

INCOME TAX WITHHOLDING RATES

Changes made vide Finance Act, 2020 & latest notifications are identified in RED.

Section 37 Tax on Capital Gains on sale of Securities

		Tax year 2016	Tax year 2017	Tax year 2018, 2019, 2020 and onwards	
Holding Period (months)	Tax year 2015			Acq. Before 01-7-16	Acq. After 01-7-16
Less than 12	12.5%	15%	15%	15%	
12 to 24	10%	12.5%	12.5%	12.5%	
More than 24 and security acquired before 01.07.13	0%	7.5%	7.5%	7.5%	15%
security/ shares acquired before 01.07.13	0%	0%	0%	0%	0%
Future commodity contracts	0%	0%	5%	5%	5%

Tax on Capital Gains on sale of immovable properties

Amount of gain	Rate of tax
Up to 5,000,000	2.5%
5000,001-10,000,000	5%
10,000,001-15,000,000	7.5%
Above 15,000,000	10%
Note: 1 - 100% Gain on sale of immovable property is exempt if holding period exceeds 4 years. 2 - 75% Gain on sale of immovable property is exempt if holding period exceeds three years but do not exceeds 4 years. 3 - 50% Gain on sale of immovable property is exempt if holding period exceed 2 years but do not exceed 3 years. 4 - 25% Gain on sale of immovable property is exempt if holding period exceed 1 year but do not exceed 2 years. 5 - 0% Gain on sale of immovable property is exempt if holding period do not exceed 1 year.	

Section 113 minimum tax

Person(s)	Tax as %age of annual turnover
a. Oil Marketing companies, refineries, SNGPL and SSGCL (annual turnover exceeds Rs. 1 billion b. Pakistani airlines; c. Poultry industry d. Dealers and distributors of fertilizers e. Persons running online market place	0.75%
a. Distributors of pharmaceuticals, FMCG and cigarettes b. Petroleum agents and distributors (Sales Tax Registered) c. Rice mills and dealers; d. Flour mills; and e. Dealers and sub dealers of sugar, cement and edible oil (only those appearing on ATL)	0.25%
Motorcycle dealers (Sales Tax Registered)	0.30%
In all other cases	1.5%

Section 101A Gain in disposal of assets outside Pakistan

Person acquiring asset from Non-resident Company	10% of the FMV of the asset Higher of 20% of FMV less cost of acquisition; or 10% of FMV of the asset. (Note: the credit for tax deducted as above will be available)
Resident Company from Non-resident	

Section 148 Imports

Description	Rate
Persons importing goods classified in Part I of the Twelfth Schedule	1% of the import value as increased by customs-duty, sales tax and federal excise duty
Manufacturers covered under SRO 1125(I)/2011 dated December 31, 2011 (as it stood on June 28, 2019)	duty, sales tax and federal excise duty
Persons importing goods classified in Part II of the Twelfth Schedule	2% of the import value as increased by customs-duty, sales tax and federal excise duty
Persons importing goods classified in Part III of the Twelfth Schedule	5.5% of the import value as increased by customs-duty, sales tax and federal excise duty
Persons importing finished pharmaceutical that are not manufactured in Pakistan, as certified by DRAP	4%

Section 148 Imports of Mobile Phones

Sr. No.	C & F Value of mobile phone (in US Dollar)	Tax (in Rs.)	
		In CBU condition PCT Heading 8517.1219	In CKD/SKD condition under PCT Heading 8517.1211
1	Up to 30 except smart phones	70	0
2	Exceeding 30 and up to 100 and smart phones up to 100	100	0
3	Exceeding 100 and up to 200	930	0
4	Exceeding 200 and up to 350	970	0
5	Exceeding 350 and up to 500	3,000	5,000
6	Exceeding 500	5,200	11,500

Section 149 Salary
(Where salary income exceeds 75% of the taxable income)

