

THE FIRST SCHEDULE

PART I

RATES OF TAX

(See Chapter II)

¹[Division I

Rates of Tax for Individuals

(1) The rates of tax imposed on the taxable income of every individual shall be as set out in the following table, namely:-

TABLE

S. No.	Taxable income	Rate of tax
(1)	(2)	(3)
1.	Where the taxable income does not exceed Rs.400,000	0%
2.	Where the taxable income exceeds Rs.400,000 but does not exceed Rs.800,000	Rs.1,000
3.	Where the taxable income exceeds Rs.800,000 but does not exceed Rs.1,200,000	Rs.2,000
4.	Where the taxable income exceeds Rs.1,200,000 but does not exceed Rs.2,400,000	5% of the amount exceeding Rs.1,200,000
5.	Where the taxable income exceeds Rs.2,400,000 but does not exceed Rs.4,800,000	Rs. 60,000 + 10% of the amount exceeding Rs.2,400,000
4	Where the taxable income exceeds Rs.4,800,000	Rs. 300,000 + 15% of the amount exceeding Rs.4,800,000

Provided that where the taxable income exceeds eight hundred thousand rupees the minimum tax payable shall be two thousand rupees.

¹Division I substituted by Finance Act, 2018 dated May 23, 2018. Earlier it was substituted by Income Tax (Amendment) Ordinance, 2018 dated April 08, 2018.

Rates of Tax for Association of Persons

(2) The rates of tax imposed on the taxable income of every Association of Persons shall be as set out in the following table, namely:-

TABLE

S. No.	Taxable income	Rate of tax
(1)	(2)	(3)
1.	Where the taxable income does not exceed Rs.400,000	0%
2.	Where the taxable income exceeds Rs.400,000 but does not exceed Rs.1,200,000	5% of the amount exceeding Rs.400,000
3.	Where the taxable income exceeds Rs.1,200,000 but does not exceed Rs.2,400,000	Rs.40,000 + 10% of the amount exceeding Rs.1,200,000
4.	Where the taxable income exceeds Rs. 2,400,000 but does not exceed Rs.3,600,000	Rs.160,000 + 15% of the amount exceeding Rs.2,400,000
5.	Where the taxable income exceeds Rs. 3,600,000 but does not exceed Rs.4,800,000	Rs.340,000 + 20% of the amount exceeding Rs.3,600,000
6.	Where the taxable income exceeds Rs. 4,800,000 but does not exceed Rs.6,000,000	Rs.580,000 + 25% of the amount exceeding Rs.4,800,000
7	Where the taxable income exceeds Rs.6,000,000	Rs.880,000 + 30% of the amount exceeding Rs.6,000,000;]

Substitution of the Division I – The Table before substitution by Income Tax (Amendment) Ordinance, 2018, read as follows:–

“Division I

Rates of Tax for Individuals ¹[and Association of Persons]

1. Subject to ²[³clause/ (1A)⁴/], the rates of tax imposed on the taxable income of every individual ⁵[and Association of Persons] ⁶[except a salaried taxpayer] ¹[] ⁷[] shall be as set out in the following table, namely:–

⁸[TABLE

S. No.	Taxable income	Rate of tax.
(1)	(2)	(3)
1.	Where the taxable income does not exceed Rs.400,000	0%
2.	Where the taxable income exceeds Rs.400,000 but does not exceed Rs.500,000	7% of the amount exceeding Rs 400,000
3.	Where the taxable income exceeds Rs 500,000 but does not exceed Rs 750,000	Rs 7,000 + 10% of the amount exceeding Rs 500,000
4.	Where the taxable income exceeds Rs 750,000 but does not exceed Rs 1,500,000	Rs 32,000 + 15% of the amount exceeding Rs 750,000
5.	Where the taxable income exceeds Rs 1,500,000 but does not exceed Rs 2,500,000	Rs 144,500 + 20% of the amount exceeding Rs 1,500,000
6.	Where the taxable income exceeds Rs 2,500,000 but does not exceed Rs 4,000,000	Rs 344,500 + 25% of the amount exceeding Rs 2,500,000
7.	Where the taxable income exceeds Rs 4,000,000 but does not exceed Rs 6,000,000	Rs 719,500 + 30% of the amount exceeding Rs 4,000,000
8.	Where the taxable income exceeds Rs 6,000,000	Rs 1,319,500 + 35% of the amount exceeding Rs 6,000,000]

⁹[]

¹⁰[Provided that in the case of an association of persons that is a professional firm prohibited from incorporating by any law or the rules of the body regulating their profession, the 35% rate of tax mentioned against serial number 8 of the Table shall be 32% for tax year 2016 and onwards.]”

¹Words inserted by Finance Act, 2012 dated June 26, 2012. Earlier words “and Association of Persons” and “or Association of Persons”, respectively, omitted by Finance Act, 2010 dated June 30, 2010.

²Substituted for “clauses 2 and 3” by Finance Ordinance, 2002 dated June 15, 2002.

³Substituted for “clauses” by Finance Act, 2006 dated July 01, 2006. Earlier it was substituted for “clause (2)” by Finance Act, 2005 dated June 29, 2005.

⁴Word etc. “and (2)” omitted by Finance Act, 2006 dated July 01, 2006.

⁵Words inserted by Finance Act, 2012 dated June 26, 2012.

⁶Words inserted by Finance Act, 2005 dated June 29, 2005.

⁷Word etc. “to which sub-section (1) of section 92 applies” omitted by Finance Act, 2011 dated June 30, 2011.

⁸Table substituted by Finance Act, 2015 dated June 30, 2015. Earlier it was substituted by Finance Act, 2013 dated June 29, 2013, substituted by Finance Act, 2012 dated June 26, 2012, by Finance Act, 2011 dated June 30, 2011, by Finance Act, 2010 dated June 30, 2010, by Finance Act, 2006 dated July 01, 2006, by Finance Act, 2004, w.e.f. July 1, 2004 and by Finance Ordinance, 2002 dated June 15, 2002.

⁹Proviso omitted by Finance Act, 2011 dated June 30, 2011. Earlier the proviso was inserted by Finance Act, 2009 dated June 30, 2009.

¹⁰Proviso substituted by Finance Act, 2015 dated June 30, 2015. Earlier it was inserted by Finance Act, 2009 dated June 30, 2009.

“¹[(1A) Where the income of an individual chargeable under the head “salary” exceeds fifty percent of his taxable income, the rates of tax to be applied shall be as set out in the following table namely:—

²[TABLE

S.No.	Taxable Income	Rate of tax
1.	Where the taxable income does not exceed Rs 400,000	0%
2.	Where the taxable income exceeds Rs 400,000 but does not exceed Rs 500,000	2% of the amount exceeding Rs 400,000
3.	Where the taxable income exceeds Rs 500,000 but does not exceed Rs 750,000	Rs 2,000 + 5% of the amount exceeding Rs 500,000
4.	Where the taxable income exceeds Rs 750,000 but does not exceed Rs 1,400,000	Rs 14,500 + 10% of the amount exceeding Rs 750,000
5.	Where the taxable income exceeds Rs 1,400,000 but does not exceed Rs 1,500,000	Rs 79,500 + 12.5% of the amount exceeding Rs 1,400,000
6.	Where the taxable income exceeds Rs 1,500,000 but does not exceed Rs 1,800,000	Rs 92,000 + 15% of the amount exceeding Rs 1,500,000
7.	Where the taxable income exceeds Rs 1,800,000 but does not exceed Rs 2,500,000	Rs 137,000 + 17.5% of the amount exceeding Rs 1,800,000
8.	Where the taxable income exceeds Rs 2,500,000 but does not exceed Rs 3,000,000	Rs 259,500 + 20% of the amount exceeding Rs 2,500,000
9.	Where the taxable income exceeds Rs 3,000,000 but does not exceed Rs 3,500,000	Rs 359,500 + 22.5% of the amount exceeding Rs 3,000,000
10.	Where the taxable income exceeds Rs 3,500,000 but does not exceed Rs 4,000,000	Rs 472,000 + 25% of the amount exceeding Rs 3,500,000
11.	Where the taxable income exceeds Rs 4,000,000 but does not exceed Rs 7,000,000	Rs 597,000 + 27.5% of the amount exceeding Rs 4,000,000
12.	Where the taxable income exceeds Rs 7,000,000	Rs 1,422,000 + 30% of the amount exceeding Rs 7,000,000]

¹Clause (1A) inserted by Finance Act, 2005 dated June 29, 2005.

²Table substituted by Finance Act, 2015 dated June 30, 2015. Earlier it was substituted by Finance Act, 2013 dated June 29, 2013, substituted by Finance Act, 2012 dated June 26, 2012, by Finance Act, 2011 dated June 30, 2011, by Finance Act, 2010 dated June 30, 2010, by Finance Act, 2009 dated June 30, 2009 and by F.A. 2008 and F.A. 2006.

³[]

⁴[]

⁵[]

⁴[(1B) Where the taxable income in a tax year, other than income on which the deduction of tax is final, does not exceed one million rupees of a person-

(i) holding a National Database Registration Authority’s Computerized National Identity Card for disabled persons; or

⁵(ii) a taxpayer of the age of not less than sixty years on the first day of that tax year, the tax liability on such income shall be reduced by fifty per cent.]

⁶[]”

¹Proviso omitted by Finance Act, 2010 dated June 30, 2010.

²Proviso omitted by Finance Act, 2013 dated June 29, 2013.

³Proviso and words “; and” omitted by Finance Act, 2015 dated June 30, 2015.

⁴Paragraph (1B) inserted by Finance Act, 2014 dated June 26, 2014.

⁵Sub-paragraph (ii) substituted by Finance Act, 2015 dated June 30, 2015.

⁶Paragraph (2) deleted by Finance Act, 2014 dated June 26, 2014.

Substitution of the Table – The Table before substitution by Finance Act, 2015, read as follows:–

“TABLE

S. No.	Taxable income	Rate of tax.
(1)	(2)	(3)
1.	Where the taxable income does not exceed Rs.400,000	0%
2.	Where the taxable income exceeds Rs.400,000 but does not exceed Rs.750,000	10% of the amount exceeding Rs.400,000
3.	Where the taxable income exceeds Rs.750,000 but does not exceed Rs.1,500,000	Rs.35,000+15% of the amount exceeding Rs.750,000
4.	Where the taxable income exceeds Rs.1,50,000 but does not exceed Rs.2,500,000	147,500+20% of the amount exceeding Rs.1,500,000
5.	Where the taxable income exceeds Rs.2,500,000 but does not exceed Rs.4,000,000	Rs.347,500+25% of the amount exceeding Rs.2,500,000
6.	Where the taxable income exceeds Rs.4,000,000 but does not exceed Rs.6,000,000	Rs.722,500+30% of the amount exceeding Rs.4,000,000
7.	Where the taxable income exceeds Rs.6,000,000	Rs.1,322,500+35% of the amount exceeding Rs.6,000,000”

Substitution of proviso.–Before substitution by F. Act, 2015, it read as follows:-

“Provided further that Internally Displaced Persons Tax (IDPT), treated as income tax, on the tax payable on the taxable income of one million rupees or more, shall be levied at the rate of 5% of such tax, for tax year 2009.”

Substitution of the Table – The Table before substitution by Finance Act, 2013, read as follows:–

“TABLE

S. No.	Taxable income	Rate of tax.
(1)	(2)	(3)
1.	Where the taxable income does not exceed Rs.400,000	0%
2.	Where the taxable income exceeds Rs.400,000 but does not exceed Rs.750,000	10% of the amount exceeding Rs.400,000
3.	Where the taxable income exceeds Rs.750,000 but does not exceed Rs.1,500,000	Rs. 35,000+15% of the amount exceeding Rs. 750,000
4.	Where the taxable income exceeds Rs.1,50,000 but does not exceed Rs.2,500,000	147,500+20% of the amount exceeding Rs. 1,500,000
5.	Where the taxable income exceeds Rs.2,500,000	Rs. 347,500+25% of the amount exceeding Rs. 2,500,000”

Substitution of the Table – The Table before substitution by Finance Act, 2012, read as follows:–

“TABLE

S. No.	Taxable income	Rate of tax.
(1)	(2)	(3)
1.	Where the taxable income does not exceed Rs.350,000	0%
2.	Where the taxable income exceeds Rs.350,000 but does not exceed Rs.500,000	7.50%
3.	Where the taxable income exceeds Rs.500,000 but does not exceed Rs.750,000	10%”
4.	Where the taxable income exceeds Rs.750,000 but does not exceed Rs.1,000,000	15%
5.	Where the taxable income exceeds Rs.1,000,000 but does not exceed Rs.1,500,000	20%
6.	Where the taxable income exceeds Rs.1,500,000.	25.”

Substitution of the Table – The Table before substitution by Finance Act, 2011, read as follows:–

“TABLE

S. No.	Taxable income	Rate of tax.
(1)	(2)	(3)
1.	Where the taxable income does not exceed Rs.300,000	0%
2.	Where the taxable income exceeds Rs.300,000 but does not exceed Rs.500,000	7.50%
3.	Where the taxable income exceeds Rs.500,000 but does not exceed Rs.750,000	10%
4.	Where the taxable income exceeds Rs.750,000 but does not exceed Rs.1,000,000	15%
5.	Where the taxable income exceeds Rs.1,000,000 but does not exceed Rs.1,500,000	20%
6.	Where the taxable income exceeds Rs.1,500,000.	25.”

Omission of proviso.–Before omission by F. Act, 2011, it read as follows:–

“Provided that where income of a woman taxpayer is covered by this clause, no tax shall be charged if the taxable income does not exceed Rs.125,000/-”

Substitution of the Table – The Table before substitution by Finance Act, 2010, read as follows:–

“TABLE

S. No.	Taxable income	Rate of tax.
(1)	(2)	(3)
1.	Where the taxable income does not exceed Rs.100,000	0%
2.	Where the taxable income exceeds Rs.100,000 but does not exceed Rs.110,000	0.50%
3.	Where the taxable income exceeds Rs.110,000 but does not exceed Rs.125,000	1.00%
4.	Where the taxable income exceeds Rs.125,000 but does not exceed Rs.150,000	2.00%
5.	Where the taxable income exceeds Rs.150,000 but does not exceed Rs.175,000	3.00%
6.	Where the taxable income exceeds Rs.175,000 but does not exceed Rs.200,000	4.00%
7.	Where the taxable income exceeds Rs.200,000 but does not exceed Rs.300,000	5.00%
8.	Where the taxable income exceeds Rs.300,000 but does not exceed Rs.400,000	7.50%
9.	Where the taxable income exceeds Rs.400,000 but does not exceed Rs.500,000	10.00%
10.	Where the taxable income exceeds Rs.500,000 but does not exceed Rs.600,000	12.50%
11.	Where the taxable income exceeds Rs.600,000 but does not exceed Rs.800,000	15.00%
12.	Where the taxable income exceeds Rs.800,000 but does not exceed Rs.10,00,000	17.50%
13.	Where the taxable income exceeds Rs.10,00,000 but does not exceed Rs.13,00,000	21.00%
14.	Where the taxable income exceeds Rs.13,00,000	25.00%”

Before substitution by Finance Act, 2006, it read as follows:–

“TABLE

S. No.	Taxable income	Rate of tax
(1)	(2)	(3)
1.	Where taxable income does not exceed Rs. 100,000	0%
2.	Where taxable income exceeds Rs. 100,000 but does not exceed Rs. 150,000	7.5% of the amount exceeding Rs. 100,000.
3.	Where taxable income exceeds Rs. 150,000 but does not exceed Rs. 300,000	3,750 plus 12.5% of the amount exceeding Rs. 150,000.
4.	Where taxable income exceeds Rs. 300,000 but does not exceed Rs. 400,000	22,500 plus 20% of the amount exceeding Rs. 300,000.
5.	Where taxable income exceeds Rs. 400,000 but does not exceed Rs. 700,000	42,500 plus 25% of the amount exceeding Rs. 400,000.
6.	Where taxable income exceeds Rs. 700,000.	117,500 plus 35% of the amount exceeding Rs. 700,000.”

The Table before substitution by Finance Act, 2004, read as follows:–

“TABLE

S. No.	Taxable income.	Rate of tax.
(1)	(2)	(3)
1.	Where taxable income does not exceed Rs. 80,000	0%
2.	Where taxable income exceeds Rs. 80,000 but does not exceed Rs. 150,000	7.5% of the amount exceeding Rs. 80,000.
3.	Where taxable income exceeds Rs. 150,000 but does not exceed Rs. 300,000	5,250 plus 12.5% of the amount exceeding Rs. 150,000.
4.	Where taxable income exceeds Rs. 300,000 but does not exceed Rs. 400,000	24,000 plus 20% of the amount exceeding Rs. 300,000.
5.	Where taxable income exceeds Rs. 400,000 but does not exceed Rs. 700,000	44,000 plus 25% of the amount exceeding Rs. 400,000.
6.	Where taxable income exceeds Rs. 700,000.	119,000 plus 35% of the amount exceeding Rs. 700,000.”

Table, original position.– The Table before substitution by Finance Ordinance, 2002, read as follows:–

“TABLE

S. No.	Taxable income.	Rate of tax.
(1)	(2)	(3)
1.	Where taxable income does not exceed Rs. 60,000	0%
2.	Where taxable income exceeds Rs. 60,000 but does not exceed Rs. 150,000	7.5% of the amount exceeding Rs. 60,000
3.	Where taxable income exceeds Rs. 150,000 but does not exceed Rs. 300,000	Rs. 6,750 plus 12.5% of the amount exceeding Rs. 150,000
4.	Where taxable income exceeds Rs. 300,000 but does not exceed Rs. 400,000	Rs. 25,500 plus 20% of the amount exceeding Rs. 300,000
5.	Where taxable income exceeds Rs. 400,000 but does not exceed Rs. 700,000	Rs. 45,500 plus 25% of the amount exceeding Rs. 400,000
6.	Where taxable income exceeds Rs. 700,000	Rs. 120,500 plus 35% of the amount exceeding Rs. 700,000”

Clause (1A)-Proviso.—Before omission by Finance Act, 2010, it read as follows:-

“Provided that where income of a woman taxpayer is covered by this clause, no tax shall be charged if the taxable income does not exceed Rs. 260,000.”

