WITHHOLDING TAX CARD 2025-2026

TAX ON SALARIED INDIVIDUALS

Taxable Income		Rate of Tax for Salaried Person		
From	To			
Up to 600,000		0%		
600,000	1,200,000	1% on the amount exceeding Rs. 600,000		
1,200,001	2,200,000	6,000	PLUS	11% on amount exceeding Rs. 1,200,000
2,200,001	3,200,000	116,000	PLUS	23% on amount exceeding Rs. 2,200,000
3,200,001	4,100,000	346,000	PLUS	30% on amount exceeding Rs. 3,200,000
Above 4,100,000		616,000	PLUS	35% on amount exceeding Rs. 4,100,000

Rate of advance tax deductible is 20% for directorship fee or fee for attending board meetings.

TAX RATE ON BUSINESS INCOME FOR INDIVIDUAL & AOP

Taxable Income		Rate of Tax		
From	To			
Up to 600,000		0%		
600,001	1,200,000	15% on amount exceeding Rs. 600,000		
1,200,001	1,600,000	90,000	PLUS	20% on amount exceeding Rs. 1,200,000
1,600,001	3,200,000	170,000	PLUS	30% on amount exceeding Rs. 1,600,000
3,200,001	5,600,000	650,000	PLUS	40% on amount exceeding Rs. 3,200,000
Above 5,600,000		1,610,000	PLUS	**45% on amount exceeding Rs.5,600,000

**** Rate shall be 40% in case of AOP that is Professional Firm**

TAX RATES FOR COMPANIES

Type	Tax Rates
BANKING Companies	**44%**
PUBLIC / PRIVATE Companies	**29%**
SMALL Companies	**20%**

SMEs (Small & Medium Enterprises):

Category-1: Where Annual turnover ≤ Rs. 100 million	**7.5%**
Category-2: Where Annual turnover > Rs. 100 million but ≤ Rs. 250 million	**15%**
SMEs may opt for taxation under FTR at rates (% of turnover) given below:	
Category-1: Where Annual turnover ≤ Rs. 100 million	**0.25%**
Category-2: Where Annual turnover > Rs. 100 million but ≤ Rs. 250 million	**0.5%**

SUPER TAX (SECTION 4C)

Nature of Payment	Tax Rates
Where income does not exceed Rs. 150 million	0%
Where income exceeds Rs. 150 million but does not exceed Rs. 200 million	1% of the income
Where income exceeds Rs. 200 million but does not exceed Rs. 250 million	1.5% of the income
Where income exceeds Rs. 250 million but does not exceed Rs. 300 million	2.5% of the income
Where income exceeds Rs. 300 million but does not exceed Rs. 350 million	3.5% of the income
Where income exceeds Rs. 350 million but does not exceed Rs. 400 million	5.5% of the income
Where income exceeds Rs. 400 million but does not exceed Rs. 500 million	7.5% of the income
Where income exceeds Rs. 500 million and above	10% of the income

TAX ON DEEMED INCOME (SECTION 7E)

Deemed income means 5% of fair market value of property whether the property has actually been rented out or not.

Tax will be paid @1% of fair market value or 20% of the deemed income

Tax paid will be considered as Final tax.

This section will not apply:

- Where the fair market value of the property does not exceed Rs. 25 million
- One capital asset owned by the resident person
- Capital asset in the first tax year of acquisition and tax paid u/s 236K
- Any property from which income is changeable u/s 15 of this ordinance

MINIMUM TAX (SECTION 113)

