

# TAX RATES FOR THE TAX YEAR 2022

## SALARY - Sec 149, Div I Part I 1st Schedule

Taxable Income		Rate of Tax	
From	To		
Up to 600,000		0%	
600,000	1,200,000	5% on amount exceeding Rs. 600,000	
1,200,001	1,800,000	30,000	10% on amount > Rs.1.2M
1,800,001	2,500,000	90,000	15% on amount > Rs.1.8M
2,500,001	3,500,000	195,000	17.5% on amount > Rs.2.5M
3,500,001	5,000,000	370,000	20% on amount > Rs.3.5M
5,000,001	8,000,000	670,000	22.5% on amount > Rs.5M
8,000,001	12,000,000	1,345,000	25% on amount > Rs.8M
12,000,001	30,000,000	2,345,000	27.5% on amount > Rs.12M
30,000,001	50,000,000	7,295,000	30% on amount > Rs.30M
50,000,001	75,000,000	13,295,000	32.5% on amount > Rs.50M
Above 75,000,000		21,420,000	35% on amount > Rs.75M

Note: 25% Reduction in tax for full time teacher except practicing doctors.  
Note: Salary rate applicable where salary income exceeds 75% of total taxable income.

## TAX RATE FOR AOP & BUSINESS INDIVIDUALS

Taxable Income		Rate of Tax	
From	To		
Up to 400,000		0%	
400,001	600,000	5% on amount exceeding Rs. 400,000	
600,001	1,200,000	10,000	10% on amount > Rs. 0.6M
1,200,001	2,400,000	70,000	15% on amount > Rs.1.2M
2,400,001	3,000,000	250,000	20% on amount > Rs.2.4M
3,000,001	4,000,000	370,000	25% on amount > Rs.3M
4,000,001	6,000,000	620,000	30% on amount > Rs.4M
Above 6,000,000		1,220,000	35% on amount > Rs.6M

## Tax Rates of Companies

Banking Company	35%
Public & Private Company	29%
Small Company	21%
Alternate Corporate Tax (On accounting profit)	17%

## Turn over Tax - Sec113 Div IX, Part I, 1st Schedule

Minimum Tax	Rate
OMCs, SSGCL, SNGPL, PIA and Poultry Industry	0.75%
Oil refineries Motorcycle dealers registered under the S T Act, 1990	0.5%
• Distributors of pharmaceutical products, FMCGs and cigarettes; • Petroleum agents & distributors registered under the ST Act, 1990; • Rice mills and dealers, Flour mills • Tier-1 Retailer of FMCGs with POS integrated with Board • E-commerce business including running on online marketplace defined in Sec 2(38B) • Sale and purchase of used vehicles	0.25%
In all other cases	1.25%

Activity/ Nature of Payment	Tax Rate		Nature of Tax
	ATL	Non-ATL	
<b>SUPPLY OF GOODS- Section 153(1)(a).</b> <b>Div III, Part III, 1st Sch. Clause 24A, 24C, 45A, Part II, 2nd Sch</b>			
Sale of rice, cottonseed & edible oil	1.5%	3%	Advance Tax for Listed companies and Companies Engaged in Manufacturing
Sale of cigarettes & pharma products	1%	2%	
Sale of FMCG, fertilizer, electronics excluding mobile phones, sugar, cement & edible oil by distributors, dealers, sub-dealers, wholesales & retailers (If ATL in ST & IT)	0.25%	N/A	
Sale of other goods by companies including toll manufacturers	4%	8%	
Sale of other goods by AOPs & Individual Including toll manufacturers	4.5%	9%	Minimum Tax for other cases.
Local sales, supplies and services made by export-oriented sector	1%	2%	
Local supplies by yarn traders to export- oriented sector	0.5%	1%	

Note: No tax to be withheld in case where aggregate annual payment is below Rs 75,000/-

## PAYMENTS FOR SERVICES - S 153(1)(b),153(2), Div III & Div IV P III 1st Sch.

Advertising services (elec. & print media)	1.5%	3%	Minimum Tax
Transport, Freight forwarding, Air cargo services, Courier, Manpower outsourcing, Hotel, Security guard, Software development, IT and IT enabled services [Sec 65F], Tracking services, Advertising (other than by print or electronic media), Share registrar services, Car rental, Building maintenance, Services of PSX & PMEL, Inspection, Certification, Testing & Training, Oilfield, Telecommunication, Collateral management, Travel & tour services.	3%	6%	
Companies providing other services	8%	16%	
AOPs & Ind. providing other services	10%	20%	
Stitching, dying, printing, embroidery, washing, sizing & weaving for Exporters	1%	2%	