Clause (1A)-Proviso.—Before omission by Finance Act, 2013, it read as follows:-

“Provided further that where the total income of a taxpayer marginally exceeds the maximum limit of a slab in the table, the income tax payable shall be the tax payable on the maximum of that slab plus an amount equal to—

- (i) 20% of the amount by which the total income exceeds the said limit where the total income does not exceed Rs. 550,000.
- (ii) 30% of the amount by which the total income exceeds in each slab but total income does not exceed Rs.1,050,000.
- (iii) 40% of the amount by which the total income exceeds in each slab but total income does not exceed Rs. 2,250,000.
- (iv) 50% of the amount by which the total income exceeds in each slab but total income does not exceed Rs. 4,550,000.
- (v) 60% of the amount by which the total income exceeds in each slab but the total income does *not exceed Rs. 4,550,000.”

*for the words “does not exceed” the apparently intended word is “exceeds”, this is how it appears in the Finance Bill 2009.

Proviso (1A)-Omission.—Before omitted by F. Act, 2015, it read as follows:-

“Provided further that Internally Displaced Persons Tax (IDPT), treated as income tax, on the tax payable on the taxable income of one million rupees or more, shall be levied at the rate of 5% of such tax, for tax year 2009”

Paragraph (1B)(ii)-substitution.—Before substitution by F. Act, 2015, it read as follows:-

“(ii) a taxpayer of the age of not less than sixty years on the first day of that tax year, the tax liability on such income shall be reduced by 50%.”

Paragraph (2) omission.— Before omission by F.A. 2014, it read as follows:-

“(2) The rate of tax payable on bonus as IDPT as income tax shall be 30% for the tax year 2010.”

Clause (1A)-Table—Before substitution by Finance Act, 2015, it read as follows:—
“TABLE

S.No.	Taxable Income	Rate of tax
1.	Where the taxable income does not exceed Rs.400,000	0%
2.	Where the taxable income exceeds Rs.400,000 but does not exceed Rs.750,000	5% of the amount exceeding Rs.400,000
3.	Where the taxable income exceeds Rs.750,000 but does not exceed Rs.1,400,000	Rs.17,500+10% of the amount exceeding Rs.750,000
4.	Where the taxable income exceeds Rs.1,400,000 but does not exceed Rs.1,500,000	Rs.82,500+12.5% of the amount exceeding Rs.1,400,000
5.	Where the taxable income exceeds Rs.1,500,000 but does not exceed Rs.1,800,000	Rs.95,000+15% of the amount exceeding Rs.1,500,000
6.	Where the taxable income exceeds Rs.1,800,000 but does not exceed Rs.2,500,000	Rs.140,000+17.5% of the amount exceeding Rs.1,800,000
7.	Where the taxable income exceeds Rs.2,500,000 but does not exceed Rs.3,000,000	Rs.262,500+20% of the amount exceeding Rs.2,500,000
8.	Where the taxable income exceeds Rs.3,000,000 but does not exceed Rs.3,500,000	Rs.362,500+22.5% of the amount exceeding Rs.3,000,000
9.	Where the taxable income exceeds Rs.3,500,000 but does not exceed Rs.4,000,000	Rs.475,000+25% of the amount exceeding Rs.3,500,000
10.	Where the taxable income exceeds Rs.4,000,000 but does not exceed Rs.7,000,000	Rs.600,000+27.5% of the amount exceeding Rs.4,000,000
11.	Where the taxable income exceeds Rs.7,000,000	Rs.1,425,000+30% of the amount exceeding Rs.7,000,000”

Clause (1A)-Table—Before substitution by Finance Act, 2013, it read as follows:—
“TABLE

S.No.	Taxable Income	Rate of tax
1.	Rs.0 to Rs. 400,000	0%
2.	Rs.400,000 to Rs.750,000	5% of the amount exceeding Rs.400,000
3.	Rs.750,000 to Rs.1,500,000	Rs.17,500+10% of the amount exceeding Rs.750,000
4.	Rs.1,500,000 to Rs.2,000,000	Rs.95,000+15% of the amount exceeding Rs.1,500,000
5.	Rs.2,000,000 to Rs.2,500,000	Rs.175,000+17.5% of the amount exceeding Rs.2,000,000
6.	Rs.2,500,000 and above	Rs.420,000+20% of the amount exceeding Rs.2,500,000”

Clause (1A)-Table—Before substitution by Finance Act, 2012, it read as follows:—
“TABLE

S.No.	Taxable Income	Rate of tax
(1)	(2)	(3)
1.	Where the taxable income does not exceed Rs.350,000,	0%
2.	Where the taxable income exceeds Rs.350,000 but does not exceed Rs.400,000,	1.50%

3. Where the taxable income exceeds Rs.400,000 but does not exceed Rs.450,000,	2.50%
4. Where the taxable income exceeds Rs.450,000 but does not exceed Rs.550,000,	3.50%
5. Where the taxable income exceeds Rs.550,000 but does not exceed Rs.650,000,	4.50%
6. Where the taxable income exceeds Rs.650,000 but does not exceed Rs.750,000,	6.00%
7. Where the taxable income exceeds Rs.750,000 but does not exceed Rs.900,000,	7.50%
8. Where the taxable income exceeds Rs.900,000 but does not exceed Rs.1,050,000,	9.00%
9. Where the taxable income exceeds Rs.1,050,000 but does not exceed Rs.1,200,000,	10.00%
10. Where the taxable income exceeds Rs.1,200,000 but does not exceed Rs.1,450,000	11.00%
11. Where the taxable income exceeds Rs.1,450,000 but does not exceed Rs.1,700,000,	12.50%
12. Where the taxable income exceeds Rs.1,700,000 but does not exceed Rs.1,950,000,	14.00%
13. Where the taxable income exceeds Rs.1,950,000 but does not exceed Rs.2,250,000,	15.00%
14. Where the taxable income exceeds Rs.2,250,000 but does not exceed Rs.2,850,000,	16.00%
15. Where the taxable income exceeds Rs.2,850,000 but does not exceed Rs.3,550,000,	17.50%
16. Where the taxable income exceeds Rs.3,550,000 but does not exceed Rs.4,550,000,	18.50%
17. Where the taxable income exceeds Rs.4,550,000.	20.00%”

Clause (1A)-Table—Before substitution by Finance Act, 2011, it read as follows:—
“TABLE

S.No.	Taxable Income	Rate of tax
(1)	(2)	(3)
1.	Where the taxable income does not exceed Rs.300,000,	0%
2.	Where the taxable income exceeds Rs.300,000 but does not exceed Rs.350,000,	0.75%
3.	Where the taxable income exceeds Rs.350,000 but does not exceed Rs.400,000,	1.50%
4.	Where the taxable income exceeds Rs.400,000 but does not exceed Rs.450,000,	2.50%
5.	Where the taxable income exceeds Rs.450,000 but does not exceed Rs.550,000,	3.50%
6.	Where the taxable income exceeds Rs.550,000 but does not exceed Rs. 650,000,	4.50%
7.	Where the taxable income exceeds Rs.650,000 but does not exceed Rs.750,000,	6.00%
8.	Where the taxable income exceeds Rs.750,000 but does not exceed Rs.900,000,	7.50%
9.	Where the taxable income exceeds Rs.900,000 but does not exceed Rs.1,050,000,	9.00%
10.	Where the taxable income exceeds Rs.1,050,000 but does not exceed Rs.1,200,000,	10.00%
11.	Where the taxable income exceeds Rs.1,200,000 but does not exceed Rs.1,450,000	11.00%
12.	Where the taxable income exceeds Rs.1,450,000 but does not exceed Rs.1,700,000,	12.50%
13.	Where the taxable income exceeds Rs.1,700,000 but does not exceed Rs.1,950,000,	14.00%
14.	Where the taxable income exceeds Rs.1,950,000 but does not exceed Rs.2,250,000,	15.00%
15.	Where the taxable income exceeds Rs.2,250,000 but does not exceed Rs.2,850,000,	16.00%
16.	Where the taxable income exceeds Rs.2,850,000 but does not exceed Rs.3,550,000,	17.50%
17.	Where the taxable income exceeds Rs.3,550,000 but does not exceed Rs.4,550,000,	18.50%
18.	Where the taxable income exceeds Rs.4,550,000.	20.00%”

Clause (1A)-Table—Before substitution by Finance Act, 2010, it read as follows:—
“TABLE

S.No.	Taxable Income	Rate of tax
(1)	(2)	(3)
1.	Where the taxable income does not exceed Rs.200,000,	0%
2.	Where the taxable income exceeds Rs.200,000 but does not exceed Rs.250,000,	0.50%
3.	Where the taxable income exceeds Rs.250,000 but does not exceed Rs.350,000,	0.75%
4.	Where the taxable income exceeds Rs.350,000 but does not exceed Rs.400,000,	1.50%
5.	Where the taxable income exceeds Rs.400,000 but does not exceed Rs.450,000,	2.50%
6.	Where the taxable income exceeds Rs.450,000 but does not exceed Rs. 550,000,	3.50%
7.	Where the taxable income exceeds Rs.550,000 but does not exceed Rs.650,000,	4.50%
8.	Where the taxable income exceeds Rs.650,000 but does not exceed Rs.750,000,	6.00%
9.	Where the taxable income exceeds Rs.750,000 but does not exceed Rs.900,000,	7.50%
10.	Where the taxable income exceeds Rs.900,000 but does not exceed Rs.1,050,000,	9.00%
11.	Where the taxable income exceeds Rs.1,050,000 but does not exceed Rs.1,200,000	10.00%
12.	Where the taxable income exceeds Rs.1,200,000 but does not exceed Rs.1,450,000,	11.00%
13.	Where the taxable income exceeds Rs.1,450,000 but does not exceed Rs.1,700,000,	12.50%
14.	Where the taxable income exceeds Rs.1,700,000 but does not exceed Rs.1,950,000,	14.00%
15.	Where the taxable income exceeds Rs.1,950,000 but does not exceed Rs.2,250,000,	15.00%
16.	Where the taxable income exceeds Rs.2,250,000 but does not exceed Rs.2,850,000,	16.00%
17.	Where the taxable income exceeds Rs.2,850,000 but does not exceed Rs.3,550,000,	17.50%
18.	Where the taxable income exceeds Rs.3,550,000 but does not exceed Rs.4,550,000,	18.50%
19.	Where the taxable income exceeds Rs.4,550,000 but does not exceed Rs.8,650,000,	19.00%
20.	Where the taxable income exceeds Rs.8,650,000.	20.00%”

Clause (1A)-Table–Before substitution by Finance Act, 2009, it read as follows:–
“TABLE

S.No.	Taxable Income	Rate of tax
(1)	(2)	(3)
1.	Where the taxable income does not exceed Rs.180,000,	0%
2.	Where the taxable income exceeds Rs.180,000 but does not exceed Rs.250,000,	0.50%
3.	Where the taxable income exceeds Rs.250,000 but does not exceed Rs.350,000,	0.75%
4.	Where the taxable income exceeds Rs.350,000 but does not exceed Rs.400,000,	1.50%
5.	Where the taxable income exceeds Rs.400,000 but does not exceed Rs.450,000,	2.50%
6.	Where the taxable income exceeds Rs.450,000 but does not exceed Rs. 550,000,	3.50%
7.	Where the taxable income exceeds Rs.550,000 but does not exceed Rs.650,000,	4.50%
8.	Where the taxable income exceeds Rs.650,000 but does not exceed Rs.750,000,	6.00%
9.	Where the taxable income exceeds Rs.750,000 but does not exceed Rs.900,000,	7.50%
10.	Where the taxable income exceeds Rs.900,000 but does not exceed Rs.1,050,000,	9.00%
11.	Where the taxable income exceeds Rs.1,050,000 but does not exceed Rs.1,200,000	10.00%
12.	Where the taxable income exceeds Rs.1,200,000 but does not exceed Rs.1,450,000,	11.00%
13.	Where the taxable income exceeds Rs.1,450,000 but does not exceed Rs.1,700,000,	12.50%
14.	Where the taxable income exceeds Rs.1,700,000 but does not exceed Rs.1,950,000,	14.00%
15.	Where the taxable income exceeds Rs.1,950,000 but does not exceed Rs.2,250,000,	15.00%
16.	Where the taxable income exceeds Rs.2,250,000 but does not exceed Rs.2,850,000,	16.00%
17.	Where the taxable income exceeds Rs.2,850,000 but does not exceed Rs.3,550,000,	17.50%
18.	Where the taxable income exceeds Rs.3,550,000 but does not exceed Rs.4,550,000,	18.50%
19.	Where the taxable income exceeds Rs.4,550,000 but does not exceed Rs.8,650,000,	19.00%
20.	Where the taxable income exceeds Rs.8,650,000.	20.00%

Provided that where income of a woman taxpayer is covered by this clause, no tax shall be charged if the taxable income does not exceed Rs.240,000/-:

Provided further that where the total income of a taxpayer marginally exceeds the maximum limit of a slab in the table, the income tax payable shall be the tax payable on the maximum of that slab plus an amount equal to –

- (i) 20% of the amount by which the total income exceeds the said limit where the total income does not exceed Rs.500,000.
- (ii) 30% of the amount by which the total income exceeds in each slab but total income does not exceed Rs. 1,050,000.
- (iii) 40% of the amount by which the total income exceeds in each slab but total income does not exceed Rs.2,000,000.
- (iv) 50% of the amount by which the total income exceeds in each slab but total income does not exceed Rs.4,450,000.
- (v) 60% of the amount by which the total income exceeds in each slab but the total income exceeds Rs.4,450,000.]

¹[]

²[]

¹Clause 2 omitted by Finance Act 2006 dated July 1, 2006.

²Clause 3 omitted by Finance Ordinance, 2002 dated June 15, 2002.

Simplified Tax Regime For Non-Salaried Taxpayers.— Following is an extract from CBR's Circular No. 1 of 2006 dated July 1, 2006:—

“A simple rate card has been evolved for non-salaried taxpayers and flat rates have been introduced to be applied to the taxable income of non-salaried individuals, depending upon the level of income.”

Following is an extract from ‘Notes on Clauses of Finance Act, 2006’:—

“Seeks to prescribe a new rate card for non-salaried taxpayers and salaried taxpayers.”

Following is an extract from salient features of budget 2006:—

“Tax rates for non-salaried persons proposed to be rationalized. Rates proposed to range from 0.5% to 25%.”

Simplification of Salary Taxation.—Following is an extract from CBR's Circular No. 1 of 2006 dated July 1, 2006:—

“Following the policy of making tax laws simpler wherever possible, the method of valuation and taxation of perquisites etc. has been rationalized. The basic exemption limit has been enhanced from Rs.100,000 to Rs.150,000. However, where the taxpayer is a woman the basic exemption limit will be Rs.200,000/-. All allowances and perquisites shall be added to the salary income.

- (i) The value of house shall be taken at the amount equal to the allowance which the employee would have received in cash if accommodation was not provided, or 45% of minimum time scale (or basic salary) whichever is less;
- (ii) The valuation of conveyance facility is restricted to 10% and 5% of value of car where the car is for totally personal use or partly personal use, respectively.

The additions of all allowances and perquisites will be grossed up and tax rate as per Division I of Part I of the First Schedule will be applied to determine the tax liability of the salaried taxpayer.”

Following is an extract from ‘Salient Features of Budget 2006’:—

“Simplification of salary taxation proposed by applying effective rate on gross salary. Basic exemption limit proposed to be raised to Rs. 150,000/- with tax rates ranging from 0.25% to 20% on the gross salary.”

Clause (1A)-Table–Before substitution by Finance Act, 2008, it read as follows:–
“TABLE

S. No.	Taxable income	Rate of tax.
(1)	(2)	(3)
1.	Where the taxable income does not exceed Rs.150,000	0%
2.	Where the taxable income exceeds Rs.150,000 but does not exceed Rs.200,000	0.25%
3.	Where the taxable income exceeds Rs.200,000 but does not exceed Rs.250,000	0.50%
4.	Where the taxable income exceeds Rs.250,000 but does not exceed Rs.300,000	0.75%
5.	Where the taxable income exceeds Rs.300,000 but does not exceed Rs.350,000	1.50%
6.	Where the taxable income exceeds Rs.350,000 but does not exceed Rs.400,000	2.50%
7.	Where the taxable income exceeds Rs.400,000 but does not exceed Rs.500,000	3.50%
8.	Where the taxable income exceeds Rs.500,000 but does not exceed Rs.600,000	4.50%
9.	Where the taxable income exceeds Rs.600,000 but does not exceed Rs.700,000	6.00%
10.	Where the taxable income exceeds Rs.700,000 but does not exceed Rs.850,000	7.50%
11.	Where the taxable income exceeds Rs.850,000 but does not exceed Rs.950,000	9.00%
12.	Where the taxable income exceeds Rs.950,000 but does not exceed Rs.1,050,000	10.00%
13.	Where the taxable income exceeds Rs.1,050,000 but does not exceed Rs.1,200,000	11.00%
14.	Where the taxable income exceeds Rs.1,200,000 but does not exceed Rs.1,500,000	12.50%
15.	Where the taxable income exceeds Rs.1,500,000 but does not exceed Rs.1,700,000	14.00%
16.	Where the taxable income exceeds Rs.1,700,000 but does not exceed Rs.2,000,000	15.00%
17.	Where the taxable income exceeds Rs.2,000,000 but does not exceed Rs.3,150,000	16.00%
18.	Where the taxable income exceeds Rs.3,150,000 but does not exceed Rs.3,700,000,	17.50%
19.	Where the taxable income exceeds Rs.3,700,000 but does not exceed Rs.4,450,000,	18.50%
20.	Where the taxable income exceeds Rs.4,450,000 but does not exceed Rs.8,400,000,	19.00%
21.	Where the taxable income exceeds Rs.8,400,000.	20.00%

Provided that where income of a woman taxpayer is covered by this clause, no tax shall be charged if the taxable income does not exceed Rs.200,000/-.”