Up to 600,000	0%
600,001-1,200,000	5% of the amount above 600,000
1,200,001-1,800,000	30,000+10%of the amount above 1,200,000
1,800,001-2,500,000	90,000 + 15% of the amount above 1,800,000
2,500,001-3,500,000	195,000 + 17.5% of the amount above 2,500,000
3,500,001-5,000,000	370,000 + 20% of the amount above 3,500,000
5,000,001-8,000,000	670,000 +22.5% of the amount above 5,000,000
8,000,001-12,000,000	1,345,000+25% of the amount above 8,000,000
12,000,001-30,000,000	2,345,000+27.5% of the amount above 12,000,000
30,000,001-50,000,000	7,295,000+30% of the amount above 30,000,000
50,000,001-75,000,000	13,295,000+32.5% of the amount above 50,000,000
Above 75,000,000	21,420,000+35% of the amount above 75,000,000

Rate of tax for individual (non-salaried) and AOP’s

0-400,000	0%
400,001-600,000	5% of the amount above 400,000
600,001-1,200,000	10,000 + 10% of the amount above 600,000

1,200,001-2,400,000	70,000 + 15% of the amount above 1,200,000
2,400,001-3,000,000	250,000 + 20% of the amount above 2,400,000
3,000,001-4,000,000	370,000 + 25% of the amount above 3,000,000
4,000,001-6,000,000	620,000 + 30% of the amount above 4,000,000
Above 6,000,000	1,220,000+35% of the amount above 6,000,000

Rate of tax for Companies:

2019 and onwards	29%
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Rate of tax for small companies:

Sr. No	Tax year	Rate of tax
1	2019	24%
2	2020	23%
3	2021	22%
4	2022	21%
5	2023	20%

Rate of Super tax:

	Banking Company	Person, other than Banking Company, having income equal to or exceeding Rs. 500 million
2018	4%	3%
2019	4%	2%
2020	4 %	0%
2021	4%	0%

Section 150 & 236S (dividend & dividend in specie)

Dividend paid by IPPs where such dividend is a pass through item under Implementation Agreement, or Power Purchase Agreement or Energy Purchase Agreement and is required to be reimbursed by Central Power Purchasing Agency.	7.50%
Dividend from a company where no tax is payable by such company, due to exemption of income or carry forward of business losses under Part VIII of Chapter III or claim of tax credits under Part X of Chapter III	25%
Mutual funds and all other cases	15%

Section 151 Profit on Debt

Where the taxpayer furnishes a certificate to the payer of profit that during the tax year profit on debts is Rs. 500,000 or less	10%
If profit on debt exceeds Rs. 500,000	15%

Section 7B (charging section for individual & AOP)

If profit on debt does not exceed Rs.5,000,000	15%
If profit on debt exceeds Rs. 5,000,000 but does not exceed Rs. 25,000,000	17.5%
If profit on debt exceeds Rs.25,000,000 but does not exceeds Rs. 36,000,000	20%

Profit on debt exceeding Rs. 36,000,000 has been excluded from Section 7B and to be taxed income under normal tax regime.

Section 150A & 5AA (return on investment in Sukuks)

Amount	Sukuk-Holder	
	Company	Individual & AOP
Return is less than 1 million	25%	10%
Return above Rs. 1 million	25%	12.5%

Section 152 Payment to Non-resident

Royalty or Fee for technical services paid to non-resident	15.00%
Payment for construction/advertisement contracts	7.00%
Fee for offshore digital services	5.00%
Insurance premium or reinsurance premium	5.00%
Advertisement services relaying from outside Pakistan	10%
Capital Gains SCRA	10%
Amount other than above	20.00%
Payment to PE of a non-resident company for sale of goods	4.00%
Payment to PE of a non-resident non-company for sale of goods	4.50%
For services as listed below*	3.00%
Payment to PE of a non-resident company for services other than as listed below*	8.00%
Payment to PE of a non-resident persons other than company for services other than as listed below*	10.00%
Payment to PE of a non-resident person for contracts	7.00%
Payment to PE of a non-resident sportsperson	10.00%

* Transport services, freight forwarding services, air cargo services, courier services, manpower outsourcing services, hotel services, security guard services, software development services, IT services and IT enables services, tracking services, advertising services (other than print or electronic media), share registrar services, engineering services, car rental services, building maintenance services, services rendered by Pakistan Stock Exchange Limited and Pakistan Mercantile Exchange Limited inspection, certification, testing and training services.