PS: Due care and caution has been taken in extracting this information. Any suggestion, error or mistakes found in this Document may please be sent to us. For further detail please consult the relevant Law

Activity/ Nature of Payment	Tax Rate		Nature of Tax
	ATL	Non-ATL	
PROPERTY INCOME/ RENTALS - Sec155, Div V Pt III 1st Sch			
Where recipient is a company	15%		Adv. Tax
Other recipients	Advance Tax		
Annual Rent (Rs.)	Tax		
From			
Up to 300,000	NIL		
300,001	600,000	5% of the amount exceeding 300,000	
600,001	2,000,000	15,000 + 10% of the amount above 600,000	
Above 2,000,000	155,000 + 25% of the amount above 2,000,000		

<b>SALE/ TRANSFER OF IMMOVABLE PROPERTY - S 236C. Div X P IV 1st Sch</b>			
To be collected from Seller/ Transferor, where Holding Period is:	Up to 1 Year	1%	Minimum Tax
	From 1 to 4 Years	2%	Advance Tax
	Above 4 Years	Not Applicable	

<b>PURCHASE OF IMMOVABLE PROPERTY - S 236K. DIV XVIII. P IV 1st Sch</b>			
On purchaser or transferee for registering or attesting transfer of any immovable property	1% of FMV	2% of FMV	
	Advance Tax		

<b>CAPITAL GAINS ON DISPOSAL OF IMMOVABLE PROPERTY</b>	
<b>RATES - Section 37. DIV VIII, Part I, 1st Sch</b>	
Where the gain does not exceed Rs. 5 million	3.5 %
Where the gain exceeds Rs. 5 million but does not exceed Rs. 10 million	7.5 %
Where the gain exceeds Rs. 10 million but does not exceed Rs. 15 million	10 %
Where the gain exceeds Rs. 15 million	15 %

<b>CALCULATION - Section 37 (3A)</b>	
Holding Period	Gain Taxability
Upto 1 Year	100 %
Exceeding 1 Year but less than 2 Years	75 %
Exceeding 2 Years but less than 3 Years	50 %
Exceeding 3 Years but less than 4 Years	25 %

<b>EXPORTS - Sec154, Div IV Pt III 1st Sch, CI 47C Pt IV 2nd Sch</b>			
Realization of export proceeds [Exemption to cooking oil or vegetable ghee exported to Afghanistan if tax u/s 148 is paid]	1%		Final Tax Exporters may opt for Minimum Tax Regime at the time of filing of return
Inland back-to-back LC by exporter on sale of goods under an arrangement prescribed by FBR			
Export of goods by EPZ units			
Payment for a firm contract by direct exporters reg. under DTRE Rules, 2001, to indirect exporters	5%		
Realization of proceeds on account of commission to indenting agent			

<b>IMPORTS - Section 148 &amp; Part II, First Schedule</b>			
<b>Goods classified as per Twelfth Schedule</b>			
Part I		1%	Advance Tax
Part II		2%	
Part III		5.5%	
On the import value as increased by customs-duty, sales tax and federal excise duty			
<b>PROFIT ON DEBT-Section 151, Div. IA Part III 1st Sch - WH Provision</b>			
Profit on Debt / Yield	15%	30%	Minimum
<b>PROFIT ON DEBT-Section 7B, Div. IIIA Part I 1st Sch - Charging Provision</b>			
Where yield is up to Rs. 5,000,000	15%	30%	
Where yield is above Rs.5,000,000	Normal Tax Regime		

<b>TAX ON SALES TO DISTRIBUTORS, DEALERS &amp; WHOLESALERS BY MANUFACTURERS &amp; COMMERCIAL IMPORTERS - Sec236G, Div XIV Pt IV 1st Sch</b>			
Fertilizers (if on ATL under IT & ST)	0.25%	N/A	Advance Tax
On sale of fertilizers	0.7%	1.4%	
Electronics, Sugar, Cement, Iron & steel products, Motorcycles, Pesticides, Cigarettes, Glass, Textile, Beverages, Paint or foam, Pharmaceuticals, Poultry & animal feed, Edible oil & ghee, Battery, Tyres, Varnishes, Chemicals, Cosmetics, IT equipment	0.1%	0.2%	