The table before substitution by Finance Act, 2006, it read as follows:—

“TABLE

S. No.	Taxable income.	Rate of tax.
(1)	(2)	(3)
1.	Where taxable income does not exceed Rs.100,000	Nil.
2.	Where taxable income exceeds Rs.100,000 but does not exceed Rs.200,000	3.5% of the amount exceeding Rs.100,000
3.	Where taxable income exceeds Rs.200,000 but does not exceed Rs.400,000	Rs.3,500 plus 12% of the amount exceeding Rs.200,000
4.	Where taxable income exceeds Rs.400,000 but does not exceed Rs.700,000	Rs.27,500 plus 25% of the amount exceeding Rs.400,000
5.	Where taxable income exceeds Rs.700,000	Rs.102,500 plus 30% of exceeding Rs.700,000.”

Clause 2-Omission.— Clause 2 before omission by F.A. 2006, read as follows:—

“2. Where, for a tax year, an individual or association of persons to which sub-section (1) of section 92 applies derives income from agriculture to which section 41 applies and the gross amount of such income for the year exceeds Rs.80,000, the rates of tax imposed on the taxable income of the individual or association of persons for the year shall be as set out in the following table, namely:—

TABLE

S. No.	Taxable income.	Rate of tax.
(1)	(2)	(3)
1	Where taxable income does not exceed Rs.150,000	7.5%
2.	Where taxable income exceeds Rs.150,000 but does not exceed Rs.300,000	Rs.11,250 plus 12.5% of the amount exceeding Rs.150,000
3.	Where taxable income exceeds Rs.300,000 but does not exceed Rs.400,000	Rs.30,000 plus 20% of the amount exceeding Rs.300,000
4.	Where taxable income exceeds Rs.400,000 but does not exceed Rs.700,000	Rs.50,000 plus 25% of the amount exceeding Rs.400,000
5.	Where taxable income exceeds Rs.700,000	Rs.25,000 plus 35% of the amount exceeding Rs.700,000”

Clause 3-Omission.— Clause 3 before omission by Finance Ordinance, 2002, read as follows:—

“3. The rates of tax applicable to a legal representative of a deceased individual liable for tax under clause (b) of sub-section (1) of section 87 shall be –

- (a) in the tax year in which the deceased died and the following tax year, the rates applicable under clause 1; or
- (b) in any subsequent year, 35%.”

Div I-Rate of tax for retailers.—Following is an extract from ‘Notes on Clauses of Finance Bill, 2007’:-

“Seeks to reduce rate of tax on retailers from 0.75% to 0.50%.”

Following is an extract from ‘Notes on Clauses of Finance Bill, 2004’:-

“Seeks to provide for rate of tax at 0.75% for individuals and AOPs, being retailers.”

Special tax concession for women. – Following is an extract from CBR’s Circular No. 1 of 2006 dated July 1, 2006:—

“In line with the Government policy of women empowerment, the basic threshold in the case of salaried and non salaried women taxpayers has been enhanced to Rs. 200,000 and Rs. 125,000 respectively for tax year 2007.”

Changes by F. A. 2005.- Following is an extract from ‘Notes on Clauses of Finance Bill 2005’:-

“Seeks to clarify that the existing rate card for personal tax rates shall henceforth apply only to non-salaried individual and AOPs;”

¹[]

²[]

³[**Division II**

Rates of Tax for Companies

⁴(i) The rate of tax imposed on the taxable income of a company for the tax year 2007 and onward shall be 35% ⁵/:]

⁶[Provided that the rate of tax imposed on the taxable income of a company other than a banking company, shall be 34% for the tax year 2014 ⁷/:]

⁸[Provided further that the rate of tax imposed on the taxable income of a company, other than a banking company shall be 33% for the tax year 2015 ⁹/:]

¹⁰[Provided further that the rate of tax imposed on taxable income of a company, other than banking company shall be 32% for the tax year 2016, 31% for tax year 2017 and 30% for tax year 2018 and ¹¹/thereafter as set out in the following Table, namely:-/.]

¹¹[TABLE

Tax Year	Rate of Tax
2019	29%
2020	28%
2021	27%
2022	26%
2023 and onwards	25%]

¹Division IA deleted by Finance Act, 2013 dated June 29, 2013. Earlier it was inserted by Finance Act, 2004, w.e.f. July 1, 2004.

²Division IB omitted by Finance Act, 2012 dated June 26, 2012. Earlier it was inserted by Finance Act, 2010 dated June 30, 2010.

³Division II substituted by Finance Ordinance, 2002 dated June 15, 2002.

⁴Substituted by Finance Act, 2007, June 30, 2007.

⁵Substituted for full stop by Finance Act, 2013 dated June 29, 2013.

⁶Proviso inserted by Finance Act, 2013 dated June 29, 2013.

⁷Substituted for full stop by Finance Act, 2014 dated June 26, 2014.

⁸Proviso inserted by Finance Act, 2014 dated June 26, 2014.

⁹Substituted for full stop by Finance Act, 2015 dated June 30, 2015.

¹⁰Substituted for "onwards" by Finance Act, 2018 dated May 23, 2018.

¹¹Proviso inserted by Finance Act, 2015 dated June 30, 2015.

Div IA-Omission.-Before Omission by F.A. 2013, it read as follows:-

"Division IA

Rate of Tax on certain persons

The rate of tax to be paid under sub-section (1) of section 113A shall be ¹/one per cent/ of the turnover.]”

¹Substituted for "0.50%" by Finance Act, 2010 dated June 30, 2010. Earlier this was substituted for "0.75%" by Finance Act, 2007, June 30, 2007 and with effect from tax year 2007.

¹[]

²[(iii) where the taxpayer is a small company as defined in section 2, tax shall be payable at the rate of ³[25]% ⁴[:]

⁴[Provided that for tax year 2019 and onwards tax rates shall be as set out in the following Table, namely:-

Tax Year	Rate of Tax
2019	24%
2020	23%
2021	22%
2022	21%
2023 and onwards	20%]

¹Paragraph (ii) omitted by Finance Act, 2008 dated June 27, 2008. It was inserted by F.A. 2003.

²Clause (iii) inserted by Finance Act, 2005 dated June 29, 2005.

³Substituted for "20" by Finance Act, 2010 dated June 30, 2010.

⁴Proviso inserted by Finance Act, 2018 dated May 23, 2018. Earlier proviso omitted by Finance Act, 2009 dated June 30, 2009. Earlier colon preceding the Proviso was substituted by full stop and Proviso inserted by Finance Act, 2008 dated June 27, 2008.

Div IB-Omission.-Before Omission by F.A. 2012, it read as follows:-

"Division IB

Rate of Tax for Association of Persons

The rate of tax imposed on the taxable income of Association of Persons for the tax year 2010 and onward shall be 25%."

Div II-Rate of tax for companies, substitution of cl. (i).-Following is an extract from 'Notes on Clauses of Finance Bill, 2007:-

"Seeks to continue corporate tax rate of 35% for the Tax Year 2007 onward."

Following is an extract from CBR's Circular No. 1 of 2007 dated July 2, 2007:-

"At present corporate tax rate of 35% is applicable for tax year 2007. This rate shall continue to be applicable for subsequent years also. For this purpose, an amendment has been made in Part III, Division II of the First Schedule to the Income Tax Ordinance, 2001."

Before substitution by Finance Act, 2007, clause (i) read as follows:-

"(i) The rates of tax imposed on the taxable income of a company shall be as set out in the following table, namely:-

TABLE

Tax Year	Banking Company	Public Company other than a banking Company	Private Company other than a banking Company
(1)	(2)	(3)	(4)
2003	47%	35%	43%
2004	44%	35%	41%
2005	41%	35%	39%
2006	38%	35%	37%
2007	35%	35%	35%

Division II-Substitution.—Before substitution by F.O. 2002, it read as follows:—

“Division II

Rates of Tax for Companies

The rates of tax imposed on the taxable income of a company shall be as set out in the following table, namely:—

TABLE

Banking company.	Public company, other than a banking company.	Private company, other than a banking company.
(1)	(2)	(3)
50%	35%	45%”

Reduction in corporate tax rates.—Following is an extract from CBR’s Circular No. 1 of 2006 dated July 1, 2006:—

“Through the Finance Act 2002, a five year rate card was introduced which contemplated a gradual reduction culminating into a uniform 35% rate for all the three categories of companies w.e.f. tax year 2007. For the tax year 2006 the rates in force are:

Banking companies	38%
Public Companies	35%
Private Companies	37%”

Division II(ii)-Omission.—Before omission by Finance Act, 2008 it read as follows:-

“(ii) Where the taxpayer is a society or a cooperative society, the tax shall be payable at the rates applicable to ¹[a] company or an individual, whichever is beneficial to the taxpayer.”

¹Substituted for “the public” by Finance Act, 2007, dated June 30, 2007.

Division II(iii)Proviso-Omission.—Before omission by Finance Act, 2009 it read as follows:-

“Provided where the turnover exceeds the prescribed limit of Rs. 250 million, tax shall be payable at the following rates, namely:-

	Turnover	Rate
(i)	Income attributable to turnover exceeding Rs.250 million but does not exceed Rs.350 million	25% plus
(ii)	Income attributable to turnover exceeding Rs.350 million but does not exceed Rs.500 million	30% plus
(iii)	On the income attributable to turnover exceeding Rs.500 million.	35% plus”

¹[**Division IIA**
Table

S. No.	Person	Rate of super tax			
		Rate (percentage of income)			
		Tax Year 2018	Tax Year 2019	Tax Year 2020	Tax Year 2021
(1)	(2)	(3)	(4)	(5)	(6)
1.	Banking company	0%	4%	3%	2%
2.	Person other than a banking company, having income equal to or exceeding Rs.500 million	3%	2%	1%	0%

Provided that in case of a banking company, super tax for tax year 2019 shall be payable, on estimate basis, by thirtieth day of June, 2018.]

¹Division IIA substituted by Finance Act, 2018 dated May 23, 2018. Earlier it was inserted by Finance Act, 2015 dated June 30, 2015.

Division IIA-Substitution.—Before substitution by F. Act, 2018, it read as follows:—

“Division IIA
Rate of Super Tax

Person	Rate of super tax
Banking Company	4% of the income
Person, other than a banking company, having income equal to or exceeding Rs.500 million	3% of the income”

¹[**Division III**
Rate of Dividend Tax

The rate of tax imposed under section 5 on dividend received from a company shall be-

- (a) 7.5% in the case of dividends declared or distributed by purchaser of a power project privatized by WAPDA or on shares of a company set up for power generation or on shares of a company, supplying coal exclusively to power generation projects; and
- ²(b) ³[15]%, in cases other than mentioned in clauses (a) and (c);
- (c) ⁴[12.5]%, in case of dividend received by a person from a mutual fund ⁵[if the amount of dividend is above 2.5 million and 10% if the amount of dividend is less than or equal to 2.5 million/.]

Provided that the dividend received by a person from a stock fund shall be taxed at the rate of 12.5% for tax year 2015 and onwards, if dividend receipts are less than capital gains:

Provided further that the dividend received by a company from a collective investment scheme ⁶[, REIT Scheme] or a mutual fund, other than a stock fund, shall be taxed at the rate of ⁷[15]% for tax year 2015 and onwards ⁸[:/].]

⁹[Provided also that if a Developmental REIT Scheme with the object of development and construction of residential buildings is set up by thirtieth day of June, ¹⁰/2020/, tax imposed on dividend received by a person from such Developmental REIT Scheme shall be reduced by fifty percent for three years from ¹¹/the date of setting up of the said Scheme/.]

¹Division III substituted by Finance Act, 2014 dated June 26, 2014.

²Clause (b) substituted & (c) inserted by Finance Act, 2015 dated June 30, 2015.

³Substituted for “12.5” by Finance Act, 2017 dated June 20, 2017.

⁴Substituted for “10” by Finance Act, 2017 dated June 20, 2017.

⁵Words inserted by Finance Act, 2017 dated June 20, 2017.

⁶Words etc. inserted by Finance Act, 2015 dated June 30, 2015.

⁷Substituted for “25” by Finance Act, 2018 dated May 23, 2018.

⁸Substituted for full stop by Finance Act, 2015 dated June 30, 2015.

⁹Proviso inserted by Finance Act, 2015 dated June 30, 2015.

¹⁰Substituted for “2018” by Finance Act, 2018 dated May 23, 2018.

¹¹Substituted for “thirtieth day of June, 2018” by Finance Act, 2018 dated May 23, 2018.

Division III(b)-Substitution.—Before substitution by F. Act, 2015, it read as follows:—

“(b) 10%, in all other cases:”

Division III-Substitution.—Before substitution by F. Act, 2014, it read as follows:—

**“Division III
Rate of Dividend Tax**

The rate of tax imposed under section 5 on ¹[dividend] received from a ²[] company shall be ³[10%]
⁴[]”

¹Substituted for “dividends” by Finance Ordinance, 2002 dated June 15, 2002.

²Word “resident” omitted by Finance Act, 2003, dated June 17, 2003.

³Inserted by Finance Act, 2007, June 30, 2007.

⁴Clauses (a) and (b) omitted by Finance Act, 2007, June 30, 2007.

The omitted clauses read as follows:-

- “(a) in the case of ¹[dividend] received by a public company or an insurance company
²[or any other resident company], 5% of the gross amount of the dividend; or
(b) in any other case, 10% of the gross amount of the dividend.”

¹Substituted for “dividends” by Finance Ordinance, 2002 dated June 15, 2002.

²Words inserted by Finance Act, 2006 dated July 01, 2006.

Div. III-Dividend income.— Following is an extract from ‘Notes on Clauses of Finance Bill, 2007’:-

“Seeks to levy uniform tax @ 10% for dividend income.”

¹[Division IIIA
Rate for Profit on Debt

²[TABLE

S. No	Profit on Debt	Rate of tax
(1)	(2)	(3)
1.	Where profit on debt does not exceed Rs 5,000,000	10%
2.	Where profit on debt exceeds Rs 5,000,000 but does not exceed Rs 25,000,000	12.5%
3.	Where profit on debt exceeds Rs 25,000,000	15%]

³[Division IIIB

Rate of Tax on Return on investment in sukuks received from a special purpose vehicle

The rate of tax imposed under section 5AA on return on investment in sukuks received from a special purpose vehicle shall be-

- (a) 25 % in the case the sukuk-holder is a company;
- (b) 12.5% in case the sukuk-holder is an individual or an association of person, if the return on investment is more than one million; and
- (c) 10% in case the sukuk-holder is an individual and an association of person, if the return on investment is less than one million.]

¹Division IIIA inserted by Finance Act, 2015 dated June 30, 2015.

²Substituted by Finance Act, 2017 dated June 20, 2017.

³Division IIIB inserted by Tax Laws (Amendment) Ordinance, 2016 dated August 31, 2016, effective 01-07-16.

Table of Division IIIA-Substitution.—Before substitution by F. Act, 2017, it read as follows:—

“S. No	Profit on Debt	Rate of tax
(1)	(2)	(3)
1.	Where profit on debt does not exceed Rs 25,000,000	10%
2.	Where profit on debt exceeds Rs 25,000,000 but does not exceed Rs 50,000,000	2,500,000 + 12.5% of the amount exceeding Rs 25,000,000
3.	Where profit on debt exceeds Rs 50,000,000	Rs 5,625,000 + 15% of the amount exceeding Rs 50,000,000”

Following is an extract from CBR's Circular No. 1 of 2006 dated July 1, 2006:-

“A concessional tax @ 5% is leviable on dividends received by a public company or an insurance company. Dividends received by other companies were subject to a withholding tax of 10% which was their final tax liability.

In order to encourage more investments, withholding tax rate on inter-corporate dividends received by resident companies has been reduced to 5% like in the case of public companies w.e.f. Tax Year 2007 as a final tax liability.”

Following is an extract from salient features of budget 2006:-

“Reduction in tax rate for inter corporate dividends (from 10% to 5%) proposed.”

Following is an extract from ‘Notes on Clauses of Finance Act, 2006’:-

“Seeks to reduce tax rate on inter corporate dividend in the case of resident companies.”

Allowing equal concession to the shareholders receiving dividends from non-resident companies.- Following is an extract from CBR's Circular No. 7 of 2003, dated July 11, 2003:-

“At present, reduced tax rate on receipt of dividend from resident company is 5% in the case of a public or insurance company and 10% in any other case. The dividend received from a non-resident company is chargeable to tax at normal tax rates. In order to provide equal tax treatment, Division III of Part-I of First Schedule to Income Tax Ordinance, 2001 has been amended. From tax year commencing on or after July 1, 2003 the same rate of tax to dividends received from a resident and a non-resident company would be applicable. It would continue to be the final discharge of liability.”

Division IV**Rate of Tax on Certain Payments to Non-residents**

The rate of tax imposed under section 6 on payments to non-residents shall be 15% of the gross amount of the royalty or fee for technical services¹[and 5% of the gross amount of the fee for offshore digital services].

Division V**Rate of Tax on Shipping or Air Transport
Income of a Non-resident Person**

The rate of tax imposed under section 7 shall be –

- (a) in the case of shipping income, 8% of the gross amount received or receivable; or
- (b) in the case of air transport income, 3% of the gross amount received or receivable.

²[]

¹Words inserted by Finance Act, 2018 dated May 23, 2018.

²Division VI deleted by Finance Act, 2013 dated June 29, 2013. Earlier it was substituted by Finance Act, 2009 dated June 30, 2009 and was inserted by Finance Act, 2006 dated July 01, 2006.

Division VI-Omission-Before omission by F. Act, 2013, it read as follows:-

“DIVISION VI**Income from Property**

- (a) The rate of tax to be paid under section 15, in the case of individual and association of persons, shall be-

S. No.	Gross amount of rent	Rate of tax
(1)	Where the gross amount of rent does not exceed Rs.150,000	Nil
(2)	Where the gross amount of rent exceeds Rs. 150,000 but does not exceed Rs. 400,000.	5 per cent of the gross amount exceeding Rs. 150,000
(3)	Where the gross amount of rent exceeds Rs. 400,000 but does not exceed Rs. 1,000,000.	Rs. 12,500 plus 7.5 per cent of the gross amount exceeding Rs. 400,000
(4)	Where the gross amount of rent exceeds Rs. 1,000,000	Rs. 57,500 plus 10 per cent of the gross amount exceeding Rs. 1,000,000

- (b) The rate of tax to be paid under section 15, in the case of company, shall be-

S. No.	Gross amount of rent	Rate of tax
(1)	Where the gross amount of rent does not exceed Rs.400,000	5 per cent of the gross amount of rent.
(2)	Where the gross amount of rent exceeds Rs.400,000 but does not exceed Rs.1,000,000.	Rs.20,000 plus 7.5 per cent of the gross amount of rent exceeding Rs.400,000.
(3)	Where the gross amount of rent exceeds Rs.1,000,000.	Rs.65,000 plus 10 per cent of the gross amount of rent exceeding Rs.1,000,000.”

