



ISHTIAQ RANA & Co.
CHARTERED ACCOUNTANTS

HANDBOOK OF TAX RATES 2026

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We are pleased to present this updated handbook of tax rates, incorporating the amendments introduced through the latest Finance Act. This publication is intended to serve as a practical reference tool for taxpayers, professionals, and stakeholders seeking clarity on applicable tax rates in Pakistan.



While every effort has been made to ensure accuracy and completeness, this memorandum is a general guide and not a substitute for professional advice. Users are advised to consult their tax advisors before making decisions based on its contents.

We extend our sincere appreciation to our team for their dedicated efforts and collaboration in compiling this handbook. Their commitment and attention to detail have been instrumental in bringing this publication to fruition. Suggestions for improvement in future editions are warmly welcomed.

Laeq Ahmad Rana - FCA

Senior Partner

Ishtiaq Rana & Co.

Lahore

July 11th, 2025

Tax For Salaried Individuals* (Section 149) - Division I Part I of the 1st Schedule

Taxable Income	Rate of Tax
Up to Rs.600,000	0%
Rs.600,001 - Rs.1,200,000	1% of the amount exceeding Rs.600,000
Rs.1,200,001 - Rs.2,200,000	Rs.6,000 + 11% of the amount exceeding Rs.1,200,000
Rs.2,200,001 - Rs.3,200,000	Rs.116,000+23% of the amount exceeding Rs.2,200,000
Rs.3,200,001 - Rs.4,100,000	Rs.346,000+30% of the amount exceeding Rs.3,200,000
Rs.4,100,001 and above	Rs.616,000+35% of the amount exceeding Rs.4,100,000

**Where Income from Salary” exceeds 75% of total taxable income.
Pension received by an individual, below the age of 70, from a former employer in a tax year, the rate of tax on such income shall be as follows:*

Amount of Pension	Rate of Tax (Final Tax)
Up to Rs. 10,000,000	0%
Exceeding Rs.10,000,000	5% of the amount exceeding Rs. 10,000,000

Tax For Non-Salaried Individuals & AOPs - Division I Part I of the 1st Schedule

Taxable Income	Rate of Tax
Up to Rs.600,000	0%
Rs.600,001 - Rs.1,200,000	15% of the amount exceeding Rs.600,000
Rs.1,200,001 - Rs.1,600,000	Rs.90,000+20% of the amount exceeding Rs.1,200,000
Rs.1,600,001 - Rs.3,200,000	Rs.170,000+30% of the amount exceeding Rs.3,200,000
Rs.3,200,001 - Rs.5,600,000	Rs.650,000+40% of the amount exceeding Rs.3,200,000
Rs.5,600,001 or more	Rs.1,610,000+45% of the amount exceeding Rs.5,600,000
Additional Surcharge of 9% of Tax Payable, for Individuals and AOPs whose Total Taxable Income Exceed Rs 10,000,000 – Sec 4AB.	

“Directorship fee and board meeting fee shall be taxed at 20% of gross amount payable.”

Rates of Tax For Companies (Section 18) Division II Part I of the 1st Schedule

Normal Company	Banking Company	Small Company
29%	39%	20%

Rates of Tax For SMEs (Section 100E) 14th Schedule

Sr.	Annual Business Turnover	Option For	
		NTR (On Taxable Income)	FTR (On Gross Turnover)
1	Less than Rs. 100 million	7.5%	0.25%
2	Rs. 100 million to Rs. 250 million	15%	0.5%

SUPER TAX ON BANKING COMPANIES (SEC 4B) DIVISION IIA PART I OF THE 1ST SCHEDULE

PARTICULARS	RATE OF TAX
Banking Company	4% of Income

SUPER TAX ON HIGH EARNING PERSONS (SEC 4C) DIVISION IIB PART I OF THE 1ST SCHEDULE

INCOME	TAX RATE
Where Income does not exceed Rs.150,000,000	0%
Where Income exceeds Rs.150,000,000 but does not exceed Rs.200,000,000	1%
Where Income exceeds Rs.200,000,000 but does not exceed Rs.250,000,000	1.5%
Where Income exceeds Rs.250,000,000 but does not exceed Rs.300,000,000	2.5%
Where Income exceeds Rs.300,000,000 but does not exceed Rs.350,000,000	3.5%
Where Income exceeds Rs.350,000,000 but does not exceed Rs.400,000,000	5.5%
Where Income exceeds Rs.400,000,000 but does not exceed Rs.500,000,000	7.5%
Where Income exceeds Rs.500,000,000	10%