Nature of Payment	Tax Rates
Sui Southern Gas Company Limited and Sui Northern Gas, Pipelines Limited (for cases where annual turnover exceeds rupees one billion).	**0.75%**
Pakistan International Airlines corporation.	
Poultry industry including poultry breeding, broiler production, egg production and poultry feed production.	
Oil refineries & Oil marketing companies	**0.50%**
Motorcycle dealers registered under the Sales Tax Act, 1990.	
Distributors of pharmaceutical products, fast moving consumer goods and cigarettes.	**0.25%**
Petroleum agents and distributors who are registered under the Sales Tax Act, 1990.	
Flour mills, Rice mills and dealers.	
Tier-1 retailers of fast moving consumer goods who are integrated with the Board or its computerized system for real time reporting of sales and receipts.	
Person's turnover from supplies through ecommerce including from running an online marketplace as defined in clause (38B) of section 2.	
Distributors, dealers, sub-dealers, wholesalers and retailers of steel subject to the conditions as specified in clause 24D.	
Persons engaged in the sale and purchase of used vehicles.	
In all other cases.	**1.25%**

Tax Rates on Pension

S. No.	Description	Rate
1	Where the amount of pension received does notexceed rupees ten million	0%
2	Where the amount of pension received exceeds rupees ten million	5% on the amount exceeding Rs. 10m

Note- The withholding will take place as per the rates specified above by the ex-employer and surcharge under section 4ab will also be deducted @ 9%.

PROFIT ON DEBT (Section 151)

Received by Individual, AOP or Company	**20%**	**40%**
Received by Resident Pakistanis on Govt. securities purchased via FCVA	**10%**	

DIVIDEND (Section 150)

Dividend paid by Independent Power Producers, being a pass-through item under an implementation/ power/ energy purchase agreement & is required to be reimbursed by CPPA-G		**7.5%**	**15%**
Dividend from company covered under clause 132C, Part I, 2nd Schedule			
Dividend in case of Mutual Fund (contingent upon proportional income derived from average annual investments in debt securities)		**25%**	**50%**
Dividend in case of Mutual Fund (contingent upon proportional income derived from average annual investments in debt equities respectively)		**15%**	**30%**
Dividend in case of mutual fund, Real Estate, Investment Trust		**15%**	**30%**
Dividend if no tax is payable by the company due to exemption/ carry forward of loss or tax credits		**25%**	**50%**
Dividend in Specie		**15%**	**30%**
Dividend from SPV received	By REIT Scheme	**0%**	**0%**
	By Others	**35%**	**70%**
Inter Company Dividend under group taxation		**N/A**	**N/A**

EXPORTS (Section 154 & 154A)

Realization of export proceeds (Exemption to cooking oil or vegetable ghee exported to Afghanistan if tax u/s 148 is paid)	**1%**
Inland back-to-back LC by exporter on sale of goods under an arrangement prescribed by FBR	
Export of goods by EPZ units	
Payment for a firm contract by direct exporters registered under DTRE Rules, 2001, to indirect exporters	
Realization of Proceeds on account of Commission to Indenting agent	**1%**
Minimum tax rate for indirect exporters of commodities exporting through online platform (Advance tax under section 147(6c) will be deducted @ 1%, in addition to section 154)	**1%**
Export proceeds of Computer software or IT services or IT Enabled services by persons registered with Pakistan Software Export Board	**0.25%**

Prizes & Winnings (Section 156)

On Prize bonds & Crossword Puzzle	**15%**	**30%**
Raffle, Lotter, Winning Quiz & Prizes on Sales Promotion Schemes	**20%**	**40%**

PETROLEUM PRODUCTS (Section 156A)

Commission/ Discount to Petrol Pump Operators on Petroleum products	**12%**	**24%**

PAYMENT FOR GOODS UNDER SECTION 153(1)(a)

Nature of Payment	Tax Rates	
	Filer	Non-Filer
Supply of Goods u/s 153 (1)(a)		
Sale of rice, cotton seed or edible oils	**1.5%**	**3%**
Sale of Cigarettes & Pharma Products & Gold and silver and articles	**1%**	**2%**
Sale of FMCG, fertilizers, electronics excluding mobile phones, sugar, cement & edible oil by distributors, dealers, sub-dealers, wholesalers & retailers	**0.25%**	**0.5%**
Sale of other goods by companies	**5%**	**10%**
Sale by Toll Manufacturer Companies	**9%**	**18%**
Sale of other goods by Individuals/ AOP	**5.5%**	**11%**
Sale by Toll Manufacturer Individuals / AOP	**11%**	**22%**
Local sales, supplies & services made by export oriented sector	**1%**	**2%**
Local supplies by yarn traders to export oriented sector	**0.5%**	**1%**
Local supplies by distributors, dealers, sub-dealers, wholesalers and retailers of steel subject to the conditions as specified in clause 24C	**0.25%**	**0.50%**