Division VI(a)-Substitution-Before substitution by F. Act, 2008 it read as follows:-

“(a) the rate of tax to be paid under section 15 shall be 5% of the gross amount of rent chargeable to tax under that section.”

Division VI-Substitution-Before substitution by Finance Act, 2009 it read as follows:-

¹[**DIVISION VI**
INCOME FROM PROPERTY*

²(a) The rate of tax to be paid under section 15, in the case of individual and association of persons, shall be-

S. No.	Gross amount of rent	Rate of tax
(1)	Where the gross amount of rent does not exceed Rs.150,000.	Nil.
(2)	Where the gross amount of rent exceeds Rs.150,000 but does not exceed Rs.400,000.	5 per cent of the gross amount exceeding Rs.150,000.
(3)	Where the gross amount of rent exceeds Rs.400,000 but does not exceed Rs.1,000,000.	Rs.12,500 plus 10 per cent of the gross amount exceeding Rs.400,000.
(4)	Where the gross amount of rent exceeds Rs.1,000,000.	Rs.72,500 plus 15 per cent of the gross amount exceeding Rs.1,000,000.

(b) The rate of tax to be paid under section 15, in the case of company, shall be-

S. No.	Gross amount of rent	Rate of tax
(1)	Where the gross amount of rent does not exceed Rs.400,000.	5 per cent of the gross amount of rent.
(2)	Where the gross amount of rent exceeds Rs.400,000 but does not exceed Rs.1,000,000.	Rs.20,000 plus 10 per cent of the gross amount of rent exceeding Rs.400,000.
(3)	Where the gross amount of rent exceeds Rs.1,000,000.	Rs.80,000 plus 15 per cent of the gross amount of rent exceeding Rs.1,000,000.]”

¹Division VI inserted by Finance Act, 2006 dated July 01, 2006.

²Paras (a) and (b) substituted for Para (a) of Division VI by Finance Act, 2008 dated June 27, 2008.

*Please see 2nd Schedule part II clauses (27A) and (28) for property rates revised by SRO 766(I)/2008.

¹[Division VIA
Income from Property

The rate of tax to be paid under section 15, in the case of individual and association of persons, shall be as follows:-

S.No.	Gross amount of rent	Rate of tax
1.	Where the gross amount of rent does not exceed Rs.200,000.	Nil
2.	Where the gross amount of rent exceeds Rs.200,000 but does not exceed Rs.600,000.	5 per cent of the gross amount exceeding Rs.200,000.
3.	Where the gross amount of rent exceeds Rs.600,000 but does not exceed Rs.1,000,000.	Rs.20,000 plus 10 per cent of the gross amount exceeding Rs.600,000.
4.	Where the gross amount of rent exceeds Rs.1,000,000 but does not exceed Rs.2,000,000.	Rs.60,000 plus 15 per cent of the gross amount exceeding Rs.1,000,000.
5.	Where the gross amount of rent exceeds Rs.2,000,000.	Rs.210,000 plus 20 per cent of the gross amount exceeding Rs.2,000,000]

¹Division VIA inserted by Finance Act, 2016 dated June 24, 2016.

¹[Division VII**Capital Gains on Disposal of Securities**

The rate of tax to be paid under section 37A shall be as follows:-

²[TABLE

S. No.	Period	Tax Year 2015	Tax Year 2016	Tax Year 2017		³ [Tax Years 2018 and 2019]			
				Filer	Non-Filer	Securities acquired before 01-07-2016		Securities acquired after 01-07-2016	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(8)	(10)
1.	Where holding period of a security is less than twelve months	12.5 %	15%	15%	18%	15%	18%	15%	20%
2.	Where holding period of a security is twelve months or more but less than twenty-four months	10%	12.5%	12.5%	16%	12.5%	16%		
3.	Where holding period of a security is twenty - four months or more but the security was acquired on or after 1st July, 2013.	0%	7.5%	7.5%	11%	7.5%	11%	15%	20%
4.	Where the security was acquired before 1st July, 2013	0%	0%	0%	0%	0%	0%	0%	0%

¹Table of Division VII substituted by Finance Act, 2017 dated June 20, 2017. Earlier it was substituted by Finance Act, 2016 dated June 24, 2016 and was substituted by Finance Act, 2015 dated June 30, 2015 and was inserted by Finance Act, 2010 dated June 30, 2010.

²Substituted for "Tax Year 2018" by Finance Act, 2018 dated May 23, 2018.

5.	Future commodity contracts entered into by members of Pakistan Mercantile Exchange	0%	0%	5%	5%	5%	5%	5%	5%
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Provided that the rate of tax on cash settled derivatives traded on the stock exchange shall be 5% for the tax years 2018 to 2020.]

Division VII-Table Substitution-Before substitution by F. Act, 2017, it read as follows:-

S. No.	Period	Tax Year 2015	Tax Year 2016	Tax Year 2017	
(1)	(2)	(3)	(4)	(5)	(6)
1.	Where holding period of a security is less than twelve months	12.5%	15%	15%	18%
2.	Where holding period of a security is twelve months or more but less than twenty-four months	10%	12.5%	12.5%	16%
3.	Where holding period of a security is twenty-four months or more but the security was acquired on or after 1st July, 2012	0%	7.5%	7.5%	11%
4.	Where the security was acquired before 1st July, 2012	0%	0%	0%	0%
5.	Future commodity contracts entered into by the members of Pakistan Mercantile Exchange	0%	0%	5%	5%

Division VII-Substitution-Before substitution by F. Act, 2016, it read as follows:-

“Division VII

Capital Gains on disposal of Securities

The rate of tax to be paid under section 37A shall be as follows-

S. No.	Period	Tax Year 2015	Tax Year 2016
(1)	(2)	(3)	(4)
1.	Where holding period of a security is less than twelve months	12.5%	15%
2.	Where holding period of a security is twelve months or more but less than twenty four months	10%	12.5%
3.	Where holding period of a security is twenty four months or more but less than four years	0%	7.5%
4.	Where holding period is more than four years	0%	0%

Provided that the rate for companies shall be as specified in Division II of Part I of First Schedule, in respective of debt securities;

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
	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 no capital gains tax shall be deducted, if the holding period of the security is more than four years.”

Division VII-Substitution-Before substitution by F. Act, 2015, it read as follows:-

“Division VII

Capital Gains on disposal of Securities

The rate of tax to be paid under section 37A shall be as follows:-

¹/Table

S. No.	Period	Tax Year.	Rate of Tax.
(1)	(2)	(3)	(4)
1.	Where holding period of a security is less than six months.	2011	10%
		2012	10%
		2013	10%
		2014	10%
2.	Where holding period of a security is more than six months but less than twelve months.	2011	7.5%
		2012	8%
		2013	8%
		2014	8%
TAX YEAR 2015			
3.	Where holding period of a security is less than twelve months.		12.5%
4.	Where holding period of a security is twelve months or more but less than twenty-four months.		10%
5.	Where holding period of a security is twenty-four months or more.		0%

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

¹Table substituted by Finance Act, 2004 dated June 26, 2014. Earlier it was substituted by Finance Act, 2011 dated June 30, 2011.

Division VII Table-Substitution-Before substitution by F. A. 2014, it read as follows:-

“Table

S. No.	Period	Tax Year.	Rate of Tax.
(1)	(2)	(3)	(4)
1.	Where holding period of a security is less than six months.	2011	¹ /10%
		2012	10%
		2013	10%
		2014	10%
		2015	17.5%]
2.	Where holding period of a security is more than ² /more than six months/ but less than twelve months.	2011	³ /7.5%
		2012	8%
		2013	8%
		2014	8%
		2015	9.5%
3.	Where holding period of a security is ⁴ /twelve months or more/.	2016	10%]
		-	0%]”

¹Substituted for “10%, 10%, 12.5%, 15%, 17.5%” respectively by Finance Act, 2012 dated June 26, 2012.

²Substituted for “six months or more” by Finance Act, 2012 dated June 26, 2012.

³Substituted for “7.5%, 8%, 8.5%, 9%, 9.5%, 10%” respectively by Finance Act, 2012 dated June 26, 2012.

⁴Substituted for “one year or more” by Finance Act, 2012 dated June 26, 2012.

Divisions VII Table-Substitution. Before substitution by Finance Act, 2011, the Table read as follows:-

S. No.	Period	Tax Year.	Rate of Tax.
(1)	(2)	(3)	(4)
1.	Where holding period of a security is less than six months.	2011	10%
		2012	10%
		2013	12.5%
		2014	15%
		2015	17.5%
2.	Where holding period of a security is more than six months but less than twelve months.	2011	7.5%
		2012	8%
		2013	8.5%
		2014	9%
		2015	9.5%
3.	Where holding period of a security is more than one year.	2016	10%
		-	0%

Provided that a mutual fund or a collective investment scheme shall deduct Capital Gains Tax at the rate as specified above, on redemption of securities as prescribed;”

¹[Division VIII**Capital Gains on disposal of Immovable Property**

The rate of tax to be paid under sub-section (1A) of section 37 shall be as follows:-

² [S. No.	Period	Rate of tax
(1)	(2)	(3)
For immovable property allotted to persons mentioned in ³ [the proviso to sub-section (1)] of section 236C		
1.	Immovable property is held irrespective of the holding period.	0%
For immovable property acquired on or after July 1, 2016, other than those mentioned against S. No. 1		
2.	Where holding period of immovable property is up to one year.	10%
3.	Where holding period of immovable property is more than or equal to one year but less than two years.	7.5%
4.	Where holding period of immovable property is more than or equal to two years but less than three years.	5%
5.	Where holding period of immovable property is more than three years.	0%
For immovable property acquired before July 1, 2016 other than those mentioned against S. No. 1		
6.	Where holding period of immovable property is up to three years.	5%
7.	Where holding period of immovable property is more than three years:	0%

Provided that rate of tax to be paid under sub-section (1A) of section 37 shall be reduced by fifty per cent on the first sale of immovable property acquired or allotted to *ex*-servicemen and serving personnel 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.]

¹Division VIII inserted by Finance Act, 2012 dated June 26, 2012.

²Table substituted by Income Tax (Fourth Amendment) Act, 2016 dated December 06, 2016. Earlier the same was substituted by Income Tax (Amendment) Ordinance, 2016 dated July 31, 2016, was substituted by Finance Act, 2016 dated June 24, 2016.

³Substituted for "sub-section (4)" by Finance Act, 2018 dated May 23, 2018.

¹[DIVISION VIII A**Tax on Builders**

The rate of tax under section 7C shall be as follows:

(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			
For commercial buildings					
Rs. 210/ Sq Ft	Rs. 210/ Sq Ft	Rs. 210/ Sq Ft			
For residential buildings					
Area in Sq. Ft	Rate/ Sq. Ft	Area in Sq. Ft	Rate/ Sq. Ft	Area in Sq. Ft	Rate/ Sq. Ft
Up to 750	Rs. 20	Up to 750	Rs. 15	Up to 750	Rs. 10
751 to 1500	Rs. 40	751 to 1500	Rs. 35	751 to 1500	Rs. 25
1501 & more	Rs. 70	1501 and more	Rs. 55	1501 and more	Rs. 35]

¹Division VIII A inserted by Finance Act, 2016 dated June 24, 2016.

Divisions VIII Table-Substitution. Before substitution by Income Tax (Amendment) Ordinance, 2016, the Table read as follows:-

"S. No.	Period	Rate of tax
(1)	(2)	(3)
1.	Where holding period of Immovable property is up to five years.	10%
2.	Where holding period of immovable property is more than five years.	0%

Provided that gain arising on the disposal of immovable property by a person in a tax year to a Rental REIT Scheme shall be taxed at the rate of five percent upto thirtieth day of June, 2019, irrespective of the holding period."

Divisions VIII Table-Substitution. Before substitution by Finance Act, 2016, the Table read as follows:-

"S. No.	Period	Rate of tax
(1)	(2)	(3)
1.	Where holding period of Immovable property is up to one year.	10%
2.	Where holding period of Immovable property is more than one year but not more than two years.	5%]
¹ 3.	Where holding period of immovable property is more than two years.	0%]"

¹S. No. 3 and entries relating thereto inserted by Finance Act, 2014 dated June 26, 2014.

¹[DIVISION VIII B**Tax on Developers****The rate of tax under section 7D shall be as follows:**

(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			
For commercial Plots					
Rs. 210/ Sq Yd	Rs. 210/ Sq Yd	Rs. 210/ Sq Yd			
For residential Plots					
Area in Sq. Yd	Rate/ Sq. Yd	Area in Sq. Yd	Rate/ Sq. Yd	Area in Sq. Yd	Rate/ Sq. Yd
Up to 120	Rs. 20	Up to 120	Rs. 15	Up to 120	Rs. 10
121 to 200	Rs. 40	121 to 200	Rs. 35	121 to 200	Rs. 25
201 and more	Rs. 70	201 and more	Rs. 55	201 and more	Rs. 35]

²[Division IX**Minimum tax under section 113**

S. No.	Person(s)	Minimum Tax as percentage of the person's turnover for the year
(1)	(2)	(3)
1.	(a) Oil marketing companies, Oil refineries, Sui Southern Gas Company Limited and Sui Northern Gas Pipelines Limited (for the cases where annual turnover exceeds rupees one billion.); (b) Pakistani Airlines; and (c) Poultry industry including poultry breeding, broiler production, egg production and poultry feed production. ³ [(d) Dealers or distributors of fertilizers ⁴ ; and/] ⁵ [(e) person running an online marketplace as defined in clause (38B) of section 2.]	0.5%

¹Division VIII B inserted by Finance Act, 2016 dated June 24, 2016.²Division IX inserted by Finance Act, 2014 dated June 26, 2014.³Clause (d) inserted by Finance Act, 2015 dated June 30, 2015.⁴Substituted for full stop by Finance Act, 2017 dated June 20, 2017.⁵Entry inserted by Finance Act, 2017 dated June 20, 2017.

2.	(a) Distributors of pharmaceutical products, ¹ [] fast moving consumer goods ¹ [] and cigarettes; (b) Petroleum agents and distributors who are registered under the Sales Tax Act, 1990; (c) Rice mills and dealers; and (d) Flour mills.	0.2%
3.	Motorcycle dealers registered under the Sales Tax Act, 1990.	0.25%
4.	In all other cases.	² [1.25%]

¹Words "consumer goods including" & "fertilizer" deleted by Finance Act, 2015 dated June 30, 2015.

²Substituted for "1" by Finance Act, 2017 dated June 20, 2017.

**¹[PART-II
RATES OF ADVANCE TAX**

[See Division II of Part V of Chapter X]

The rate of advance tax to be collected by the Collector of Customs under section 148 shall be-

S. No.	Person	Rate	
		Filer	Non-Filer
(1)	(2)	(3)	(4)
1.	(i) Industrial undertaking importing remeltable steel (PCT Heading 72.04) and directly reduced iron for its own use; (ii) Persons importing potassic fertilizers in pursuance of Economic Coordination Committee of the cabinet's decision No.ECC-155/12/2004 dated the 9 th December, 2004; (iii) Persons importing urea; (iv) Manufacturers covered under Notification No. S.R.O. 1125(I)/2011 dated the 31 st December, 2011 and importing items covered under S.R.O. 1125(I)/2011 dated the 31 st December, 2011; (v) Persons importing Gold; (vi) Persons importing Cotton; and (vii) ² [Persons importing LNG]	1% of the import value as increased by customs-duty, sales tax and federal excise duty	1.5% of the import value as increased by customs duty, sales tax and federal excise duty
2.	Persons importing pulses	2% of the import value as increased by customs-duty, sales tax and federal excise duty	3% of the import value as increased by customs duty, sales tax and federal excise duty

8-134/10-06-18

¹Part II substituted by Finance Act, 2015 dated June 30, 2015. Earlier it was substituted Finance Act, 2014 dated June 26, 2014.

²Substituted for "Designated buyer of LNG on behalf of Government of Pakistan, to import LNG" by Finance Act, 2018 dated May 23, 2018.

3.	Commercial importers covered under Notification No. S.R.O. 1125(I)/2011 dated the 31st December, 2011 and importing items covered under S.R.O. 1125(I)/2011 dated the 31st December, 2011.	3% of the import value as increased by customs-duty, sales tax and federal excise duty	4.5% of the import value as increased by customs duty, sales tax and federal excise duty
¹ [3A]	Persons importing coal	4%	6%]
4.	Ship breakers on import of ships	4.5%	6.5%
5.	Industrial undertakings not covered under S. Nos. 1 to 4	5.5%	8%
6.	Companies not covered under S. Nos. 1 to 5	5.5%	8%
7.	Persons not covered under S. Nos. 1 to 6	6%	9%]

²[Provided that the rate specified in column (3),-

- (a) in the case of industrial undertaking, being a filer, importing plastic raw material falling under PCT Heading 39.01 to 39.12 for its own use shall be 1.75% of the import value as increased by customs duty, sales tax and Federal excise duty; and
- (b) in the case of a commercial importer, being a filer, importing plastic raw material falling under PCT Heading 39.01 to 39.12 shall be 4.5 % of the import value as increased by customs duty, sales tax and Federal excise duty.]

¹Sr. 3A inserted by Finance Act, 2018 dated May 23, 2018.

²Proviso inserted by Finance Act, 2017 dated June 20, 2017.