For the purpose of determination of Super Tax, Income Includes:

- a) Profit on debt, dividend, capital gains, brokerage and Commission.
- b) Taxable Income from all heads of income including exempt income (Other than brought forward depreciation/ amortization losses and business losses).
- c) Income Subject to Final Tax.

ADVANCE TAX ON CASH WITHDRAWAL (SECTION 231AB)

PARTICULARS	RATE OF TAX	
	FILER	NON-FILER
Cash withdrawal exceeding Rs 50,000/ day from all bank accounts	0%	0.8%

DIVIDEND (SEC 150) DIVISION III PART I OF THE 1ST SCHEDULE – FINAL TAX

SR.	TYPE OF DIVIDEND	TAX RATE	
		ATL	NON ATL
1	Received from Independent Power producers	7.5%	15%
2	Received from company where no tax is payable due to exemption of income, carry forward of business losses or where tax credit has been claimed.	25%	50%
3	Received from Mutual Fund, where proportional income derived from average annual investment in Equity Securities	15%	30%
4	Received from Mutual Fund, where proportional income derived from average annual investment in Debt Securities and the recipient is a:		
	A Corporate Entity	29%	58%
	Other than a Corporate Entity	25%	50%
5	Real Estate Investment Trust (REIT)	15%	30%
6	Other than above	15%	30%

PROFIT ON DEBT (SECTION 7B & 151) DIVISION IIIA PART I OF THE 1ST SCHEDULE

SR.	NATURE OF PAYMENT	TAX RATE	
		ATL	NON ATL
1	Profit received on deposits maintained by a Banking Company or Financial Institution	20%	40%
2	Profit received on any debt instruments issued by a Company, a Banking Company, Financial Institution to any person other than a Financial Institution	15%	30%
3	Profit received on deposits with, or a certificate issued by National Savings Scheme, or Post Office Saving Account.	15%	30%
4	Profit paid on Government Securities Derived by:		
	An Individual	15%	30%
	A Company or AOP	20%	40%
6	Other than above	15%	30%

The tax deducted at source, mentioned above, shall be treated as Final Tax, except:

a) In case of companies, the tax deducted shall be adjustable against final tax liability;

b) In case of Individuals and AOPs, where the gross amount of tax received in a tax year is more than Rs.5 million, it shall be treated as minimum tax.

CAPITAL GAIN ON DISPOSAL OF IMMOVABLE PROPERTY (SECTION 37) DIVISION VIII PART I

S. No	HOLDING PERIOD	RATE OF TAX		
		OPEN PLOTS	CONSTRUCTED PROPERTY	FLATS
For immovable property acquired on or before 30 th June 2024				
1.	Upto 1 year	15%	15%	15%
2.	Exceeds 1 year but does not exceed 2 years	12.5%	10%	7.5%
3.	Exceeds 2 years but does not exceed 3 years	10%	7.5%	0%
4.	Exceeds 3 years but does not exceed 4 years	7.5%	5%	0%
5.	Exceeds 4 years but does not exceed 5 years	5%	0%	0%
6.	Exceeds 5 years but does not exceed 6 years	2.5%	0%	0%
7.	Exceeds 6 years	0%	0%	0%
For immovable property acquired on or after 1 st July 2024				
1.	Persons appearing Active Taxpayers List	15%	15%	15%
2.	Individuals and AOPs (non-ATL)	Rates Specified in Division I, with tax not below 15%, under NTR		
3.	Companies (non-ATL)	Rates Specified in Division II, under NTR		
For Immovable property allotted to Shaheeds and person who dies while in the service of Pakistan Armed Forces, Federal and Provincial Governments				
1.	Immovable property is held irrespective of the holding period	0%	0%	0%