Section 153 Payment for goods, toll manufacturing and services

For sale of rice, cotton seed or edible oils	1.50%
For sale of other goods including toll manufacturing services by company	4.00%
For payment to dealers and sub-dealers of sugar, cement and edible oil	0.25%
For sale of FMCG (Fast moving consumer Goods) goods by a distributor company	2.00%
For sale of FMCG (Fast moving consumer Goods) goods by a distributor non-company	2.50%
For sale of other goods including toll manufacturing services by persons other than company	4.50%
For services as listed below*	3.00%
For other service provided by Companies	8.00%
For other service provided by non-Companies	10.00%
For advertisement services of print and electronic media by a company	1.50%
For advertisement services of print and electronic media by a non-company	1.50%
Exporter making payment for stitching, dying, printing, embroidery, washing, weaving and Sizing	1.00%
For execution of contracts by Companies	7.00%
For execution of contracts by Non-	7.50%

Companies	
For Payments to sportsperson	10.00%

* Transport services, freight forwarding services, air cargo services, courier services, manpower outsourcing services, hotel services, security guard services, software development services, IT services and IT enables services, tracking services, advertising services (other than print or electronic media), share registrar services, engineering services, warehousing services, services rendered by asset management companies, data services provided under license issued by the Pakistan Telecommunication Authority, telecommunication infrastructure (tower) services, car rental services, building maintenance services, services rendered by Pakistan Stock Exchange Limited and Pakistan Mercantile Exchange Limited inspection, certification, testing and training services.

Section 153B Payment of royalty to resident persons

Payment of royalty to resident persons	15%
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Section 154 Exports

Upon realization of foreign exchange proceeds from export of goods	1.00%
Upon realization of foreign exchange proceeds from commission	5.00%

Section 155 Rent

For Individuals and AOPs where annual rent is less than or equal to 200,000	0.00%
For Individuals and AOPs where annual rent is more than 200,000 but less than 600,000	5% of the amount above 200,000
For Individuals and AOPs where annual rent is more than 600,000 but less than 1,000,000	20,000 + 10% of the amount above 600,000
For Individuals and AOPs where annual rent is more than 1,000,000 but less than 2,000,000	60,000 + 15% of the amount above 1,000,000
For Individuals and AOPs where annual rent is more than 2,000,000 but less than 4,000,000	210,000 +20% of the amount above 2,000,000
For Individuals and AOPs where annual rent is more than 4,000,000 but less than 6,000,000	610,000 +25% of the amount above 4,000,000
For Individuals and AOPs where annual rent is more than 6,000,000 but less than 8,000,000	1,110,000 +30% of the amount above 6,000,000
For Individuals and AOPs where annual rent is more than 8,000,000	1,710,000 +35% of the amount above 8,000,000
For Companies	15 %

Section 156 Prizes and Winnings

Winnings from prize bond or cross word puzzle	15.00%
Winnings from raffle, lottery, prize on quiz prize offered for sale promotion	20.00%

Section 156-A Petroleum Products

Petroleum Products	12.00%
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Section 231-A & 231-AA Cash Withdrawals

Cash withdrawal from bank	0.60%
Cash banking transactions	0.60%

Above rates are only applicable in case of persons not appearing on Active Taxpayers List

Section 231-B Purchase of Car/Jeep

Engine capacity upto 850CC	7,500
Engine capacity more than 851CC and less than 1,000CC	15,000
Engine capacity more than 1,001CC and less than 1,300CC	25,000
Engine capacity more than 1,301CC and less than 1,600CC	50,000
Engine capacity more than 1,601CC and less than 1,800CC	75,000
Engine capacity more than 1,801CC and less than 2,000CC	100,000
Engine capacity more than 2,001CC and less than 2,500CC	150,000
Engine capacity more than 2,501CC and less than 3,000CC	200,000
Engine capacity more than 3,000CC	250,000
Advance tax on transfer of private motor car/jeep:	
Engine capacity upto 850CC	-
Engine capacity more than 851CC and less than 1,000CC	5,000
Engine capacity more than 1,001CC and less than 1,300CC	7,500
Engine capacity more than 1,301CC and less than 1,600CC	12,500
Engine capacity more than 1,601CC and less than 1,800CC	18,750
Engine capacity more than 1,801CC and less than 2,000CC	25,000
Engine capacity more than 2,001CC and less than 2,500CC	37,500
Engine capacity more than 2,501CC and less than 3,000CC	50,000
Engine capacity more than 3,000CC	62,500