<b>TAX ON SALES TO RETAILERS &amp; WHOLESALERS BY MANUFACTURERS, DISTRIBUTORS, DEALERS, WHOLESALERS &amp; COMMERCIAL IMPORTERS - Sec236H, Div XV Pt IV 1st Sch</b>			
Electronics, Sugar, Cement, Iron & steel products, Motorcycles, Pesticides, Cigarettes, Glass, Textile, Beverages, Paint or foam, Pharmaceuticals, Poultry & animal feed, Edible oil & ghee, Battery, Tyres, Varnishes, Chemicals, Cosmetics, IT equipment	0.5%	1%	Advance Tax

<b>PETROLEUM PRODUCTS - Sec156A, Div VIA Pt III 1st Sch</b>			
Commission/ discount to petrol pump operators on petroleum products	12%	24%	Final Tax

Activity/ Nature of Payment	Tax Rate		Nature of Tax
	ATL	Non-ATL	
EXECUTION OF CONTRACTS - Sec153(1)(c), Div III Pt III 1st Sch.			
Received by Listed Companies	6.5%	13%	Adv. Tax
Received by Other Companies	6.5%	13%	Minimum Tax
Received by sportspersons	10%	20%	
Received by others	7%	14%	

<b>BROKERAGE &amp; COMMISSION - Sec233, Div II Pt IV 1st Sch</b>			
Advertising commission	10%	20%	Minimum Tax
Life Ins Comm. up to Rs. 0.5M p.a.	8%	16%	
Others	12%	24%	

<b>PRIZES AND WINNINGS - Sec156, Div VI Pt III 1st Sch</b>			
On prize bonds & crossword puzzle	15%	30%	Final Tax
Raffle, lottery, winning quiz & prizes on sales promotion schemes	20%	40%	

<b>BY EDUCATIONAL INSTITUTIONS WHERE ANNUAL FEE EXCEEDS RS. 200,000/-Sec236I, Div XVI Pt IV 1st Sch</b>		
From residents	0%	5%
From non-residents	Not Applicable with Conditions	

<b>RENT OR PAYMENT FOR RIGHT TO USE MACHINERY &amp; EQUIPMENT S 236Q, Div XXIII Pt IV 1st Sch</b>		
To be collected for industrial, commercial and scientific equipment & machinery	10%	Final Tax
Note: WHT deduction shall not be applicable in the following cases: a. Agricultural machinery; and b. Machinery owned and leased by leasing companies, investment banks, modarabas, scheduled banks or DFIs		

<b>SPECIAL TAX REGIME FOR SMALL &amp; MEDIUM ENTERPRISES Section 2(59A) &amp; 100E, Fourteenth Schedule</b>		
• SMEs should be registered with FBR or SMEDA. • Provisions of section 113 will not be applicable. • Tax deducted under section 153 will not be minimum tax		
Category	Opting NTR	Opting FTR
Annual turnover does not exceed Rs.100 M	7.5% of taxable income	0.25% of gross turnover
Annual turnover exceeds Rs. 100M but does not exceed Rs. 250M	15% of taxable income	0.5% of gross turnover
NTR or FTR once opted will be irrevocable for next 3 years		

## The Punjab Agricultural Income Tax Act. 1997

<b>Second Schedule Rate of Tax on Total Agricultural Income</b>	
Description	Rate
Where the total income does not exceed Rs. 400,000/-	0%
Where the total income exceeds Rs. 400,000/- but does not exceeds Rs. 800,000/-	Rs. 1000/-
Where the total income exceed Rs. 800,000/- but does not exceeds Rs. 1,200,000/-	Rs. 2000/-
Where the total income exceed Rs. 1,200,000/- but does not exceeds Rs. 2,400,000/-	5% of the amount exceeding Rs. 1,200,000 /-
Where the total income exceed Rs. 2,400,000/- but does not exceeds Rs. 4,800,000/-	Rs. 60,000/- plus 10 % of the amount exceeding Rs. 2,400,000 /-
Where the total income exceeds Rs. 4,800,000/-	Rs. 300,000/- plus 15 % of the amount exceeding Rs. 4,800,000 /-

## Key Notes:



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