CAPITAL GAIN ON DISPOSAL OF SECURITIES (SECTION 37A) DIVISION VIII PART I

S. No	HOLDING PERIOD	TAX RATE
For Securities acquired between 1 st July 2022 and 30 th June 2024		
	Upto 1 year	15%
	Exceeds 1 year but does not exceed 2 years	12.5%
	Exceeds 2 years but does not exceed 3 years	10%
	Exceeds 3 years but does not exceed 4 years	7.5%
	Exceeds 4 years but does not exceed 5 years	5%
	Exceeds 5 years but does not exceed 6 years	2.5%
	Exceeds 6 years	0%
For Securities acquired on or after 1 st July 2024		
	Persons appearing Active Taxpayers List on date of acquisition disposal	15% irrespective of holding period
	Individuals and AOPs (non-filer)	Rates Specified in Division I Part I, with tax not below 15%, under NTR
	Companies (non-filer)	Rates Specified in Division II, under NTR
For Securities acquired on or after 1 st July 2025		
	15% for filer and non-filer, irrespective of holding period	

INCOME FROM PROPERTY (SEC 15 & 155) DIVISION V PART III OF THE 1ST SCHEDULE

GROSS AMOUNT OF RENT	RATE OF TAX - ADJUSTABLE
Up to Rs.300,000	0%
Rs.300,001 - Rs.600,000	5% of the amount exceeding Rs.300,000
Rs.600,001 - Rs.2,000,000	Rs.15,000+10% of the amount exceeding Rs.600,000
Exceeding Rs.2,000,000	Rs.155,000+25% of the amount exceeding Rs.2,000,000
Rate of tax shall be increased by 100% for non-filers . The rate of tax to be deducted under section 155 in the case of companies shall be 15% for filers and 30% for non-filers , of the gross amount of rent.	

N.B. A resident person owning immovable capital assets exceeding Rs. 25 million (excluding one self-occupied property) is deemed to earn income **under Section 7E**, taxed at 1% of fair market value. Properties used for deriving taxable income or already subject to tax are excluded.

SALE OR TRANSFER OF IMMOVABLE PROPERTY (SECTION 236C)

GROSS CONSIDERATION RECEIVED	FILER	LATE FILER*	NON- FILER
Less than Rs. 50 million	4.5%	7.5%	11.5%
Rs. 50 million to Rs. 100 million	5%	8.5%	11.5%
Rs. 100 million and above	5.5%	9.5%	11.5%
Sale of property acquired through FCVA or NRVA by Non-Resident Pakistanis shall be taxed at 3% in lieu of Capital gain tax as a final discharge of liability.			

PURCHASE OF IMMOVABLE PROPERTY (SECTION 236K)

FAIR MARKET VALUE	FILER	LATE FILER*	NON- FILER
Less than Rs. 50 million	1.5%	4.5%	10.5%
Rs. 50 million to Rs. 100 million	2%	5.5%	14.4%
Rs. 100 million and above	2.5%	6.5%	18.5%
Property purchased by Non-Resident Pakistanis through FCVA or NRVA shall be exempt. Late filer is the person who filed their return after due date in last 3 preceding tax years.			

MINIMUM TAX (SECTION 113) DIVISION IX, PART 1 OF THE 1ST SCHEDULE

Sr. No	PERSON(S)	RATE OF TAX
1.	a) Sui Southern Gas Company Limited and Sui Northern Gas Pipelines Limited (for the cases where annual turnover exceeds Rs. one billion). b) Pakistani Airlines Corporation. c) Poultry industry including poultry breeding, broiler production, egg production and poultry feed production. d) Dealers or distributors and fertilizers;	0.75%
2.	Oil Refineries, Oil Marketing Companies and Motorcycle dealers registered under the Sales Tax Act, 1990.	0.5%
3.	a) Distributors of Pharmaceutical products, FMCGs and Cigarettes. b) Petroleum agents and distributors who are registered under the Sales Tax Act, 1990. c) Rice mills and dealers. d) Tier 1 Retailers of FMCG who have integrated their system with FBR e) Person making supplies through e-commerce or running an online marketplace f) Persons engaged in sale and purchase of used vehicles; and g) Flour mills.	0.25%
4.	In all other cases.	1.25%