Part II-substitution.-Before Substitution by F. Act, 2015, it read as follows:-

**“PART-II
RATES OF ADVANCE TAX**

[See Division II of Part V of Chapter X]

The rate of advance tax to be collected by the Collector of Customs under section 148 shall be-

² [S. No]	Persons	Rate	
		(3)	
(1)	(2)	Filer	Non-Filer
1.	(i) Industrial undertaking importing remelttable steel (PCT Heading 72.04) and directly reduced iron for its own use;	1% of the import value as increased by customs-duty, sales tax and federal excise duty	1.5% of the import value as increased by customs-duty, sales tax and federal excise duty

	(ii) Persons importing potassic fertilizers in pursuance of Economic Coordination Committee of the cabinet's decision No. ECC-155/12/2004 dated the 9th December, 2004;		
	(iii) Persons importing urea, and		
	(iv) Manufacturers covered under Notification No. S.R.O. 1125(I)/2011 dated the 31st December, 2011		
2.	Persons importing pulses	2% of the import value as increased by customs-duty, sales tax and federal excise duty	3% of the import value as increased by customs-duty, sales tax and federal excise duty
3.	Commercial importers covered under Notification No. 1125(I)/2011 dated the 31st December, 2011.	3% of the import value as increased by customs-duty, sales tax and federal excise duty	4.5% of the import value as increased by customs-duty, sales tax and federal excise duty
4.	Ship breakers on import of ships	4.5%	6.5%
5.	Industrial undertakings not covered under S. Nos. 1 to 4	5.5%	8%
6.	Companies not covered under S. Nos. 1 to 5	5.5%	8%
7.	Persons not covered under S. Nos. 1 to 6	6%	9%”

¹Table substituted by SRO 136(I)/2015 dated February 13, 2015.

Part II-Table substitution.-Before Substitution by SRO 136(I)/2015, Table read as follows:-

“S. No. (1)	Persons (2)	Rate (3)
1.	(i) Industrial undertaking importing remeltable steel (PCT Heading 72.04) and directly reduced iron for its own use; (ii) Persons importing potassic fertilizers in pursuance of Economic Coordination Committee of the cabinet's decision No. ECC-155/12/2004 dated the 9th December, 2004; (iii) Persons importing urea; and (iv) Manufacturers covered under Notification No. S.R.O. 1125(I)/2011 dated the 31st December, 2011 *dated the 31st December, 2011.	1% of import value as increased by customs-duty, sales tax and federal excise duty

*There appears to be a typographical mistake in making the amendment by repeating and stating the date twice.

Part II

2.	Persons importing pulses	2% of import value as increased by customs-duty, sales tax and Federal excise duty
3.	Commercial importers covered under Notification No. S.R.O. 1125(I)/2011 dated the 31st December, 2011.	3% of import value as increased by customs-duty, sales tax and federal excise duty
4.	Ship breakers on import of ships	4.5%
5.	Industrial undertakings not covered under S. Nos. 1 to 4	5.5%
6.	Companies not covered under S. Nos. 1 to 5	5.5%
7.	Persons not covered under S. Nos. 1 to 6	6%”

Part II-Substitution.-Before substitution by F.A. 2014, it read as follows:-

“PART II**RATES OF ADVANCE TAX**

(See Division II of Part V of Chapter X)

The rate of advance tax to be collected by the Collector of Customs under section 148 shall be

- ¹(a) 5% of the value of goods in the case of industrial undertakings;
- (b) 5% in all other cases of companies;
- (c) 5.5% in case of all taxpayers other than those covered at (a) and (b) above; and
- (d) notwithstanding the provision of clause (c) above, 12% of the value of the film in the case of a foreign produced film imported for the purposes of screening and viewing.]”

¹Substituted for “5% of the value of goods.” by Finance Act, 2013 dated June 29, 2013. Earlier figure “5” was substituted for “4” by Finance Act, 2010 dated June 30, 2010. Earlier this was substituted for “2” by Finance Act, 2009 dated June 30, 2009, substituted for “5” by SRO 566(I)/2008 dated June 11, 2008 (the same amendment had also been made by Finance Act, 2008). Earlier “5” was substituted for “6” by Finance Act, 2007, June 30, 2007.

¹[]

PART III
DEDUCTION OF TAX AT SOURCE
(See Division III of Part V of Chapter X)

²[**DIVISION-I**

Advance Tax on Dividend

The rate of tax to be deducted under section 150 ³[and 236S] shall be-

- (a) 7.5% in the case of dividends declared or distributed by purchaser of a power project privatized by WAPDA or on shares of a company set up for power generation or on shares of a company, supplying coal exclusively to power generation projects;
- (b) ⁴[15]% for filers other than mentioned in (a) above;
- (c) ⁵[20]% for non-filers other than mentioned in (a) above:

¹Part IIA deleted by Finance Act, 2014 dated June 26, 2014. Earlier it was inserted by Finance Act, 2012 dated June 26, 2012.

²Division I and 1A substituted by Finance Act, 2014 dated June 26, 2014 for Division I. Earlier Division I and II were substituted by Finance Act, 2006 dated July 01, 2006.

³Words etc. inserted by Finance Act, 2015 dated June 30, 2015.

⁴Substituted for “12.5” by Finance Act, 2017 dated June 20, 2017. Earlier it was substituted for “10” by Finance Act, 2015 dated June 30, 2015.

⁵Substituted for “17.5” by Finance Act, 2016 dated June 24, 2016. Earlier it was substituted for “15” by Finance Act, 2015 dated June 30, 2015.

Part IIA–Omission.-Before omission by F.A. 2014, it read as follows:-

“PART IIA

COLLECTION OF TAX FROM DISTRIBUTORS, DEALERS AND WHOLESALERS

(See section 153A)

The rate of tax to be collected under section 153A, shall be 0.5% of the gross amount of sales.”

Part III

Provided that the rate of tax required to be deducted by a collective investment scheme ¹[, REIT scheme] or a mutual fund shall be-

² [Person]	Stock Fund	Money market fund, income fund or REIT scheme or any other fund	
		Filer	Non-Filer
(1)	(2)	(3)	(4)
Individual	³ [12.5]%	³ [12.5]%	15%
Company	³ [12.5]%	⁴ [15]%	25%
AOP	³ [12.5]%	³ [12.5]%	15%]

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% ⁵[:/]

⁶[Provided further that if a Developmental REIT Scheme with the object of development and construction of residential buildings is set up by thirtieth day of June, ⁷[2020], rate of tax on dividend received by a person from such Developmental REIT Scheme shall be reduced by fifty percent for three years from ⁸/the date of setting up of the said Scheme/ ⁹[:/]

¹⁰[Provided further that the rate of tax on dividend received by a person, other than a company, from a money market mutual fund shall be 10%, if the amount of dividend does not exceed two and a half million Rupees ¹¹[:/]

¹²[Provided also that the rate of tax on dividend received by an individual, from a Rental REIT Scheme shall be 7.5%.]

¹Words etc. inserted by Finance Act, 2015 dated June 30, 2015.

²Table substituted by Finance Act, 2016 dated June 24, 2016.

³Substituted for "10" by Finance Act, 2017 dated June 20, 2017.

⁴Substituted for "25" by Finance Act, 2018 dated May 23, 2018.

⁵Substituted for full stop by Finance Act, 2015 dated June 30, 2015.

⁶Proviso inserted by Finance Act, 2015 dated June 30, 2015.

⁷Substituted for "2018" by Finance Act, 2018 dated May 23, 2018.

⁸Substituted for "thirtieth day of June, 2018" by Finance Act, 2018 dated May 23, 2018.

⁹Substituted for full stop by Finance Act, 2017 dated June 20, 2017.

¹⁰Proviso inserted by Finance Act, 2017 dated June 20, 2017.

¹¹Substituted for full stop by Finance Act, 2018 dated May 23, 2018.

¹²Proviso inserted by Finance Act, 2018 dated May 23, 2018.

¹[**Division IA**
Profit on Debt

The rate of tax to be deducted under section 151 shall be 10% of the yield or profit for filers and ²[17.5%] of the yield or profit paid, for non-filers:

Provided that for a non-filer, if the yield or profit paid is rupees five hundred thousand or less, the rate shall be ten per cent]

¹Division IA substituted by Finance Act, 2014 dated June 26, 2014 for Division I. Earlier Division I and II were substituted by Finance Act, 2006 dated July 01, 2006.

²Substituted for “15%” by Finance Act, 2015 dated June 30, 2015.

Division I, Table-Substitution. Before substitution by Finance Act, 2016, the Table read as follows:-

“	Stock Fund	Money market Fund, Income Fund or ¹[REIT Scheme or] any other fund
Individual	10%	10%
Company	10%	25%
AOP	10%	10%”

¹Words etc. inserted by Finance Act, 2015 dated June 30, 2015.

Part III-Div I-Substitution.-Before substitution by F.A. 2014, it read as follows:-

“DIVISION-I
PROFIT ON DEBT

The rate of tax to be deducted under section 151 shall be 10% of the yield or profit paid.”

Part III-Division I and II before substitution by F.A. 2006, these read as follows:-

“Division I
Profit on debt

The rate of tax to be deducted under section 151 shall be-

- (a) in the case of any profit on debt referred to in clause (a) or (b) ¹[or (d)] of sub-section (1) of section 151, 10% of the yield or profit paid; or
- (b) in the case of any profit on debt referred to in clause (c) of sub-section (1) of section 151, ²[20%] of the yield or profit paid.”

¹Word etc. inserted by Finance Ordinance, 2002 dated June 15, 2002.

²Substituted for “30%” by Finance Ordinance, 2002 dated June 15, 2002.

Part III, Divisions I and II-Substitution. Following are extracts from ‘Notes on Clauses of Finance Act, 2006’:-

“Seeks to reduce withholding tax rate in the case of government securities.”

“Seeks to equate the withholding tax rate in the case of services with other contracts at 6%.”

“Seeks to make an editorial correction.”

Taxation of profit on debt.- Following is an extract from CBR’s Circular No. 1 of 2006 dated July 1, 2006:-

“Upto tax year 2006 withholding tax deducted on profit on debt @ of 10% was adjustable. Tax so deducted has now been made final discharge of tax liability under the Presumptive Tax Regime except in the cases of companies.”

¹[**Division IB**

Return on Investment in Sukuks

The rate of tax to be deducted under section 150A shall be-

- (a) 15% in case the sukuk-holder is a company;
- (b) 12.5% in case the sukuk-holder is an individual or an association of person, if the return on investment is more than one million;
- (c) 10% in case the sukuk-holder is an individual and an association of person, if the return on investment is less than one million; and
- (d) 17.5% in case the sukuk-holder is a non-filer]

¹Division IB inserted by Tax Laws (Amendment) Ordinance, 2016 dated August 31, 2016, effective 01-07-16.

¹[**Division-II****Payments to non-residents**

(1) The rate of tax to be deducted from a payment referred to in sub-section (1A) of section 152 shall be ²[7% of the gross amount payable in case a person is a filer and ³[13]% in case the person is a non-filer].

⁴[(1A) The rate of tax to be deducted from payments referred to in sub-section (1AA) of section 152, shall be 5% of the gross amount paid.]

(2) The rate of tax to be deducted under sub-section (2) of section 152 shall be ⁵[20]% of the gross amount paid.]

⁶[(3) The rate of tax to be deducted under sub-section (1AAA) of section 152, shall be 10% of the gross amount paid.

⁷[(4) The rate of tax to be deducted from a payment referred to in clause (a) of sub-section (2A) of section 152 shall be-

- (i) in case of a company, 4% of the gross amount payable, if the company is a filer and ⁸[7]% if the company is a non-filer; and
- (ii) in any other case, 4.5% of the gross amount payable, if the person is a filer and ⁹[7.75]% if the person is a non-filer.]

¹Division II substituted by Finance Act, 2006 dated July 01, 2006.

²Substituted for "6% of the gross amount payable" by Finance Act, 2016 dated June 24, 2016. The Gazette prints the rate as "7." & "12." instead of "7%" & "12%".

³Substituted for "12" by Finance Act, 2017 dated June 20, 2017.

⁴Clause (1A) inserted by Finance Act, 2008 dated June 27, 2008.

⁵Substituted for "30" by Finance Act, 2010 dated June 30, 2010.

⁶Clauses (3) to (6) inserted by Finance Act, 2012 dated June 26, 2012.

⁷Clause (4) substituted by Finance Act, 2015 dated June 30, 2015. Earlier clauses (3) to (6) inserted by Finance Act, 2012 dated June 26, 2012.

⁸Substituted for "6" by Finance Act, 2017 dated June 20, 2017.

⁹Substituted for "6.5" by Finance Act, 2017 dated June 20, 2017.

"Division II**Payments to non-residents**

The rate of tax to be deducted under sub-section (2) of section 152 shall be 30% of the gross amount paid."

Div II-Clause (3)-Substitution.-Following is an extract from 'Notes on Clauses of Finance Bill 2005'.

"Seeks to provide for a uniform withholding tax rate of 6% on payments for execution of contracts in the case of a resident person or permanent establishment in Pakistan of a non-resident person;

Clause (3) before substitution by Finance Act, 2005, read as follows:-

"(3) The rate of tax to be deducted from a payment referred to in clause (c) of sub-section (1) of section 153 shall be-

(a) in the case of a contract with a value exceeding thirty million rupees, 6% of the gross amount payable; or

(b) in any other case, 5% of the gross amount payable."

Clause (4)-Substitution.-Before substitution by F. Act, 2015, it read as follows:-

"(4) The rate of tax to be deducted from a payment referred to in clause (a) of sub-section (2A) of section 152 shall be 3.5% of the gross amount payable."

(5) The rate of tax to be deducted from a payment referred to in clause (b) of sub-section (2A) of section 152 shall be-

(i) in the case of transport services, two per cent of the gross amount payable; or

¹[(ii) in cases other than transport,-

(a) in case of a company, 8% of the gross amount payable, if the company is a filer and ²[14]% if the company is a non-filer; and

(b) in any other case, 10% of the gross amount payable, if the person is a filer and ³[17.5]% if the person is a non-filer;]

⁴[(6) The rate of tax to be deducted from a payment referred to in clause (c) of sub-section (2A) of section 152 shall be,-

(i) 10% of the gross amount payable in case of sportspersons;

⁵[(ii) in case a person is a filer, 7% of the gross amount payable and ⁶[13]% if the person is a non-filer.]

⁷[]

¹Clause (5)(ii) substituted by Finance Act, 2015 dated June 30, 2015. Before substitution, it read as follows:-

“(ii) in any other case, six percent of the gross amount payable.”

²Substituted for “12” by Finance Act, 2017 dated June 20, 2017.

³Substituted for “15” by Finance Act, 2017 dated June 20, 2017.

⁴Clause (6) substituted by Finance Act, 2015 dated June 30, 2015. Earlier clauses (3) to (6) inserted by Finance Act, 2012 dated June 26, 2012. Before substitution, it read as follows:-

“(6) The rate of tax to be deducted from a payment referred to in clause (c) of sub-section (2A) of section 152 shall be six percent of the gross amount payable.”

⁵Clause (6)(ii) substituted by Finance Act, 2016 dated June 24, 2016. Before substitution, it read as follows:- The Gazette prints the rate as “7_” & “12_” instead of “7%” & “12%.”

“(ii) in case of a company, 7% of the gross amount payable, if the company is a filer and 10% if the company is a non-filer; and”

⁶Substituted for “12” by Finance Act, 2017 dated June 20, 2017.

⁷Clause (6)(iii) deleted by Finance Act, 2016 dated June 24, 2016. Before omission, it read as follows:-

“(iii) in any other case, 7.5% of the gross amount payable, if the person is a filer and 10% if the person is a non-filer.”

Division III

Payments for Goods or Services

(1) The rate of tax to be deducted from a payment referred to in clause (a) of sub-section (1) of section 153 shall be—

- (a) in the case of the sale of rice, ¹[] cotton seed or edible oils, ²[1.5]% of the gross amount payable ³[:]

⁴[*Explanation.*— For removal of doubt, it is clarified that “cotton seed and edible oils” means cotton seed oil and edible oils;]

- ⁵[(ab) in the case of supplies made by the distributor of fast moving consumer goods,—

- (i) in case of a company, 2% of the gross amount payable; and
(ii) in any other case, 2.5% of the gross amount payable.]

- ⁶[(b) in the case of sale of goods,—

- ⁷[(i) in case of a company, 4% of the gross amount payable, if the company is a filer and ⁸[8]% if the company is a non-filer; and
(ii) in any other case, 4.5% of the gross amount payable, if the person is a filer and ⁹[9]% if the person is a non-filer]

¹Word “cotton” omitted by Finance Act, 2005 dated June 29, 2005.

²Substituted for “1” by Finance Act, 2003, dated June 17, 2003. Earlier, vide Notification No. SRO 586(I)/2002, dated August 28, 2002, issued u/s 240, it was provided that for deduction or collection of tax for the year beginning on the first day of July, 2002, the Ordinance shall have effect as if for the figure “1”, the figure “15” was substituted. In the gazette the figure erroneously appears as “15” whereas in the amendment as per signed copy released by CBR, the figure was “1.5”. Later this Notification was rescinded by Notification No. SRO 608(I)/2003, dated June 24, 2003.

³Substituted for full stop by Finance Act, 2017 dated June 20, 2017.

⁴Inserted by Finance Act, 2017 dated June 20, 2017.

⁵Clause (ab) substituted by Finance Act, 2017 dated June 20, 2017. Earlier it was inserted by Finance Act, 2016 dated June 24, 2016. The Gazette prints the rate as “3_” & “3.5_” instead of “3%” & “3.5%”.

Paragraph (ab)-substitution.— Before substitution by F. Act, 2017 read as follows:—

“(ab) in the case of the supplies made by the distributors of fast moving consumer goods, 3% of the gross amount payable, if the supplier is a company and 3.5% if the supplier is other than a company.”

⁶Sub-paragraph (b) substituted by Finance Act, 2013 dated June 29, 2013. Before substitution, it read as follows:—

“(b) in the case of the sale of any other goods, 3.5% of the gross amount payable.”

⁷Paragraph (1)(b)(i)&(ii) substituted by Finance Act, 2015 dated June 30, 2015. Before substitution these read as follows:—

“(i) ¹[4]% of the gross amount payable in the case of companies; and

(ii) ²[4.5]% of the gross amount payable in the case of other taxpayers.”

¹Substituted for figure “3.5” by Finance Act, 2014 dated June 26, 2014.

²Substituted for figure “4” by Finance Act, 2014 dated June 26, 2014.

⁸Substituted for “7” by Finance Act, 2018 dated May 23, 2018. Earlier it was substituted for “6” by Finance Act, 2017 dated June 20, 2017.