Section 233

In case commission is paid to advertising agent	10.00%
In case commission is paid to life insurance agent receiving annual commission of less than 500,000	8.00%
In all other cases	12.00%

Section 233A

Tax to be deducted by Stock Exchange registered in Pakistan from its members on Purchase of shares in lieu of tax on commission	0.02% of purchase value
Tax to be deducted by Stock Exchange registered in Pakistan from its members on sale of shares in lieu of tax on commission	0.02% of sale value

Section 233 AA

Tax to be deducted by NCCPL on profit/mark-up/interest	10.00%
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Section 234

For goods transport vehicle	Rs. 2.5/kg
For goods transport vehicle of 8120 KG or more and after ten years in Pakistan	Rs. 1,200/Annum
Passenger transport vehicle plying for hire (four or more but less than ten passengers)	50/seat/annum
Passenger transport vehicle plying for hire (ten or more but less than twenty passengers)	100/seat/annum

Passenger transport vehicle plying for hire (more than twenty passengers)	300/seat/annum
For Private motor cars with engine capacity of upto 1000CC	800
For Private motor cars with engine capacity of 1001-1199CC	1,500
For Private motor cars with engine capacity of 1200-1299CC	1,750
For Private motor cars with engine capacity of 1300-1499CC	2,500
For Private motor cars with engine capacity of 1500-1599CC	3,750
For Private motor cars with engine capacity of 1600-1999CC	4,500
For Private motor cars with engine capacity of 2000CC and above	10,000
For Lumpsum collection on private motor cars:	
For Private motor cars with engine capacity of upto 1000CC	10,000
For Private motor cars with engine capacity of 1001-1199CC	18,000
For Private motor cars with engine capacity of 1200-1299CC	20,000
For Private motor cars with engine capacity of 1300-1499CC	30,000
For Private motor cars with engine capacity of 1500-1599CC	45,000
For Private motor cars with engine capacity of 1600-1999CC	60,000
For Private motor cars with engine capacity of 2000CC and above	120,000

Section 234 A

CNG Stations	4.00%
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Section 235 Advance Tax on Electricity Bill

Where gross monthly bill is less than Rs. 400	0
Where gross monthly bill is more than Rs. 400 less than Rs. 600	80
Where gross monthly bill is more than Rs. 600 less than Rs. 800	100
Where gross monthly bill is more than Rs. 800 less than Rs. 1,000	160
Where gross monthly bill is more than Rs. 1,000 less than Rs. 1,500	300
Where gross monthly bill is more than Rs. 1,500 less than Rs. 3,000	350
Where gross monthly bill is more than Rs. 3,000 less than Rs. 4,500	450
Where gross monthly bill is more than Rs. 4,500 less than Rs. 6,000	500
Where gross monthly bill is more than Rs. 6,000 less than Rs. 10,000	650
Where gross monthly bill is more than Rs. 10,000 less than Rs. 15,000	1,000
Where gross monthly bill is more than Rs. 15,000 less than Rs. 20,000	1,500
Where gross monthly bill is more than Rs. 20,000	12% for commercial/5% for industrial

Section 235 A

Advance tax on domestic electricity bill exceeding 75,000/month	7.50%
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Section 236 Telephone Subscribers and Internet

For Mobile phone and/or internet subscribers	12.50%
For other subscribers where monthly bill is more than 1,000	10% of amount above 1,000

Section 236-A Auction Sales

Advance tax at the time of sale by auction of immovable property	5.00%
Advance tax at the time of sale by auction of other then immovable property	10.00%

Section 236-B Domestic Air Tickets

Advance tax on domestic air tickets	5.00%
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Section 236-C Sale of Property

Advance tax at the time of sale or transfer of immovable property	1.00%
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Section 236-G Distributors

Advance tax on sale to distributors, dealers or wholesalers (fertilizers)	0.70%
Advance tax on sale to distributors, dealers or wholesalers (other than fertilizers)	0.10%

Section 236-H Retailers

Retailers (electronics)	1.00%
Retailers (others)	0.50%

Section 236-HA

Advance Tax on Sale of certain Petroleum Products	0.5% of ex-depot sale price
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Section 236-I Educational Fees