PAYMENTS TO NON-RESIDENT (SECTION 152) DIVISION II PART III

PARTICULARS	RATE OF TAX
Royalty or fee for technical services, fee for offshore digital services	15%
Contract for construction, assembly or installation project; construction contract and related services or advertisement services by TV satellite channels	7%
Insurance premium or reinsurance premium	5%
Payment for advertisement services to non-resident media person relaying from outside Pakistan	10%
Profit on debt to Non-Resident having no PE in Pakistan	10%
Foreign produced commercials for advertisement	20%
Payments other than those mentioned above	20%

PAYMENTS TO PERMANENT ESTABLISHMENT OF NON-RESIDENT (SECTION 152) – MINIMUM TAX

PARTICULARS	FILER	NON-FILER
Sale of goods, excluding sale by a commercial importer where tax already paid u/s 148;		
- Companies	5%	10%
- Other than Companies	5.5%	11%
Transport, Cargo, Freight Forwarding, Manpower outsourcing, Testing & Training, building maintenance, Hotel, Security Guard, Share Registrar, Software development, Engineering, and Advertising (other than print and electronic media) Services.	8%	16%
IT and IT Enabled Services	4%	8%
Execution of Contracts	8%	16%
Contract with sports person and services not covered above	15%	30%

PAYMENT FOR GOODS AND SERVICES & CONTRACTS (SECTION 153) DIVISION III PART III

SECTION REFERENCE	NATURE OF PAYMENT	FILER	NON-FILER
Supplies (Gross Annual Supply exceeds Rs. 75,000)			
153(1)(a) Minimum Tax, except Manufacturing Companies and Listed Companies	Company	5%	10%
	Company - Toll Manufacturing	9%	18%
	Individual and AOP	5.5%	11%
	Individual and AOP-Toll Manufacturing	11%	22%
	Distributors of Cigarettes	2.5%	5%
	Distributors of Pharmaceuticals	1%	2%
	Distributors, Dealers, Sub-dealers, wholesalers, and Retailers of FMCG, fertilizers, electronics (excluding mobile phones), sugar, steel, cement & edible oil. (Only for taxpayers active in IT & ST).	0.25%	N/A
	Sale of rice, cotton seed or edible oil by any person	1.5%	3%
Services (Gross annual amount exceeds Rs. 30,000)			
153(1)(b) Minimum Tax	Transport, Cargo, Freight Forwarding, Courier, Travel & Tourism, Manpower outsourcing, Testing & Training, building maintenance, Hotel, Security Guard, Share Registrar, Software development, Telecom Infrastructure, Engineering, Warehousing and Advertising (other than print and electronic media) Services.	6%	12%
	Electronic and Print Media Services	1.5%	30%
	IT and IT enabled Services – sec 2(30AD & 30AE) including payment to non-residents	4%	8%
	Services not covered above:		
	By Companies	15%	30%
	By Individuals and AOPs	15%	30%
153(1)(c)	Execution of Contracts by:		
	Company	7.5%	15%
	Individual and AOP	8%	16%
	Sports Person	15%	30%
153(2A)	E-Commerce Transactions		
	Where Payment is made through digital/Banking channels	1%	2%
	Where payment is made on Cash on Delivery	2%	4%

EXPORT OF GOODS (SECTION 154) DIVISION IV PART III OF THE 1ST SCHEDULE

PARTICULARS	RATE OF TAX
Realization of Export Proceeds	
Goods sold to Exporter under inland back-to-back Letter of Credit	1% (minimum tax) Plus 1% Advance tax
Export of goods by units in Export Processing Zones	
Goods sold to exporters under DTRE Rules or EFS by indirect exporters	
Cooking oil/ Vegetable ghee exported to Afghanistan, if tax u/s 148 is paid	0%