⁹Substituted for “7.75” by Finance Act, 2018 dated May 23, 2018. Earlier it was substituted for “6.5” by Finance Act, 2017 dated June 20, 2017.

¹[(2) The rate of tax to be deducted from a payment referred to in clause (b) of sub-section (1) of section 153 shall be—

- (i) in the case of transport services, two per cent of the gross amount payable; or
- ²[(ii) in the case of rendering of or providing of services,-
 - ³[(a) in case of a company, 8% of the gross amount payable, if the company is a filer and ⁴[14.5]% if the company is a non-filer; and
 - (b) in any other case, 10% of the gross amount payable, if the person is a filer and ⁵[17.5]% if the person is a non-filer;
 - (c) in respect of persons making payments to electronic and print media for advertising services,-
 - (i) in case of a filer, ⁶[1.5%] of the gross amount payable; and
 - (ii) in case of a non-filer, 12% of the gross amount payable, if the non-filer is a company and 15% if the non-filer is other than a company;]

⁷[(3) The rate of tax to be deducted from a payment referred to in clause (c) of sub-section (1) of section 153 shall be

- ⁸[(i) 10% of the gross amount payable in case of sportspersons;

¹Clause (2) substituted by Finance Act 2007 dated June 30, 2007.*on next page*

²Sub-paragraph (ii) substituted by Finance Act, 2013 dated June 29, 2013.

“(ii) in any other case, six percent of the gross amount payable.”

³Paragraph (2)(ii)(a), (b) and (c) substituted for (a) and (b) by Finance Act, 2015 dated June 30, 2015. Earlier it was substituted by SRO 136(I)/2015 dated February 13, 2015. Before substitution these read as follows:-

“		Filer	Non-Filer
(a)	Company	8% of the gross amount payable	12% of the gross amount payable
(b)	Others	10% of the gross amount payable	15% of the gross amount payable”

Before substitution by SRO 136(I)/2015 these read as follows:-

- (a) ¹[8%] of the gross amount payable in the case of companies; and
- (b) ²[10%] of the gross amount payable in the case of other taxpayers.]

¹Substituted for figure“6” by Finance Act, 2014 dated June 26, 2014.

²Substituted for figure“8” by Finance Act, 2014 dated June 26, 2014. *it should be 7.

⁴Substituted for “12” by Finance Act, 2017 dated June 20, 2017.

⁵Substituted for “15” by Finance Act, 2017 dated June 20, 2017.

⁶Substituted for “1%” by Finance Act, 2016 dated June 24, 2016. The Gazette prints the rate as “1.5_” instead of “1.5%”.

⁷Clause (3) substituted by Finance Act, 2005 dated June 29, 2005.

⁸Paragraph (3)(i)to(iii) substituted by Finance Act, 2015 dated June 30, 2015. Earlier clause (3)(i) was substituted by F. Act, 2013. Before substitution these read as follows:-

- ⁴[(i) ²[7%] of the gross amount payable in the case of companies; and
- (ii) ³[7.5%] of the gross amount payable in the case of other taxpayers.]

⁴[(iii) 10% of the gross amount payable in case of sportspersons.]”

¹Substituted for “6% of the gross amount payable.” by Finance Act, 2013 dated June 29, 2013.

²Substituted for figure“6” by Finance Act, 2014 dated June 26, 2014.

³Substituted for figure“6.5” by Finance Act, 2014 dated June 26, 2014.

⁴Paragraph (iii) inserted by Finance Act, 2014 dated June 26, 2014.

- (ii) in case of a company, 7% of the gross amount payable, if the company is a filer and ¹[14]% if the company is a non-filer; and
- (iii) in any other case, 7.5% of the gross amount payable, if the person is a filer and ²[15]% if the person is a non-filer.]

³[]

¹Substituted for “12” by Finance Act, 2018 dated May 23, 2018. Earlier it was substituted for “10” by Finance Act, 2017 dated June 20, 2017.

²Substituted for “12.5” by Finance Act, 2018 dated May 23, 2018. Earlier it was substituted for “10” by Finance Act, 2017 dated June 20, 2017.

³Clause (4) omitted by Finance Act, 2006 dated July 01, 2006. Earlier it was substituted by Finance Act, 2005, dated June 29, 2005. Before omission by Finance Act, 2006, read as follows:–

“(4) The rate of tax to be deducted from a payment referred to in sub-section (3) of section 153 shall be 6% of the gross amount payable.”

Div. III cl. (2), substitution.–Before substitution by Finance Act, 2007, it read as follows:–

¹(2) the rate of tax to be deducted from a payment referred to in clause (b) of sub-section (1) of section 153 shall be 6% of the gross amount payable.]

¹Clause (2) substituted by Finance Act, 2006 dated July 01, 2006.

Clause (2) before substitution by Finance Act, 2006, read as follows:–

“(2) The rate of tax to be deducted from a payment referred to in clause (b) of sub-section (1) of section 153 shall be–

- (a) in the case of transport services, 2% of the gross amount payable; or
- (b) in any other case, 5% of the gross amount payable.”

Clause (4) before substitution by Finance Act, 2005, read as follows:–

“(4) The rate of tax to be deducted from a payment referred to* sub-section (3) of section 153 shall be–

- (a) in the case of a turnkey contract, 8% of the gross amount payable;
- (b) in the case of a contract or sub-contract for the design, construction, or supply of plant or equipment–
 - (i) under the hydel power project or a transmission line project, 5% of the gross amount payable; or
 - (ii) under any other power project, 4% of the gross amount payable; or

*should have been a comma instead of “is”.

- (c) in the case of any other contract –
 - (i) where the value of the contract exceeds thirty million rupees, 6% of the gross amount payable; or
 - (ii) where the value of the contract does not exceed thirty million rupees *is ¹[5]% of the gross amount payable.*

²[(d) in the case of advertisement services, 5% of the gross amount payable.]”

¹Substituted for “6” by Finance Act, 2003, dated June 17, 2003. Earlier, vide Notification No. SRO 586(I)/2002, dated August 28, 2002, issued u/s 240, it was provided that for deduction or collection of tax for the year beginning on the first day of July, 2002, the Ordinance shall have effect as if for the figure “6”, the figure “5” was substituted. This Notification was later rescinded by Notification No. SRO 608(I)/2003, dated June 24, 2003.

²Sub-clause (d) inserted by Finance Act, 2004, w.e.f. July 1, 2004.

*full stop should have been substituted by “; or”.

Division IV**Exports**

¹[(1) The rate of tax to be deducted under sub-sections (1), (3), (3A), (3B) or (3C) of section 154 shall be 1% of the proceeds of the export.]

(2) The rate of tax to be deducted under sub-section (2) of section 154 shall be ²[5]% ³[].

⁴[(3) the rate of tax to be deducted under sub-section ⁵[(2)] of section 153 shall be ⁶[1]%]

¹Clause (1) substituted by Finance Act, 2009 dated June 30, 2009. Earlier it was substituted by Finance Act, 2007 dated June 30, 2007

²Substituted for "10" by Finance Act, 2003 dated June 17, 2003.

³Words "of the proceeds of the export" omitted by Finance Act, 2003 dated June 17, 2003.

⁴Clause (3) inserted by Finance Act, 2007 dated June 30, 2007. There has been an error in the wording in Finance Act 2007 it states the amendment to be made in Part II instead of Part III.

⁵Substituted for "(1A)" by Finance Act, 2011 dated June 30, 2011.

⁶Substituted for figure "0.5" by Finance Act, 2014 dated June 26, 2014.

Following is an extract from CBR's Circular No. 1 of 2007 dated July 2, 2007:-

"Income from export of goods is covered by presumptive tax regime and withholding tax was deducted at different rates i.e. 0.75%, 1%, 1.25 and 1.5% on different categories of export proceeds. A uniform withholding tax rate of 1% on export proceeds of all sorts of exports has been introduced with effect from 1st July 2007. For this purpose a new clause (I) has been inserted in Part III, Division IV of the First Schedule to the Income Tax Ordinance, 2001."

¹[Division V
Income from Property

(a) The rate of tax to be deducted under section 155, in the case of an individual and association of persons, shall be-

² /S. No.	Gross amount of rent	Rate of tax
(1)	(2)	(3)
1.	Where the gross amount of rent does not exceed Rs.200,000.	Nil.
2.	Where the gross amount of rent exceeds Rs.200,000 but does not exceed Rs.600,000.	5 per cent of the gross amount exceeding Rs.200,000.
3.	Where the gross amount of rent exceeds Rs.600,000 but does not exceed Rs.1,000,000.	Rs.20,000 plus 10 per cent of the gross amount exceeding Rs.600,000.
4.	Where the gross amount of rent exceeds Rs.1,000,000 but does not exceed Rs.2,000,000.	Rs.60,000 plus 15 per cent of the gross amount exceeding Rs.1,000,000.
5.	Where the gross amount of rent exceeds Rs.2,000,000.	Rs.210,000 plus 20 per cent of the gross amount exceeding Rs.2,000,000/

(b) The rate of tax to be deducted under section 155, in the case of company shall be 15% of the gross amount of rent ³[for filers and 17.5% of the gross amount of rent for non-filers].]

¹Division V substituted by Finance Act, 2013 dated June 29, 2013. Earlier it was substituted by Finance Act, 2009 dated June 30, 2009.

²Table substituted by Finance Act, 2016 dated June 24, 2016.

³Inserted by Finance Act, 2017 dated June 20, 2017.

Div V-Substitution.- Before substitution by Finance Act, 2016, it read as follows:-

"S. No.	Gross amount of rent	Rate of tax
1.	Where the gross amount of rent does not exceed Rs.150,000.	Nil.
2.	Where the gross amount of rent exceeds Rs.150,000 but does not exceed Rs.1,000,000.	10% of the gross amount exceeding Rs.150,000.
3.	Where the gross amount of rent exceeds Rs.1,000,000	Rs.85,000+15% of the gross amount exceeding Rs.1,000,000."

Div V-Substitution.- Before substitution by Finance Act, 2013, it read as follows:-

"Division V

Income from Property

(a) The rate of tax to be deducted under section 155, in the case of an individual and association of persons, shall be-

S. No.	Gross amount of rent	Rate of tax
(1)	Where the gross amount of rent does not exceed Rs.150,000.	Nil.

- (2) Where the gross amount of rent exceeds Rs.150,000 but does not exceed Rs.400,000. 5 per cent of the gross amount exceeding Rs.150,000.
- (3) Where the gross amount of rent exceeds Rs.400,000 but does not exceed Rs.1,000,000. Rs.12,500 plus 7.5 per cent of the gross amount exceeding Rs.400,000.
- (4) Where the gross amount of rent exceeds Rs.1,000,000. Rs.57,500 plus 10 per cent of the gross amount exceeding Rs.1,000,000.
- (b) The rate of tax to be deducted under section 155, in the case of company, shall be-
- | S. No. | Gross amount of rent | Rate of tax |
|--------|---|---|
| (1) | Where the gross amount of rent does not exceed Rs.400,000 | 5 per cent of the gross amount of rent. |
| (2) | Where the gross amount of rent exceeds Rs.400,000 but does not exceed Rs.1,000,000. | Rs.20,000 plus 7.5 per cent of the gross amount of rent exceeding Rs.400,000. |
| (3) | Where the gross amount of rent exceeds Rs.1,000,000 | Rs.65,000 plus 10 per cent of the gross amount of rent exceeding Rs.1,000,000.” |

Div V-Substitution.— Before substitution by Finance Act, 2009, it read as follows:-

“Division V

Income from Property

- ¹(a) The rate of tax to be deducted under section 155, in the case of an individual and association of persons, shall be-

S. No.	Gross amount of rent	Rate of tax
(1)	Where the gross amount of rent does not exceed Rs.150,000.	Nil.
(2)	Where the gross amount of rent exceeds Rs.150,000 but does not exceed Rs.400,000.	5 per cent of the gross amount exceeding Rs.150,000.
(3)	Where the gross amount of rent exceeds Rs.400,000 but does not exceed Rs.1,000,000.	Rs.12,500 plus 10 per cent of the gross amount exceeding Rs.400,000.
(4)	Where the gross amount of rent exceeds Rs.1,000,000.	Rs.72,500 plus 15 per cent of the gross amount exceeding Rs.1,000,000.

- (b) The rate of tax to be deducted under section 155, in the case of a company, shall be-

S. No.	Gross amount of rent	Rate of tax
1	2	3
(1)	Where the gross amount of rent does not exceed Rs.400,000.	5 per cent of the gross amount of rent.
(2)	Where the gross amount of rent exceeds Rs.400,000 but does not exceed Rs.1,000,000.	Rs.20,000 plus 10 per cent of the gross amount of rent exceeding Rs.400,000.
(3)	Where the gross amount of rent exceeds Rs.1,000,000.	Rs.80,000 plus 15 per cent of the gross amount of rent exceeding Rs.1,000,000.]

¹Substituted for paragraph of Division V by Finance Act, 2008 dated June 27, 2008.”

Substitution—Before substitution by F.A. 2008, the paragraph of Division V read as follows:-

“The rate of tax to be deducted under section 155 shall be ¹[5]% of the gross rent paid.”

¹Substituted for “7.5” by Finance Act, 2003, dated June 17, 2003.

¹[**Division VI**
Prizes and Winnings

(1) The rate of tax to be deducted under section 156 on a prize on prize bond or cross-word puzzle shall be ²[15]% of the gross amount paid ³[for filers and ⁴[25]% of the gross amount paid for non-filers].

(2) The rate of tax to be deducted under section 156 on winnings from a raffle, lottery, prize on winning a quiz, prize offered by a company for promotion of sale, shall be 20% of the gross amount paid.]

⁵[**Division VIA**
Petroleum Products

Rate of collection of tax under section 156A shall be ⁶[12]% of the amount of payment ⁷[for filers and ⁸[17.5]% for non-filers].]

⁹[**Division VIB**
CNG STATIONS

The rate of tax to be collected under section 234A in the case of a Compressed Natural Gas station shall be four per cent of the gas consumption charges ¹⁰[for filers and six per cent for non-filers/.]

¹Division VI substituted by Finance Act, 2010 dated June 30, 2010. Earlier it was substituted by Finance Act, 2004, w.e.f. July 1, 2004.

²Substituted for "10" by Finance Act, 2013 dated June 29, 2013.

³Words etc. inserted by Finance Act, 2016 dated June 24, 2016. The Gazette prints the rate as "20_" instead of "20%".

⁴Substituted for "20" by Finance Act, 2017 dated June 20, 2017.

⁵Division VIA inserted by Finance Act, 2004, w.e.f. July 1, 2004.

⁶Substituted for "10" by Finance Act, 2014 dated June 26, 2014.

⁷Words etc. inserted by Finance Act, 2015 dated June 30, 2015.

⁸Substituted for "15" by Finance Act, 2017 dated June 20, 2017.

⁹Division VIB inserted by Finance Ordinance, 2007 dated June 30, 2007.

¹⁰Inserted by Finance Act, 2017 dated June 20, 2017.

Div. VI-Substitution.—Before substitution by Finance Act, 2010, it read as follows:—

¹[**Division VI**
Prizes and Winnings

- (1) The rate of tax to be deducted under section 156 on a prize on prize bond shall be 10% of the gross amount paid.
- (2) The rate of tax to be deducted under section 156 on winnings from a raffle, lottery, prize on winning a quiz, prize offered by companies for promotion of sale, or cross-word puzzle shall be 20% of the gross amount paid."

Before substitution by Finance Act, 2004, it read as follows:—

“Division VI
Prizes and Winnings

The rate of tax to be deducted under section 156 shall be 10% of the gross amount paid.”

Following is an extract from ‘Notes on Clauses of Finance Bill, 2004’ explaining the amendment:—

- “(i) Seeks to provide for withholding tax rate at 5% on advertisement services rendered by non-residents.
- (ii) Seeks to raise the rate of withholding tax on winnings (other than prize on prize bonds) from 10% to 20%
- (iii) Seeks to provide for the rate of withholding tax at 10% of commission income of a petrol pump operator.”

¹[]
PART IV
(See Chapter XII)
DEDUCTION OR COLLECTION OF ADVANCE TAX
²[]

³[**Division II**
BROKERAGE AND COMMISSION

S. No.	Person	Rate applicable on the amount of payment.	
		Filer	Non-filer
(1)	(2)	(3)	(4)
1.	Advertising Agents	10%	15%
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%	15%]

¹Division VII omitted by Finance Ordinance, 2002 dated June 15, 2002.

²Division I omitted by Finance Ordinance, 2002 dated June 15, 2002.

³Division II substituted by Finance Act, 2016 dated June 24, 2016. Earlier it was substituted by Finance Act, 2015 dated June 30, 2015, was substituted by Finance Act, 2014 dated June 26, 2014, was substituted by Finance Act, 2006 July 01, 2006, was substituted by Finance Act, 2005 dated June 29, 2005 and by Finance Act, 2004, w.e.f. July 1, 2004.

Part III, Division VII – Omission.– Division VII before omission by Finance Ordinance, 2002, read as follows:–

“Division VII
Petroleum Products

The rate of tax to be deducted under section 157 shall be 10% of the commission or discount.”

Following is an extract from ‘Notes on Clauses of Finance Act, 2006’:–

“Seeks to make rate of tax for brokerage and commission uniform at 10%.”

Part IV, Division I, omission.–Division I before omission by Finance Ordinance, 2002, read as follows:–

“Division I
Transfer of funds

Rate of tax for the purpose of collection of tax under section 232 is 0.30 percent of the amount.”

Division II, substitution.–Before substitution by Finance Act, 2016, it read as follows:–

“Division II
Brokerage and Commission

The rate of collection under sub-section (1) of section 233 shall be,-

(i) in case of filers,-

(a) 10% of the amount of the payment, in case of advertising agents; and

- (b) 12% of the amount of payment in all other cases; and
(ii) in case of non-filers, 15% of the amount of payment.”

Division II, substitution.—Before substitution by Finance Act, 2015, it read as follows:—

“DIVISION-II

Brokerage and Commission

The rate of collection under sub-section (1) of section 233 shall be. -

- (a) 7.5% of the amount of the payment, in case of advertising agents;
(b) 12% of the amount of payment in all other cases.”