* No tax to be withheld in case:
(a) aggregate annual payment < 75,000/- and;
(b) purchase of asset under lease & buy-back agreement by modarabas, leasing or banking companies or financial institutions banking companies or financial institutions.
* For Listed Companies & Companies engaged in manufacturing, it will be adjustable tax and Minimum tax for all other cases.

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WITHHOLDING TAX CARD 2025-2026

DEDUCTIONS AT SOURCE

INCOME FROM PROPERTY UNDER SECTION 155 (IND & AOPs)

Taxable Income				Rate of Tax
Up to 300,000				0%
300,001	600,000			5% on amount exceeding Rs. 300,000
600,001	2,000,000	15,000	PLUS	10% on amount exceeding Rs. 600,000
Above 2,000,000		155,000		25% on amount exceeding Rs. 2,000,000

*** Tax Rate for Companies is 15%.**

Payments for Services U/s 153 (1)(b)

Services:	Filer	Non Filer
Transport, freight forwarding, Air cargo services, courier, manpower outsourcing, hotel services, security guard, software development, tracking services, advertising (other than by print/electronic media), share registrar services, engineering/ architectural services, warehousing, services rendered by asset management companies, data services provided under license issued by the PTA, telecommunication infrastructure (tower) services, car rentals, building maintenance, services rendered by PSEL and PMEL, inspection, certification, testing and training services, oilfield services, telecommunication services, collateral management services, travel and tour services, REIT management, NCCPL Services	6%	12%
IT and IT enabled services	4%	8%
Advertising Services (electronic & Print Media)	1.5%	3.0%
Individuals, AOPs & Companies providing other services	15%	18%
Stitching, dying, printing, embroidery, washing, sizing & weaving for exporters	1%	2%

***No tax to be withheld on payments, not exceeding Rs. 30,000 (in aggregate during a financial year)**

EXECUTION OF CONTRACTS U/s 153 (1)(c)

Companies	7.5%	15%
Sportspersons	15%	20%
Others	8%	16%

ADVANCE TAX ON CASH WITHDRAWAL U/s 231 AB

Advance Tax on Cash withdrawal(exceeding Rs.50,000 in aggregate in a day)	0%	0.8%

TAX ON MOTOR VEHICLES U/s 231-B

Description	Nature	Filer	Non Filer
Purchase/Registration			
Upto 850 cc	Advance Tax	0.5% of the value	1.5% of the value
851cc to 1000cc		1% of the value	3% of the value
1001cc to 1300cc		1.5% of the value	4.5% of the value
1301cc to 1600cc		2% of the value	6% of the value
1601cc to 1800cc		3% of the value	9% of the value
1801cc to 2000cc		5% of the value	15% of the value
2001cc to 2500cc		7% of the value	21% of the value
2501cc to 3000cc		9% of the value	27% of the value
Above 3000cc		12% of the value	36% of the value
Electric Vehicles (EV) of value Rs.5M >		3%	9%
Transfer of registration or ownership		Various	
Sale/ Transfer of EV having value Rs.5M >		Rs. 20,000	Rs. 60,000
Sale of Vehicle on own money		Various	
Leasing to a non-filer		N/A	4%

TAX ON FOREIGN DOMESTIC WORKERS U/s 231C

Agency/ Sponsor/ Person to whom visa is issued or renewed for Foreign National	Nature	Rs.200,000
	Advance Tax	

BROKERAGE COMISSION U/s 233

Person	Rate of Tax	
Advertising Agents	10%	20%
Life Insurance Agents where commission received is less than Rs.0.5 million per annum	8%	16%
Others	12%	24%