Advance tax on educational fees	5.00%
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Section 236-K Purchase of Property

Advance tax on purchase of property	1% of the fair market value
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Section 236-L International Air Tickets

Advance tax on international air tickets First/Executive class	Rs. 16,000/person
Advance tax on international air tickets others excluding economy	Rs. 12,000/person

Section 236-P Banking Transactions

Advance tax on banking transaction other than cash for persons not appearing in the active taxpayers list	0.6%
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Section 236-Q Equipment Rental

Advance tax on payment to resident for use of machinery and equipment	10.00%
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Section 236-V Extraction of Minerals

Advance tax on value of minerals extracted	5.00%
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Section 236-Y

Advance tax on amount remitted abroad through credit ,debit or prepaid cards	1% of gross amount remitted abroad
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Rules for persons not appearing in the Active Taxpayers’ List

Where tax is required to be deducted or collected from persons not appearing in the active tax payers’ list, the rate of tax required to be deducted or collected shall be increased by 100% of the normal rate.

However, 100% extra would not be applicable in following cases:

149	Salary
152(1)	Royalty & fee for technical services
152(1A)(a)(b)	Construction & related contracts (NR)
152(1A)(c) & (1AAA)	Advertisement services payment (NR)
152(1AA)	Insurance & reinsurance premium
152(1C)	Off shore digital services (NR)
152(1D)	Capital gain - SCRA
152(2)	General payments except profit on debit covered under clause 5A and clause 5AA Part II, Second Schedule
154	Exports & indenting commission
155	Income from property
156B	Withdrawal from pension fund
231A	Cash withdrawal from bank
231AA	Bank transactions
233AA	Tax collection by NCCPL
235	Electricity consumption
235A	Domestic electricity consumption
236	Telephone and internet users
236B	Domestic air tickets
236I	Educational institution
236L	International air tickets
236P	Banking transactions
236Q	Payments to residents for use of machinery
236V	Advance tax on minerals

100% extra is applicable in following cases:

Section	Nature of Provision
148	Imports
150	Dividend
150A	Return on Sukuks
151	Profit on debt
152(2)	In case of payments covered under clause 5A and clause 5AA, Part II, Second Schedule
152(2A)(a), (b), (c)	Goods, Services & Contract of PE
152A	Foreign produced commercials (NR)
153	Supplies, services & contracts
153B	Royalty to resident persons
156	Prizes & winnings
156A	Petroleum Products
231B	Private Motor vehicles purchase, transfer & registration
233	Commission
233A	Tax collection by stock exchange (this section is not applicable from first day of March 2019)
233AA	Collection of tax by NCCPL
234	Tax on Motor Vehicles
234A	CNG Stations
236A	Sale by auction
236C	Sale of immovable property
236G	Sale to distributors, dealers and wholesalers
236H	Sales to retailers
236HA	Sale of certain petroleum products
236K	Purchase of immovable property
236S	Dividend in specie
236T	Collection by PMEX
236Y	Remittance abroad through debit or credit card

SALES TAX WITHHOLDING RATES

Changes made vide latest notifications are identified in RED
FEDERAL

The Eleventh Schedule

Withholding Agent	Supplier Category	Rate or extent of deduction
Federal and provincial government departments, Autonomous bodies and Public sector organizations	Active Taxpayers	1/5 th of the Sales Tax as Shown on invoice
Companies as defined in the Income Tax Ordinance, 2001 (XLIX of 2001)		
Federal and provincial government departments, Autonomous bodies and Public sector organizations	Active Taxpayers registered as a wholesaler, dealer or distributor	1/10th of Sales Tax as shown on invoice
Companies as defined in the Income Tax Ordinance, 2001 (XLIX of 2001)		
Federal and provincial government departments; autonomous bodies; and public sector organizations	Persons other than active taxpayers	Whole of the tax involved or as applicable to supplies on the basis of gross value of supplies
Companies as defined in the Income Tax Ordinance, 2001 (XLIX of 2001)	Persons other than active taxpayers	5% of gross value of supplies
Registered persons as recipient of advertisement services	Person providing advertisement services	Whole of sales tax applicable
Registered persons purchasing cane molasses.	Persons other than active taxpayers	Whole of sales tax applicable