Division II, substitution.—Before substitution by Finance Act, 2014, it read as follows:—

“DIVISION-II

BROKERAGE AND COMMISSION

The rate of collection under sub-section (1) of section 233 shall be 10% of the amount of the payment.”

Division II, substitution.—Before substitution by Finance Act, 2006, it read as follows:—

“DIVISION-II

BROKERAGE AND COMMISSION

The rate of collection under sub-section (1) of section 233 shall be,—

- (a) in the case of indenting commission agents, 5% of the amount of the
advertising agents and yarn dealers. payment.
(b) in the case of others. 10%.”

Following are extracts from ‘Notes on Clauses of Finance Act, 2006’:—

“Seeks to enhance withholding tax in the case of stock exchange transactions.”

“Seeks to enhance withholding tax rate in the case of cash withdrawals.”

Division II before substitution by Finance Act, 2005, read as follows:—

“Division II

Brokerage and Commission

- (a) The rate of collection of tax under sub-section (1) of section 233 in respect of indenting commission agents, advertising agents and year dealers shall be 5% of the amount of payment.
(b) The rate of collection of tax under sub-section (1) of section 233 in respect of other commission income other than (a) above, shall be 10% of the amount of payment.
(c) The rate of collection of tax under sub-section (3) of section 233 shall be 10% of the amount of payment.”

Division II before substitution by Finance Act, 2004, read as follows:—

“Division II

Brokerage and Commission

Rate for collection of tax under section 233 is 5% of the amount of payment.”

Following is an extract from ‘Notes on Clauses of Finance Bill, 2004’:—

- “(i) Seeks to provide for withholding tax rate on commission income of indenting commission agents, advertising agents and yarn agents at 5%.
(ii) Seeks to provide for withholding tax rate on commission income of insurance agents and travel agents at 10%.”

¹[Division IIA**RATES FOR COLLECTION OF TAX BY A STOCK EXCHANGE REGISTERED IN PAKISTAN**

S. No.	Description	Rate
(1)	(2)	(3)
1.	in case of purchase of shares as per clause (a) of sub-section (1) of section 233A.	0.02% of purchase value
2.	in case of sale of shares as per clause (b) of subsection (1) of section 233A.	0.02% of sale value]

²[Division IIB**Rates for Collection of Tax NCCPL**

The rate of deduction under section 233AA shall be 10% of profit or mark-up or interest earned by the member, margin financier or securities lender.]

¹Division IIA substituted by Finance Act, 2016 dated June 24, 2016. Earlier it was inserted by Finance Act, 2004 w.e.f. July 1, 2004.

²Division IIB inserted by Finance Act, 2013 June 29, 2013.

Div IIA-Substitution.-Before omission by F. Act 2016, it read as follows:-

**“Division IIA
Rates for Collection of Tax by a
Stock Exchange Registered in Pakistan**

- (i) in case of purchase of shares as per clause (a) of ¹[0.01]% of purchase value sub-section (1) of section 233A.
- (ii) in case of sale of shares as per clause (b) of sub- ¹[0.01]% of sale value section (1) of section 233A.
- (iii) in case of trading of shares as mentioned in clause (c) ¹[0.01]% of traded value of sub-section (1) of section 233A.

²[]”

¹Substituted for “0.005” by Finance Act, 2006 July 01, 2006.

²S.No. (iv) deleted by Finance Act, 2013 June 29, 2013.

Div IIA, S.No (iv)-Omission.-Before omission by F. Act 2013, it read as follows:-

- “(iv) in case of financing of carry over trades (Badla) as 10% of the carry over per clause (d) of sub-section (1) of section 233A. charge.”

Div III, Cl (1)-Substitution.-Before substitution by Finance Act 2010, the clause read as follows:

“(1) In the case of goods transport vehicles with registered laden weight of-

- | | | |
|-----|--|-------------|
| (a) | Less than 2030 kilograms. | Rs.1,200. |
| (b) | 2030 kilograms or more but less than 8120 kilograms. | Rs.7,200. |
| (c) | 8120 kilograms or more but less than 15000 kilograms. | Rs.12,000 |
| (d) | 15000 kilograms ¹ [or more] [*] [but less than 30,000 kilograms. | Rs.18,000. |
| (e) | 30,000 kilograms ² [or] more but less than 45,000 kilograms. | Rs.24,000. |
| (f) | 45,000 kilograms or more but less than 60,000 kilograms. | Rs.30,000. |
| (g) | 60,000 kilograms or more. | Rs.36,000.” |

^{*}bracket is superfluous.

¹Words inserted by Finance Ordinance, 2002 dated June 15, 2002.

²Substituted for “ore” by Finance Ordinance, 2002 dated June 15, 2002.

Division III**¹[Tax on Motor Vehicles]**

Rates of collection of tax under section 234,–

²[(1) In case of goods transport vehicles, tax of two rupees and fifty paise per kilogram of the laden weight shall be charged for filer and four rupees per kilogram of the laden weight for non-filer.]

³[(1A) In the case of goods transport vehicles with laden weight of 8120 kilograms or more, advance tax after a period of ten years from the date of first registration of vehicle in Pakistan shall be collected at the rate of twelve hundred rupees per annum;]

(2) In the case of passenger transport vehicles plying for hire with registered seating capacity of–

⁴ [S. No.]	Capacity	Rs per seat per annum	
		Filer	Non-Filer
(i)	Four or more persons but less than ten persons.	50	100
(ii)	Ten or more persons but less than twenty persons.	100	200
(iii)	Twenty persons or more.	300	500]

¹Substituted for “Transport Business” by Finance Act, 2008 dated June 27, 2008.

²Paragraph (i) substituted by Finance Act, 2015 dated June 30, 2015. Earlier it was substituted by Finance Act, 2010 dated June 30, 2010.

³Paragraph (1A) inserted by Finance Act 2003 dated June 17, 2003.

⁴Table of paragraph (2) substituted by Finance Act 2015 dated June 30, 2015.

Substitution-Before substitution by F.A. 2015 para (i) read as follows:-

- (i) in case of goods transport vehicles, tax of ¹[five rupees] per kilogram of the laden weight shall be charged.”

¹Substituted for “one rupee” by Finance Act, 2012 dated June 26, 2012.

Substitution-Before substitution Table of para (2) by F.A. 2015, read as follows:-

- (a) Four or more persons but less than ten persons. Rs.25 ¹[per seat per annum].
- (b) Ten or more persons but less than twenty persons. Rs.60 ¹[per seat per annum].
- (c) Twenty persons or ^{*} more. Rs.²[500] ¹[per seat per annum].

¹Words inserted by Finance Act, 2003, dated June 17, 2003. Earlier, vide SRO 586(I)/2002, dated August 28, 2002, issued u/s 240, it was provided that for deduction or collection of tax for the year beginning on the first day of July, 2002, the Ordinance shall have effect as if the words “per seat per annum” were added. This SRO was later rescinded by SRO 608(I)/2003, dated June 24, 2003.

²Substituted for “100” by Finance Act, 2012 dated June 26, 2012.

^{*}apparently intended word is “or”.

¹[(3) in case of other private motor ²[vehicles] shall be as following,-

³ [S. No.	Engine Capacity	for filers	for non-filers
(1)	(2)	(3)	(4)
1.	upto 1000cc	Rs.800	Rs.1,200
2.	1001cc to 1199cc	Rs. 1,500	Rs. 4,000
3.	1200cc to 1299cc	Rs. 1,750	Rs. 5,000
4.	1300cc to 1499cc	Rs. 2,500	Rs. 7,500
5.	1500cc to 1599cc	Rs. 3,750	Rs. 12,000
6.	1600cc to 1999cc	Rs. 4,500	Rs. 15,000
7.	2000cc & above	Rs. 10,000	Rs. 30,000]

¹Paragraph (3) substituted by Finance Act, 2014 dated June 26, 2014. Earlier it was substituted by Finance Act, 2008 dated June 27, 2008.

²Substituted for "cars" by Finance Act, 2015 dated June 30, 2015.

³Table substituted by Finance Act, 2015 dated June 30, 2015.

Substitution-Before substitution Table of para (3) by F.A. 2015, read as follows:-

"S.No.	Engine Capacity	for filers	for non-filers
(1)	(2)	(3)	(4)
1.	upto 1000cc	Rs.1,000	Rs.1,000
2.	1001cc to 1199cc	Rs. 1,800	Rs. 3,600
3.	1200cc to 1299cc	Rs. 2,000	Rs. 4,000
4.	1300cc to 1499cc	Rs. 3,000	Rs. 6,000
5.	1500cc to 1599cc	Rs. 4,500	Rs. 9,000
6.	1600cc to 1999cc	Rs. 6,000	Rs. 12,000
7.	2000cc & above	Rs. 12,000	Rs. 24,000"

Substitution-Before substitution para (3) by F.A. 2014, read as follows:-

"(3) Other private motor cars with engine capacity of-

(a)	upto 1000cc	750
(b)	1001cc to 1199cc	1250
(c)	1200 to 1299cc	1750
(d)	1300cc to 1599cc	3000
(e)	1600cc to 1999cc	4000
(f)	2000cc and above	8000"

Substitution-Before substitution para (3) by F.A. 2008, read as follows:-

"(3) Other private motor cars with engine capacity of-

(a)	1000cc to 1199 cc.	Rs.500.
(b)	1200cc to 1299cc.	Rs.750.
(c)	1300cc to 1599cc.	Rs.1,500
¹ [(ca)	1600cc to 1999cc	Rs.2000]
(d)	2000cc and above.	Rs.3,000."

¹Sub-paragraph (ca) inserted by Finance Ordinance, 2002 dated June 15, 2002.

¹[(4) where the motor vehicle tax is collected in lump sum,-

S.No.	Engine Capacity	for filers	for non-filers
(1)	(2)	(3)	(4)
1.	upto 1000cc	Rs.10,000	Rs.10,000
2.	1001cc to 1199cc	Rs. 18,000	Rs. 36,000
3.	1200cc to 1299cc	Rs. 20,000	Rs. 40,000
4.	1300cc to 1499cc	Rs. 30,000	Rs. 60,000
5.	1500cc to 1599cc	Rs. 45,000	Rs. 90,000
6.	1600cc to 1999cc	Rs. 60,000	Rs. 120,000
7.	2000cc & above	Rs. 120,000	Rs. 240,000]

Division IV

Electricity Consumption

Rate of collection of tax under section 235, ²[where the ³[gross] amount of electricity bill]–

⁴ [(a) does not exceed Rs. 400	Rs. ⁵ [0]
(b) exceeds Rs. 400 but does not exceed Rs. 600	Rs. 80

¹Paragraph (4) substituted by Finance Act, 2014 dated June 26, 2014. Earlier it was inserted by Finance Act, 2013 dated June 29, 2013.

²Words inserted by Finance Act, 2002 dated June 25, 2002.

³Words inserted by Finance Act, 2017 dated June 20, 2017.

⁴Clauses (a) to (l) substituted for clauses (a) to (i) by Finance Act, 2003 dated June 17, 2003.

⁵Substituted for “60” by Finance Act, 2010 dated June 30, 2010.

Substitution–Before substitution para (3) by F.A. 2014, read as follows:-

“(4) Where the motor vehicle tax is collected in lump sum,-

(a) upto 1000cc	Rs.7,500
(b) 1001cc to 1199cc	Rs.12,500
(c) 1200 to 1299cc	Rs.17,500
(d) 1300cc to 1599cc	Rs.30,000
(e) 1600cc to 1999cc	Rs.40,000
(f) 2000cc and above	Rs.80,000”

Cl. (a) to (i)–Substitution.–Clauses (a) to (i) before substitution by Finance Act, 2003, read as follows:-

“(a) does not exceed Rs. 400.	Rs.60
(b) exceeds Rs. 400 but does not exceed Rs. 600	Rs.80
(c) exceeds Rs. 600 but does not exceed Rs. 800	Rs.100
(d) exceeds Rs. 800 but does not exceed Rs. 1000 [†]	Rs.160
(e) exceeds Rs. 1000 but does not exceed Rs. 1500	Rs.300
(f) exceeds Rs. 1500 but does not exceed Rs. 3000	Rs.450
(g) exceeds Rs. 3000 but does not exceed Rs. 4,500	Rs.600
(h) exceeds Rs. 4500 but does not exceed Rs. 6000	Rs.750
(i) exceeds Rs. 6000	Rs.1000”

(c)	exceeds Rs.600 but does not exceed Rs.800	Rs.100
(d)	exceeds Rs.800 but does not exceed Rs.1000	Rs.160
(e)	exceeds Rs.1000 but does not exceed Rs.1500	Rs.300
(f)	exceeds Rs.1500 but does not exceed Rs.3000	Rs.350
(g)	exceeds Rs.3000 but does not exceed Rs.4500	Rs.450
(h)	exceeds Rs.4500 but does not exceed Rs.6000	Rs.500
(i)	exceeds Rs.6000 but does not exceed Rs.10000	Rs.650
(j)	exceeds Rs.10000 but does not exceed Rs.15000	Rs.1000
(k)	exceeds Rs.15000 but does not exceed Rs.20000	Rs.1500
(l)	exceeds Rs.20000.	¹ [(i) at the rate of ² [12] percent for commercial consumers; (ii) at the rate of 5 per cent for industrial consumers]

¹Substituted for "at the rate of 10 percent" by Finance Act, 2010 dated June 30, 2010. Earlier it was substituted for "Rs.2000" by Finance Act, 2008 dated June 27, 2008.

²Substituted for "10" by Finance Act, 2016 dated June 24, 2016.

Division V

Telephone users

Rates of collection of tax under section 236,—

- ¹[(a) in the case of a telephone subscriber (other than mobile phone subscriber) where the amount of monthly bill exceeds Rs.1000. 10% of the exceeding amount of bill.]
- ²[(b) in the case of subscriber of internet, mobile telephone and pre-paid internet or telephone card ³[12.5]% of the amount of bill or sales price of internet pre-paid card or prepaid telephone card or sale of units through any electronic medium or whatever form]

¹Division V Para (a) substituted by Finance Act, 2008 dated June 27, 2008.

²Division V para (b) substituted by Finance Act, 2015 June 30, 2015.

³Substituted for "14" by Finance Act, 2017 June 20, 2017.

Clause (a) Division V-Substitution.—Clause (a) before substitution by Finance Act, 2008 read as follows:—

“(a) In the case of telephone subscriber ¹[(other than mobile telephone subscriber)] where the monthly bill—

- | | |
|---|---------|
| (a) exceeds Rs.1,000 but does not exceed Rs.2000. | Rs.50 |
| (b) exceeds Rs.2000 but does not exceed Rs.3000. | Rs.100 |
| (c) exceeds Rs.3000 but does not exceed Rs.5000. | Rs.200 |
| (d) exceeds Rs.5000. | Rs.300” |

¹Brackets and words inserted by Finance Ordinance, 2002 dated June 15, 2002.

Clause (b) Division V-Substitution.—Clause (b) before substitution by Finance Act, 2015 read as follows:—

- ¹[(b) in the case of subscriber of ²[14]% of the amount of bill or sales price of pre-mobile telephone and pre-paid telephone card ³/or sale of units through paid telephone card ⁴/any electronic medium/ or whatever from/.]

¹Clause (b) substituted by Finance Ordinance, 2002 dated June 15, 2002.

²Substituted for "15" by Finance Act, 2014 dated June 26, 2014. Earlier it was substituted for "10" by Finance Act, 2013 dated June 29, 2013.

³Words inserted by Finance Act, 2009 dated June 30, 2009.

⁴Substituted for "CD" by Finance Act, 2010 dated June 30, 2010.

Clause (b) Division V-Substitution.—Clause (b) before substitution by Finance Ordinance, 2002 read as follows:—

“(b) In the case of mobile telephone subscribers if the monthly bill or the issue or sale price of prepaid telephone card.—

- | | |
|---|---------|
| (a) does not exceed Rs.2000. | Rs.125 |
| (b) exceeds Rs.2000 but does not exceed Rs.*2000. | Rs.250 |
| (c) exceeds Rs.5000. | Rs.400” |

*should have been "5000".

¹[DIVISION VI**Cash withdrawal from a Bank**

The Rate of tax to be deducted under section 231A shall be ²/0.3% of the cash amount withdrawn ³/for filers and ⁴/0.6% of the cash amount withdrawn, for non-filers/.]

⁵[DIVISION VIA**Advance tax on Transactions in Bank**

The rate of tax to be deducted under section 231AA shall be at the rate of 0.3% of the transaction ⁶/for filers and 0.6% for non-filers/.]

⁷[DIVISION VII**Advance Tax on Purchase, Registration and Transfer of Motor Vehicles**

(1) The rate of tax under sub-sections (1) and (3) of section 231B shall be as follows:–

S.No.	Engine Capacity	For filers	Tax for non-filers
(1)	(2)	(3)	(4)
1.	upto 850cc	Rs. ⁸ [7,500]	Rs. 10,000
2.	851cc to 1000cc	Rs. ⁹ [15,000]	Rs. 25,000
3.	1001cc to 1300cc	Rs. ¹⁰ [25,000]	Rs. 40,000
4.	1301cc to 1600cc	Rs. 50,000	Rs. 100,000

¹Division VI inserted by Finance Act, 2005 June 29, 2005

²Substituted for “0.2” by Finance Act, 2013 dated June 29, 2013. Earlier it was substituted for “0.3” by Finance Act, 2011 dated June 30, 2011. Earlier it was substituted for “0.2” by Finance Act, 2008 dated June 27, 2008, and for “0.1” by Finance Act, 2006 dated July 01, 2006.

³Words etc inserted by Finance Act, 2014 dated June 26, 2014.

⁴Substituted for “0.5” by Finance Act, 2015 dated June 30, 2015.

⁵Division VIA inserted by Finance Act, 2010 dated June 30, 2010.

⁶Words etc. inserted by Finance Act, 2015 dated June 30, 2015.

⁷Division VII substituted by Finance Act, 2015 dated June 30, 2015. Earlier it was substituted by Finance Act, 2014 dated June 26, 2014, was substituted by Finance Act, 2013 dated June 29, 2013 & was substituted by Finance Act, 2008 dated June 2008 and Division VII was erroneously numbered as Division VIII when inserted by Finance Act, 2007.