EXPORT OF SERVICES (SECTION 154A) DIVISION IVA PART III OF THE 1ST SCHEDULE

PARTICULARS	RATE OF TAX
Export of Software or IT or IT enabled Services	0.25%
Technical services exported from Pakistan or rendered abroad	1%
Royalty, commission or franchise fee received by a resident company from a foreign entity for use of intellectual property outside Pakistan	
Construction contracts executed outside Pakistan	
Foreign indenting commission	
Any other services rendered outside Pakistan	
The taxes deducted at source shall be final tax, subject to following conditions:	
a. Return has been filed	
b. Withholding Tax statements have been filed	
c. Sales tax returns have been filed, where required	

TAX ON BUILDERS (SEC 7C) DIVISION VIIIA PART I OF THE 1ST SCHEDULE

(A) Karachi, Lahore and Islamabad		(B) Hyderabad, Sukkur, Multan, Faisalabad, Rawalpindi, Gujranwala, Sahiwal, Peshawar, Mardan, Abbottabad, Quetta		Urban Areas not specified in A and B	
For Commercial Buildings					
Rs. 250/ Sq. ft.		Rs. 230/ 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 3,000	Rs. 80	Up to 3,000	Rs. 65	Up to 3,000	Rs. 50
Above 3,000	Rs. 125	Above 3,000	Rs. 110	Above 3,000	Rs. 100
Persons falling u/s 147(5C) (ii)					
Rs. 150/ Sq. yard		Rs. 130/ Sq. yard		Rs. 100/ Sq. yard	
Persons falling u/s 147(5C) (ii) for development of Industrial area					
Rs. 20/ Sq. yard		Rs. 20/ Sq. yard		Rs. 10/ Sq. yard	

TAX ON DEVELOPERS (SECTION 7D) DIVISION VIIIB PART I OF THE 1ST SCHEDULE

(A) Karachi, Lahore and Islamabad		(B) Hyderabad, Sukkur, Multan, Faisalabad, Rawalpindi, Gujranwala, Sahiwal, Peshawar, Mardan, Abbottabad, Quetta		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 or more	Rs. 70	201 or more	Rs. 55	201 or more	Rs. 35

VARIOUS TAXES ON MOTOR VEHICLES (SECTION 231B, 234) –DIVISION III & VIII, PART IV OF THE 1ST SCHEDULE

CATEGORY	RATE OF TAX - ADJUSTABLE	
	FILER	NON-FILER
At the time of Registration of Motor vehicle And sale by Local Manufacturer		
Up to 850cc	0.5% of value	1.5% of value
851cc to 1,000cc	1% of value	3% of value
1,001cc to 1,300cc	1.5% of value	4.5% of value
1,301cc to 1,600cc	2% of value	6% of value
1,601cc to 1,800cc	3% of value	9% of value
1,801cc to 2,000cc	5% of value	15% of value
2,001cc to 2,500cc	7% of value	21% of value
2,501cc to 3,000cc	9% of value	27% of value
Above 3000cc	12% of value	36% of value
Where engine capacity is not applicable and the value exceeds Rs. 5 million	3% of Invoice/ Import Value (Including CD and ST)	9% of Invoice/ Import Value (Including CD and ST)
At the time of Registration of locally manufactured Motor vehicle, if Motor Vehicle is sold prior to registration by the original owner		
Upto 1,000 cc	Rs. 100,000	Rs. 300,000
1,001cc to 2,000cc	Rs. 200,000	Rs. 600,000
Above 2,000cc	Rs. 400,000	Rs. 1,200,000
At the time of transfer of Motor vehicle (Reduced by 10% each year from the date of first registration in Pakistan)		
Up to 850cc	Nil	Nil
851cc to 1,000cc	Rs 5,000	Rs. 15,000
1,001cc to 1,300cc	Rs 7,500	Rs. 22,500
1,301cc to 1,600cc	Rs 15,500	Rs.46,500
1,601cc to 1,800cc	Rs 18,750	Rs. 56,250
1,801cc to 2,000cc	Rs 25,000	Rs.75,000
2,001cc to 2,500cc	Rs 37,500	Rs.112,500
2,501cc to 3,000cc	Rs 50,000	Rs.150,000
Above 3,000cc	Rs 62,500	Rs. 187,500
Where engine capacity is not applicable and the value exceeds Rs. 5 million	Rs. 20,000	Rs. 60,000
At the time of Motor Vehicle Tax (Token Tax)		
	Annual	Lumpsum
Up to 1,000cc	Rs. 800	Rs.10,000
1,001cc to 1,199cc	Rs.1,500	Rs.18,000
1,200cc to 1,299cc	Rs.1,750	Rs. 20,000
1,300cc to 1,499cc	Rs.2,500	Rs.30,000
1,500cc to 1,599cc	Rs.3,750	Rs.45,000
1,600cc to 1,999cc	Rs.4,500	Rs.60,000
Above 2,000cc	Rs.10,000	Rs.120,000
<i>Every leasing company, Scheduled bank, NBFI, Modarba or DFI shall collect advance tax at the rate of 4% of the value of motor vehicle in case of vehicle leased to a non-filer.</i>		