CAPITAL GAIN ON DISPOSAL OF IMMOVABLE PROPERRTY SECTION 37

Amount of Gain			Tax Rates		
S. No	Holding Period	Acquired after 1st day of July 2024	Acquired on or before 30th day of June, 2024		
			Open Plots	Constructed Property	Flats
1	Where the holding period does not exceed one year	1. For Active Tax Payer -- 15% 2. For Non Active Tax Payer -- Slab Rate of non-salaried individuals or AOP shall applied but does not less than 15%	15%	15%	15%
2	Where the holding period exceeds one year but does not exceed two years		12.50%	10%	7.50%
3	Where the holding period exceeds two years but does not exceed three years		10%	7.50%	-
4	Where the holding period exceeds three years but does not exceed four years		7.50%	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		2.50%	-	-
7	Where the holding period exceeds six years		0%	-	-

SALE OF IMMOVABLE PROPERTY - 236C

Description	Filers	Non-Filer	Late Filer
Where gross consideration does not exceed Rs. 50 million	4.5%	11.5%	7.5%
Where gross consideration exceeds 50 M but does not exceed Rs. 10	5.0%		8.5%
Where gross consideration does exceed Rs. 100 million	5.5%		9.5%

**** If a taxpayer files tax return after due date but pays ATL surchase**

TV PLAYS AND ADVERSTISMENT- 236CA

Per Episode Tax on Foreign-produced TV drama serial or play	Rs.1 M	Rs. 2 M
Tax on Foreign-produced TV play (single episode)	Rs. 3 M	Rs. 6 M
Per second Tax on advertisement starring Foreign Actor	0.1 M	0.2 M

ELECTRICITY CONSUMPTION - SECTION 235

Domestic Electricity Consumption

Bill amount	Filers	Non-Filers
Amount of monthly Bill less than Rs. 25,000/-	N/A	0%
Amount of monthly Bill greater than Rs. 25,000/-	N/A	7.5%

Industrial or Commercial Electricity Consumption

Gross amount of Bill		Tax
upto Rs. 500		Nill
>500 but <20000		10% of amount
Exceeds Rs.20,000	Commercial Consumers	Rs. 1,950 + 12% of the amount exceeding Rs. 20,000
	Industrial Consumers	Rs. 1950 + 5% of the amount exceeding Rs. 20,000

TELEPHONE USERS-236	Filers	Non-Filer
Landline Bills exceeding Rs. 1000	10%	10%
Internet and Mobile Subscriptions	15%	75% of amount

SALE BY AUCTION-236A

SALE BY PUBLIC AUCTION/TENDER			LEASE OF COLLECTION RIGHTS		
Property/Goods	10%	20%	Fee or Other Levies	10%	20%
Immovable Property	5%	10%	Toll		

RATES OF TAX ON AGRICULTURAL INCOME OF PUNJAB

Income				Rate of Tax
Up to 600,000				0%
600,001	1,200,000			15% on amount exceeding Rs. 600,000
1,200,001	1,600,000	90,000	PLUS	20% on amount exceeding Rs. 1,200,000
1,600,001	3,200,000	170,000		30% on amount exceeding Rs. 1,600,000
3,200,001	5,600,000	650,000		40% on amount exceeding Rs. 3,200,000
Above 5,600,000		1,610,000		45% on amount exceeding Rs.5,600,000

Note- Prior to Finance Bill 2025, the rates of deduction have been amended.

EXEMPT ALLOWANCES & BENEFITS

Description	Condition/ Limit
Special allowance or benefit other than entertainment or conveyance allowance	Fully exempt, if granted to meet expenses wholly and necessarily incurred in the performance of duties. This doesn't include: a)allowance which is paid in monthly salary on fixed basis percentage of salary; or b)allowance which is not wholly, exclusively, necessarily or actually spent on behalf of the employer.