Exemptions

- Supplies made by active taxpayer as defined in STA 1990 to registered person except for advertisement services
- Electrical energy
- Natural Gas
- Petroleum products as supplied by petroleum production and exploration companies, oil refineries, oil marketing companies and dealer of motor spirit and high speed diesel
- Vegetable ghee and cooking oil
- Telecommunication services
- Goods specified in 3rd Sch of ST Act, 1990
- Supplies made by commercial importers who paid VAT at time of import

PUNJAB

Withholding Agent

Description	Rate	Amount
Offices and departments of Federal Government	100%	S/Tax
Provincial government and local government, public sector projects	100%	S/Tax
Autonomous Bodies	100%	S/Tax
Public sector organization	100%	S/Tax
Organizations funded by budget of Fed/Prov. government	100%	S/Tax
Recipient of advertisement services registered with PRA or FBR	100%	S/Tax
Company resident in Punjab	100%	S/Tax
Company having place of business in Punjab	100%	S/Tax
PRA registered persons receiving services from unregistered persons	100%	S/Tax

Exemptions

- Telecommunication
- Banking companies
- Courier Companies
- Insurance companies (other than re-insurance)
- Active Companies (Except Advertisement service providers)

KHYBER PAKHTUNKHWA

Withholding Agent

Description	Rate	Amount
Offices and departments of Federal Government	20%	S/Tax
provincial government and local government, public sector projects	20%	S/Tax
Autonomous Bodies	20%	S/Tax
Public sector organization	20%	S/Tax
Organizations funded by budget of fed/prov. government	20%	S/Tax
Recipient of advertisement services registered with KPRA or FBR	100%	S/Tax
Company resident in KPK	20%	S/Tax
KPRA registered persons receiving services from unregistered persons	100%	S/Tax

SINDH

Withholding Agent

Description	Rate	Amount
Offices and departments of Federal Government	20%	S/Tax
provincial government and local or district government	20%	S/Tax
Autonomous Bodies	20%	S/Tax
Public sector organization	20%	S/Tax
Organizations funded by budget of fed/prov. government	20%	S/Tax
Company as defined in Sindh Sales tax Act, 2011	20%	S/Tax
Registered persons receiving advertisement services (other than advertisement in newspapers and periodicals), auctioneers, renting of immovable property, intercity transport or carriage of goods by road (other than those through pipeline or conduit), advertising agent services from agents who issue release order or book advertisements space in relation to advertisement services. (use tax fraction formula)	100%	S/Tax
Withholding agent receiving taxable services from SRB registered persons where the amount of sales tax is not indicated on the invoice	100%	S/Tax
SRB registered persons receiving services from unregistered persons (use tax fraction formula)	100%	S/Tax

Proviso

Provided that a person shall be treated as withholding agent if a Person resident in Sindh or person has a place of business in Sindh

Exemptions

- Telecommunication
- Banking companies
- Financial institutions, Insurance companies (other than re-insurance)
- Port operator
- Airport operator
- Terminal operator
- Airport ground services

BALUCHISTAN

Withholding Agent

Description	Rate	Amount
Offices and departments of Federal Government (Registered including FBR)	20%	S/Tax
provincial government and local or district government (Registered including FBR)	20%	S/Tax
Autonomous Bodies (Registered including FBR)	20%	S/Tax
Public sector organization (Registered including FBR)	20%	S/Tax
Organizations funded by budget of fed/prov government (Registered including FBR)	20%	S/Tax
Company (Registered including FBR)	20%	S/Tax
Registered persons receiving advertisement services (other than advertisement in newspapers and periodicals), auctioneers, renting of immovable property, intercity transport or carriage of goods by road, services from non-filers or unregistered persons or Persons not resident in Pakistan, services from registered person where invoice does not show sales tax	100%	S/Tax

Proviso

Provided that a person shall be treated as withholding agent if a Person resident in Balochistan or person has a place of business in Balochistan

Exemptions

- Telecommunication
- Banking companies
- Financial institutions, Insurance companies (other than re-insurance)
- Port operator
- Airport operator
- Terminal operator
- Airport ground services

The above rates are for general guidance purposes only and should not be construed as a legal provision. The rate card is carefully prepared but no responsibility is taken for the accuracy of this rate card. These rates are subject to revision by authorities from time to time.

Editor

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