COMMISSION AND BROKERAGE (SECTION 233) DIVISION II PART IV – MINIMUM TAX

PARTICULARS	FILER	NON-FILER
Brokerage and Commission (Advertising Agents)	10%	20%
Brokerage and Commission (Life insurance agents where commission received is less than 0.5 million per annum)	8%	16%
Person not covered in 1 and 2 above	12%	24%

ELECTRICITY CONSUMPTION (SECTION 235) DIVISION IV PART IV OF THE 1ST SCHEDULE

MONTHLY BILL	RATE OF TAX	
	INDUSTRIAL CONSUMER (ADJUSTABLE TAX)	COMMERCIAL CONSUMER (MINIMUM TAX)
Upto Rs. 500	Nil	Nil
Rs. 500 to Rs. 20,000	10%	10%
Exceeds Rs. 20,000	Rs. 1,950 + 5% of the amount exceeding Rs. 20,000	Rs. 1,950 + 12% of the amount exceeding Rs. 20,000
	DOMESTIC CONSUMER (ADJUSTABLE TAX)	
Exceeds Rs. 25,000	7.5% of the amount exceeding Rs. 25,000	

TELEPHONE & INTERNET (SECTION 236) DIVISION II PART IV – ADJUSTABLE TAX

PARTICULARS	FILER
Monthly Telephone exceeding Rs. 1,000	10%
Subscribers of internet, mobile telephone	15%
Person mentioned in tax general orders u/s 114B (non-Filers)	75%

OTHER WITHHOLDING TAXES

SECTION	PARTICULARS	FILERS	NON-FILERS
156	Prize bond or cross word puzzle	15%	30%
	Raffle, Lottery, prize on winning a quiz, Prize offered by companies for promotion of Sales	20%	40%
156A	Commission or Discount allowed on Petroleum Products	12%	24%
231C	Foreign Domestic worker at the time of visa issuance	200,000	400,000
236A	Immovable property sold through auction	5%	10%
	Sale by Auctions – Other than immovable property	10%	20%
236CA	Foreign Produced TV Drama Serial (<i>per episode</i>)	1,000,000	1,000,000
	Foreign produces single episode drama	3,000,000	6,000,000
	Advertisement starring foreign actor (<i>per second</i>)	100,000	200,000
236CB	Advance Tax on Functions and Gatherings	10%	20%
236G	Advance tax on sale to distributors, dealers and wholesalers of Fertilizers	0.7%	1.4%
	Advance tax on sale to distributors, dealers and wholesalers of goods other than fertilizers	0.1%	2%
236H	Advance tax on sale to retailers	0.5%	2.5%
236Y	Remittance abroad through Debit or credit cards	5%	10%
236Z	Issuance of Bonus Shares	10%	20%