Employer's contribution to provident fund	Description	Government PF	Recongized PF	Unecongized PF
	Employee Contribution	Not Applicable	Not Applicable	Not Applicable
	Employer Contribution	Exempt	Lowe off: * Employer Contribution that is 150,000 Rs * 1/10th of (Basic Salary+ dearness Allowance)	Not Applicable (it is Taxable in the year of Receipts)
	Interest	Exempt	Hogher off: * 16% Interest rate on Accumulated balance * 1/3th of (Basic Salary+ dearness Allowance)	Not Applicable (it is Taxable in the year of Receipts)

Gratuity/ Superannuation/ Commutation of Pension / Received in Pakistan by residents	On Retirement / Death	
	Receipts From	Treatment
	Approved fund/ Government employees	Exempt
	Approved Scheme	Exempt upto Rs.300,000
	Unapproved Gratuity Scheme/ Fund	
	Exempt upto lower of 50% of the amount or Rs. 75,000 and Resident amount to be taxed at the current rate of tax	

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WITHHOLDING TAX CARD 2025-2026

CAPITAL GAIN ON DISPOSAL OF SECURITIES SECTION 37A

Period	Acquired or on after 1st day of July 2024	Securities Acquired on or before 1st day of July 2022 and 30th june 2024
Where holding period does not exceed one year	1. **For Active Tax Payer** -- 15% 2. **For Non Active Tax Payer** -- Slab Rate of non-salaried individuals or AOP shall applied but does not less than 15%	**15%**
Where holding period exceeds one year but does not exceed two years		**12.5%**
Where holding period exceeds two years but does not exceed three years		**10%**
Where holding period exceeds three years but does not exceed four years		**7.50%**
Where holding period exceeds four years but does not exceed five years		**5.00%**
Where holding period exceeds five years but does not exceed six years		**2.50%**
Where holding period exceeds six years		**0.00%**
Future commodity contracts entered into by	**5%**	**5%**

PURCHASE OF IMMOVABLE PROPERTY - 236K

Description	Filer	Non-Filer	Late Filer
Inheritance	Not Applicable		
Where the Fair Market Value of Property does not exceed Rs. 50 million	**1.5%**	**10.5%**	**4.5%**
Where the Fair Market Value of Property exceed Rs. 50 million but does not exceed 100 million	**2.0%**	**14.5%**	**5.5%**
Where the Fair Market Value of Property exceed Rs. 100 million	**2.5%**	**18.5%**	**6.5%**

TAX ON SALES TO RETAILERS - 236H

Apply on All Sector	**0.5%**	**2.5%**

FINAL WITHHOLDING TAX ON BONUS SHARES - 236(Z)

Description	Filer	Non-Filer
Final Withholding tax on issuance of Bonus Shares by a company	**10%**	**20%**

TAXABLE ALLOWANCES & BENEFITS

Few of the prominent/ common items in this list include:

Description	Remarks
Salary of domestic servant / House-keeper, gardener etc.	**Fully Taxable.**
Capital receipt on termination of employment	**Fully Taxable.**
Tax paid by the employer	**Fully taxable – salary is to be grossed up by tax paid by the employer on behalf of the employee.**
Interest-free loans to employee or loans at concessional rates	The difference between benchmark rate and the rate charged (if lower) is taxable. The benchmark rate has been fixed at 10% w.e.f. July 1, 2012. Not taxable in case: a. the amount of loan is up to Rs.1,000,000; or b. where the employee waives interest on his account with the employer.
Conveyance allowance	Fully Taxable.
Motor vehicle / Owned and maintained by employer	**Partly for private use** Taxable at 5% of cost or 5% FMV in case of lease. **Wholly for private use** Taxable at 10% of cost or 10% FMV in case of lease.
Waiver of loan by the employer	Fully Taxable.
Discharge of debt by employer	Fully Taxable.
Transfer of assets or property	To be included in income of the employee at Fair Market Value less value of consideration paid.
Free or subsidized medical treatment provided by a hospital or a clinic to its employees	Fully Taxable.
Utilities allowance / Water, gas, electricity	Fully Taxable.
Leave fare assistance	Fully Taxable.