⁸Substituted for “10,000” by Finance Act, 2017 dated June 20, 2017.

⁹Substituted for “20,000” by Finance Act, 2017 dated June 20, 2017.

¹⁰Substituted for “30,000” by Finance Act, 2017 dated June 20, 2017.

Div. VI-Withholding tax on cash withdrawals from banks. – Following is an extract from CBR’s Circular No. 1 of 2006 dated July 1, 2006:-

“Withholding tax @ 0.1% was levied in 2005 on cash withdrawals from banks, exceeding Rs.25,000/-. The measure was primarily aimed at encouraging documentation in the economy.

The rate of withholding tax has been enhanced from 0.1% to 0.2% of the amount withdrawn. The limit of Rs.25,000/- per transaction has been changed to per day basis.”

5.	1601cc to 1800cc	Rs. 75,000	Rs. 150,000
6.	1801cc to 2000cc	Rs. 100,000	Rs. 200,000
7.	2001cc to 2500cc	Rs. 150,000	Rs. 300,000
8.	2501cc to 3000cc	Rs. 200,000	Rs. 400,000
9.	Above 3000cc	Rs. 250,000	Rs. 450,000]

(2) The rate of tax under sub-section (2) of section 231B shall be as follows:-

S. No.	Engine capacity	For filers	Tax for non-filer
(1)	(2)	(3)	(4)
1.	upto 850cc	-	5,000
2.	851cc to 1000cc	5,000	15,000
3.	1001cc to 1300cc	7,500	25,000
4.	1301cc to 1600cc	12,500	65,000
5.	1601cc to 1800cc	18,750	100,000
6.	1801cc to 2000cc	25,000	135,000
7.	2001cc to 2500cc	37,500	200,000
8.	2501cc to 3000cc	50,000	270,000
9.	Above 3000cc	62,500	300,000

Provided that the rate of tax to be collected shall be reduced by 10% each year from the date of first registration in Pakistan.]

Division VII-Substitution.-Before substitution by F.A. 2015, it read as follows:-

“DIVISION VII

Advance tax on purchase of private motor car and jeep

The rate of tax under sub-sections (1), (2) and (3) of section 231B shall be as follows:-

S.No.	Engine Capacity	for filers	for non-filers
(1)	(2)	(3)	(4)
1.	upto 850cc	Rs.10,000	Rs.10,000
2.	851cc to 1000cc	Rs.20,000	Rs.25,000
3.	1001cc to 1300cc	Rs.30,000	Rs.40,000
4.	1301cc to 1600cc	Rs.50,000	Rs.100,000
5.	1601cc to 1800cc	Rs.75,000	Rs.150,000
6.	1801cc to 2000cc	Rs.100,000	Rs.200,000
7.	2001cc to 2500cc	Rs.150,000	Rs.300,000
8.	2501cc to 3000cc	Rs.200,000	Rs.400,000
9.	Above 3000cc	Rs.250,000	Rs.450,000

Provided that the rate of tax to be collected under sub-section (2) of section 231B, shall be reduced by 10% each year from the date of first registration in Pakistan.”

¹[DIVISION VIII**Advance tax at the time of sale by auction**

The rate of collection of tax under section 236A shall be ²[10]% of the gross sale price of any property or goods sold by auction ³/for filers and 15% of the gross sale price of any property or goods sold by auction for non-filers/.]

¹Division VIII inserted by Finance Act, 2009 dated June 30, 2009.

²Substituted for "5" by Finance Act, 2013 dated June 29, 2013.

³Words inserted by Finance Act, 2017 dated June 20, 2017.

Division VII-Substitution.—Before substitution by F.A. 2014, it read as follows:—

“DIVISION VII**Purchase of Motor Cars and Jeeps**

The rate of payment of tax under section 231 B shall be as follows:—

Engine Capacity	Amount of Tax
upto 850cc	Rs.10,000
851cc to 1000cc	Rs.20,000
1001cc to 1300cc	Rs.30,000
1301cc to 1600cc	Rs.50,000
1601cc to 1800cc	Rs.75,000
1801cc to 2000cc	Rs.100,000
Above 2000cc	Rs.150,000”

Division VII-Substitution.—Before substitution by F.A. 2013, it read as follows:—

“DIVISION VII**Purchase of Motor Cars and Jeeps**

The rate of payment of tax under section 231B shall be as follows:—

Engine Capacity	Amount of Tax
Upto 850cc	Rs.7,500
851cc to 1000cc	Rs.10,500
1001cc to 1300cc	Rs.16,875
1301cc to 1600cc	Rs. ¹ [25,000]
1601cc to 1800cc	Rs.22,500
1801cc to 2000cc	Rs.16,875
Above 2000cc	Rs.50,000”

¹Substituted for “16,875” by Finance Act, 2012 dated June 26, 2012.

Following is an extract from salient features of budget 2006:—

“Upward adjustment in Withholding tax rate on cash withdrawals from banks proposed.”

Div. VII-Tax on Cars.—Division VII, erroneously numbered as VIII before substitution by Finance Act 2008, read as follows:—

“DIVISION-VIII**PURCHASE OF MOTOR CARS**

The rate of tax to be collected under section 231B shall be five per cent of the gross amount payable for the purchase of motor vehicle.”

Pt. IV, Div-VIII.—Following is the text of SRO 30(I)/2015 dated January 14, 2015:—

“In exercise of the powers conferred under proviso to Division XVIII of Part IV of the First Schedule to the Income Tax Ordinance, 2001, Federal Board of Revenue is pleased to appoint 19th day of January, 2015 as the date, for 2 per cent rate of tax to be collected from Non-filers at the time of registering or attesting transfer of immovable property, u/s 236K of the income Tax Ordinance, 2001, subject to the condition that the value of the immovable property is more than three million rupees.”

¹[DIVISION IX**Advance tax on Purchase of Air Ticket**

The rate of tax to be deducted under section 236B shall be 5% of the gross amount of air ticket.]

²[DIVISION X**Advance tax on sale or transfer of immovable property**

The rate of tax to be collected under section 236C shall be ³[1% of the gross amount of the consideration received ⁴for filers and ⁵[2% of the gross amount of the consideration received for non-filers./.]

⁶[DIVISION XI**Advance tax on functions and gatherings**

The rate of tax to be collected under each sub-sections (1) and (2) of section 236D shall be ⁷[5% ⁸:/.]

⁹[Provided that the rate for the function of marriage in a marriage hall, marquee, hotel, restaurant, commercial lawn, club, a community place or any other place used for such purpose shall be as set out in the Table below:-

Table

S. No.	Rate of Tax	
(1)	(2)	(3)
1.	5% of the bill ad valorem or Rs. 20,000 per function, whichever is higher	For Islamabad, Lahore, Multan, Faisalabad, Rawalpindi, Gujranwala, Bahawalpur, Sargodha, Sahiwal, Shekhupura, Dera Ghazi Khan, Karachi, Hyderabad, Sukkur, Thatta, Larkana, Mirpur Khas, Nawabshah, Peshawar, Mardan, Abbottabad, Kohat, Dera Ismail Khan, Quetta, Sibi, Loralai, Khuzdar, Dera Murad Jamali and Turbat.
2.	5% of the bill ad valorem or Rs. 10,000 per function, whichever is higher	For cities other than those mentioned above]

¹Division IX inserted by Finance Act, 2010 dated June 30, 2010.

²Division X inserted by Finance Act, 2012 dated June 26, 2012.

³Substituted for "0.5" by Finance Act, 2016 dated June 24, 2016.

⁴Words inserted by Finance Act, 2014 dated June 26, 2014.

⁵Substituted for "1" by Finance Act, 2016 dated June 24, 2016.

⁶Divisions XI & XII inserted by Finance Act, 2013 dated June 29, 2013.

⁷Substituted for figure "10" by Finance Act, 2014 dated June 26, 2014.

⁸Substituted for full stop by Finance Act, 2018 dated May 23, 2018.

⁹Proviso inserted by Finance Act, 2018 dated May 23, 2018.

¹[]²[DIVISION XIII

(1) The rate of tax to be collected under section 236F in the case of Cable Television Operator shall be as follows:-

H	Rs.7,500	Rs.10,000
H-1	Rs.10,000	Rs.15,000
H-II	Rs.25,000	Rs.30,000
R	Rs.5,000	Rs. ³ [12,000]
B	Rs.5,000	Rs.40,000
B-1	Rs.30,000	Rs. ³ [35,000]
B-2	Rs.40,000	Rs. ³ [45,000]
B-3	Rs.50,000	Rs.75,000
B-4	Rs.75,000	Rs.100,000
B-5	Rs.87,500	Rs.150,000
B-6	Rs.170,000	Rs.200,000
B-7	Rs.262,500	Rs.300,000
B-8	Rs.437,500	Rs.500,000
B-9	Rs.700,000	Rs.800,000
B-10	Rs.875,500	Rs.900,000

(2) The rate of tax to be collected by Pakistan Electronic Media Regulatory Authority under section 236F in the case of IPTV, FM Radio, MMDS, Mobile TV, Mobile Audio, Satellite TV Channel and Landing Rights, shall be 20 percent of the permission fee or renewal fee, as the case may be.]

⁴(3) In addition to tax collected under paragraph (2) Pakistan Electronic Media Regulatory Authority shall collect tax at the rate of fifty per cent of the permission fee or renewal fee, as the case may be, from every TV Channel on which foreign TV drama serial or a play in any language, other than English, is screened or viewed.]

¹Division XII deleted by Finance Act, 2016 dated June 24, 2016. It was earlier inserted by Finance Act, 2013 dated June 29, 2013.

²Divisions XIII to XVII inserted by Finance Act, 2013 dated June 29, 2013.

³Substituted for "30,000", "50,000", "60,000" respectively by Finance Act, 2016 dated June 24, 2016.

⁴Paragraph (3) inserted by Finance Act, 2016 dated June 24, 2016.

Division XII-Omission.—Before omission by F.A. 2016, it read as follows:—

“DIVISION XII

Advance tax on foreign-produced films and TV plays

Rate of collection of tax under section 236E shall be as follows:-

(a)	Foreign-produced TV drama serial	Rs.100,000 per episode
(b)	Foreign-produced TV play (single episode)	Rs.100,000”

¹[Division XIV**Advance tax on sale of distributors, dealers or wholesalers.**

The rate of collection of tax under section 236G shall be as follows:-

Category of Sale	Rate of Tax	
	Filer	Non-Filer
Fertilizer	² [0.7]%	³ [1.4]%
Other than fertilizers	0.1%	0.2%]

⁴[Division XV**Advance tax on sale to retailers**

The rate of collection of tax under section 236H on the gross amount of sales shall be as follows:-

Category of sale	Rate of tax	
	Filer	Non-filer
(1)	(2)	(3)
Electronics	1%	1%]
Others	0.5%	

⁵[Division XVA**Advance tax on sale of certain petroleum products**

The rate of collection of tax under section 236HA shall be 0.5% of ex-depot sale price for filers and 1% for non-filers.]

¹Divisions XIV substituted by Finance Act, 2014 dated June 26, 2014. Earlier it was inserted by Finance Act, 2013 dated June 29, 2013.

²Substituted for "0.2" by Finance Act, 2015 dated June 30, 2015.

³Substituted for "0.4" by Finance Act, 2015 dated June 30, 2015.

⁴Divisions XV substituted by Finance Act, 2017 dated June 20, 2017. Earlier it was inserted by Finance Act, 2013 dated June 29, 2013.

⁵Division XVA inserted by Finance Act, 2018 dated May 23, 2018.

Division XIV–Substitution.–Before substitution by F.A. 2014, it read as follows:–

“Division XIV**Advance tax on sale to distributors, dealers or wholesalers**

The rate of collection of tax under section 236G shall be 0.1% of the gross amount of sales.”

Division XV–Substitution.–Before substitution by F.A. 2015, it read as follows:–

“Division XV**Advance tax on sale to retailers**

The rate of collection of tax under section 236H shall be 0.5% of the gross amount of sales.”

¹[Division XVI**Collection of advance tax by educational institutions**

The rate of collection of tax under section 236I shall be 5% of the amount of fee.

¹[Division XVII**Advance tax on dealers, commission agents and *arhatis*, etc.**

The rate of collection of tax under section 236J shall be as follows:-

Group	Amount of Tax (<i>per annum</i>)
Group or Class A:	Rs.10,000
Group or Class B:	Rs.7,500
Group or Class C:	Rs.5,000
Any other category:	Rs.5,000.]

²[Division XVIII**Advance tax on purchase of immovable property**

The rate of tax to be collected under section 236K shall be:-

S. No.	Period	Rate of Tax
(1)	(2)	(3)
1.	Where value of Immovable property is up to ³ [4 million].	0%
2.	Where the value of Immovable property is more than ³ [4 million]	Filer ⁴ [2]%
		Non-Filer ⁴ [4]%

Provided that the rate of tax for Non-Filer shall be 1% upto the date appointed by the Board through notification in official gazette.]

²[Division XIX**Advance tax on domestic electricity consumption**

The rate of tax to be collected under section 235A shall be-

- (i) 7.5% if the amount of monthly bill is Rs. ⁵[75,000] or more; and
- (ii) 0% the amount of monthly bill is less than Rs. ⁶[75,000].

¹Divisions XIII to XVII inserted by Finance Act, 2013 dated June 29, 2013.

²Divisions XVIII to XX inserted by Finance Act, 2014 dated June 26, 2014.

³Substituted for "3 million" by Income Tax (Fourth Amendment) Act, 2016 dated December 06, 2016. Earlier the same was substituted by Income Tax (Amendment) Ordinance, 2016 dated July 31, 2016.

⁴Substituted for "1" & "2" respectively by Finance Act, 2016 dated June 24, 2016.

⁵Substituted for "100,000" by Finance Act, 2015 dated June 30, 2015.

⁶Substituted for "100,000" by Finance Act, 2016 dated June 24, 2016.

¹[Division XX**Advance tax on international air ticket**

The rate of the rate of tax to be collected under section 236L shall be:-

² /S. No.	Type of Ticket	Rate
(1)	(2)	(3)
1.	First/Executive Class	Rs.16,000 per person
2.	Others excluding Economy	Rs.12,000 per person
3.	Economy	0]

³[Division XXI**Advance Tax on Banking Transactions otherwise than Through Cash**

The rate of tax to be collected under section 236P shall be ⁴[0.4]% of the transaction for non-filers ⁵[:]

¹Divisions XVIII to XX inserted by Finance Act, 2014 dated June 26, 2014.

²Table of Division XX substituted by Finance Act, 2015 dated June 30, 2015.

³Divisions XXI to XXIV inserted by Finance Act, 2015 dated June 30, 2015.

⁴Substituted for "0.6" by Finance Act, 2018 dated May 23, 2018.

⁵Substituted for full stop Income Tax (Amendment) Act, 2016 dated January 29, 2016.

⁶Proviso deleted by Finance Act, 2018 dated May 23, 2018. Earlier it was substituted by Income Tax (Amendment) Act, 2016 dated January 29, 2016. Earlier it was inserted by Income Tax (amendment) Ordinance, 2015 dated July 11, 2015. Before Omission, the proviso read as follows:-

"Provided that the ¹[Board with the approval of Federal Minister-in-charge] may, by notification in the official Gazette on recommendation of the Economic Coordination Committee of the Cabinet, amend the rate specified in this Division ²/for the period it deems appropriate/."

¹Substituted for "Federal Government" by Finance Act, 2017 dated June 20, 2017.

²Words etc inserted by Finance Act, 2016 dated June 24, 2016.

Before substitution, the proviso read as follows:-

"Provided that the rate specified in this Division shall be 0.3 per cent for the period commencing from the 11th day of July, 2015 and ending on the 30th day of September, 2015 (both days inclusive) or till the date as the Federal Government may, by notification in the official Gazette on recommendation of the Economic Coordination Committee of the Cabinet, extend."

Division XX-Table-Substitution.-Before substitution by F.A. 2015, it read as follows:-

"S. No.	Type of Ticket	Rate
(1)	(2)	(3)
1.	Economy	0%
2.	Other than economy	4%"

¹[]

²[DIVISION XXIII

Payment to a resident person for right to use machinery and equipment

Rate of collection of tax under section 236Q shall be 10 percent of the amount of payment.]

²[DIVISION XXIV

Collection of advance tax on education related expenses remitted abroad

Rate of collection of tax under section 236R shall be 5 percent of the amount of total education related expenses.]

³[Division XXV

ADVANCE TAX ON INSURANCE PREMIUM

The rate of tax to be collected from non-filers under section 236U shall be as under:-

S. No.	Type of Premium	Rate
(1)	(2)	(3)
1.	General insurance premium	4%
2.	Life insurance premium if ⁴ [exceeding Rs. 0.3 million in aggregate] per annum	1%
3.	Others	0%]

¹Division XXII deleted by Finance Act, 2016 dated June 24, 2016. Earlier it was inserted by Finance Act, 2015 dated June 30, 2015.

²Divisions XXI to XXIV inserted by Finance Act, 2015 dated June 30, 2015.

³Divisions XXV & XXVI inserted by Finance Act, 2016 dated June 24, 2016.

⁴Substituted for "exceeding Rs.0.2 million" by Finance Act, 2017 dated June 20, 2017.

Division XXII-Omission.—Before omission by F.A. 2016, it read as follows:—

“Division XXII

Rate of Collection of Tax by Pakistan Mercantile Exchange Limited

The rate of tax to be collected under section 236T shall be shall be as follows:—

in case of sale or purchase of future commodity contract as per clause (a) and (b) of sub-section (1) of section 236T shall be 0.05%.”

¹[**DIVISION XXVI**

ADVANCE TAX ON EXTRACTION OF MINERALS

The rate of tax to be collected under section 236V shall be 5% of the value of the minerals for non-filers and 0% for filers.]

²[**Division XXVII**

Advance tax on amount remitted abroad through credit, debit or prepaid cards

The rate of tax to be deducted under section 236Y shall be 1% of the gross amount remitted abroad for filers and 3% for non-filers.]

¹Divisions XXV & XXVI inserted by Finance Act, 2016 dated June 24, 2016.

²Division XXVII inserted by Finance Act, 2018 dated May 23, 2018.