, sugar, cement, iron and steel products, motorcycles, pesticides, cigarettes, glass, textile, beverages, paint or foam sector		
236CA	Any licensing authority certifying any foreign TV drama serial or a play for screening and viewing on any landing rights channel	Foreign-produced TV drama serial or play. Foreign-produced TV play (single episode) Advertisement starring foreign actor	Rs.1 million per episode Rs.3 million Rs.500,000 per second
236Y	Every banking company	Transfer of any sum remitted outside	

		Pakistan, on behalf of any person who has completed a credit card or debit card or prepaid card transaction with a person outside Pakistan	5%
236Z	Company issuing Bonus shares	On issue of bonus shares	10%

INSTRUCTIONS REGARDIN NON-FILER

- The above rates are for filer taxpayers only except where otherwise provided specifically. As per section **100BA & 10th Schedule**, the withholding/advance **tax rate shall be;**
    a. Increased by **200%** of the rate specified above in case of 231B.
    b. Increased by 250% of the rate specified above in case of 236K.
    c. Increased by 100% of the rate specified in cases other than a & b.

  Section 100BA & 10th Schedule is not applicable in following cases;

a) Sections 149, 152 other than (2A)(a)(b) & (c), 152(2)(to the extent of clause 5A & 5AA of 2nd Schedule), 154, 154A, 235, & 236.

b) Payment of dividend to non-resident persons.

c) 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.

11th SCHEDULE – 100D
BUILDERS & DEVELOPERS FIXED TAX REGIME

- Annual tax liability will be computed by following formula

$$\frac{\text{Tax liability as per the rates mentioned in rule 10}}{\text{Estimated project life in years}}$$

- The rate of tax as per rule 10 of 11th Schedule are as follows for entire life of the project:

Area	(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

TAX ON BUILDERS FOR COMMERCIAL BUILDINGS			
Area in Sq. Ft.	**Rate/ Sq. ft.**		
Any size	Rs.250	Rs.230	Rs.210
FOR RESIDENTIAL BUILDINGS			
Area in Sq. ft.	**Rate/ Sq. ft.**		
upto 3000	Rs.80	Rs.65	Rs.50
Above 3000	Rs.125	Rs.110	Rs.100

TAX ON DEVELOPERS FOR ALL PROJECTS			
Area in Sq. Yds.	**Rate/Sq. Yd**		
Any size	Rs.150	Rs.130	Rs.100
FOR DEVELOPMENT OF INDUSTRIAL AREAS			
Area in Sq. Yds.	**Rate/Sq. Yd**		
Any size	Rs.20	Rs.20	Rs.10

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

d) In case of development of plots and constructing buildings on the same plots as one project, both rates shall apply:
Provided that in the case of 'low cost housing and all projects developed by NAPHDA, the higher rates shall apply.



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