RATE OF TAX ON IMPORTS OF VARIOURS ITEMS UNDER SECTION 148

Category		Filer	Non-Filer
Persons importing goods classified in Part I of the Twelfth Schedule		**1%**	**2%**
Persons importing goods classified in Part II of the Twelfth Schedule	Commercial Importers	**3.50%**	**7%**
	Others	**2%**	**4%**
Persons importing goods classified in Part III of the Twelfth Schedule	Commercial Importers	**6%**	**12%**
	Others	**5.50%**	**11%**
Import of Medicines not manufactured locally as certified by DRAP		**4%**	**8%**
Import of goods specified in SRO (1) /2011	Manufacturers	**1%**	**2%**
CKD Kits for electrical vehicles with cars/SUVs upto 50Kwh battery and LCVs with upto 150KWh battery		**1%**	**2%**
For Industrial Undertaking importing goods other than edible oil, packing Material, Paper and Paper Board or Plastics, this tax is Advance Tax.			
In all Other cases, the above Tax is considered as minimum Tax.			

PAYMENT REMITTED TO ABROAD - 236(Y)

Description	Filer	Non-Filer
Payment Remitted Abroad through Credit Or Debit Cards	**5%**	**10%**

TAX ON SALES TO DEALERS, DISTRIBUTORS & WHOLESALERS - 236G

Description	Filers	Non-Filers
Fertilizer	**0.7%**	**1.4%**
Other than Fertilizer	**0.1%**	**2%**

Description	Remarks Value of right/ option
Employee share scheme	Not chargeable to tax until: a. the right/ option is disposed; b. shares are acquired. **Disposal of right/ option** The difference between 'a.' & 'b.' is chargeable to tax. Where, a. consideration for right/ option; b. cost in respect of said right/ option. **Acquisition of shares** The difference between 'a.' & 'b.' is chargeable to tax: a. fair value of shares; b. sum paid against acquisition of shares. **Shares acquired under transfer restriction** Amount is taxable only at the earlier of: a. acquisition of transfer rights; b. at the time of actual disposal of shares.
Free or subsidized food provided by hotels and restaurants to its employees during duty hours	Fully Taxable.
Free or subsidized education provided by an educational institution to the children of its employees	Fully Taxable.
House rent allowance	Fully Taxable.
Accommodation / Whether furnished or not	45% of basic salary to be included in taxable salary.

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WITHHOLDING TAX CARD 2025-2026

Digital Transactions in E-commerce Platforms (Section 153(2A))

S. No.	Description	Rate
1	Digital Means or banking channels bypayment intermediary	1%

Cash On Delivery By Courier Service (Section 153(2A))

S. No.	Description	Rate
1	Cash on delivery by courier services	2%

FINAL TAX

S. No.	Nature of Payment	Tax Rates	
		Filer	Non-Filer
	Payments to Non Residents (Section 152)		
1	Royalty/ Fee for Technical Services	**15%**	**30%**
2	Advertisement Services	**10%**	**20%**
3	Foreign Produced Commercials	**20%**	**40%**
4	Fee for Offshore Digital Services	**10%**	**10%**
5	Service charges or commission to the global money transfer operators, international money transfer operators	**15%**	**30%**
6	Transaction fee or licensing fee or service charges	**15%**	**30%**
7	Transport, freight forwarding, Air cargo services, courier, manpower outsourcing, hotel services, security guard, software development, tracking services, advertising (other than by print/electronic media), share registrar services, engineering/ architectural services, warehousing, services rendered by asset management companies, data services provided under license issued by the PTA, telecommunication infrastructure (tower) services, car rentals, building maintenance, services rendered by PSEL and PMEL, inspection, certification, testing and training services, oilfield services, telecommunication services, collateral management services, travel and tour services, REIT management, NCCPL Services	**8%**	
8	IT and IT enabled services	**4%**	
9	Individuals, AOPs & Companies providing other services	**15%**	
10	Execution of contract	**15%**	

Gain on disposal of debt securities (Section 151A)

Gain on disposal of debt securities	**20%**	**35%**

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