BRIEF TAXATION LAWS

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(INCOME TAX ORDINANCE, 2001)

RATES OF INCOME TAX FOR THE TAX YEAR-2013 (01-07-2012 TO 30-06-2013)

RATES OF TAX FOR BUSINESS INDIVIDUALS & AOP

Sr. No.	Taxable Income		Rate
1	Taxable Income does not exceed	Rs.400000/-	0%
2	Taxable Income exceeds	Rs.400000/- to Rs.750000/-	10% of exceeding 400000/-
3	Taxable Income exceeds	Rs.750000/- to Rs.1500000/-	Rs.35000/-+15% of exceeding 750000/-
4	Taxable Income exceeds	Rs.1500000/- to Rs.2500000/-	Rs.147500/-+20% of exceeding 1500000/-
5	Taxable Income exceeds	Rs.2500000/-	Rs.347500/-+25% of exceeding 2500000/-

RATES OF TAX FOR SALARIED INDIVIDUALS (as per statute)

Sr. No.	Taxable Income		Rate
1	Taxable Income does not exceed	Rs.400000/-	0%
2	Taxable Income exceeds	Rs.400000/- to Rs.750000/-	5% of exceeding 400000/-
3	Taxable Income exceeds	Rs.750000/- to Rs.1500000/-	Rs.17500/-+10% of exceeding 750000/-
4	Taxable Income exceeds	Rs.1500000/- to Rs.2000000/-	Rs.95000/-+15% of exceeding 1500000/-
5	Taxable Income exceeds	Rs.2000000/- to Rs.2500000/-	Rs.175000/-+17.50% of exceeding 2000000/-
6	Taxable Income exceeds	Rs.2500000/-	Rs.420000/-+20% of exceeding 2500000/-

RATES OF TAX FOR SALARIED INDIVIDUALS (as per actual calculation)

Sr. No.	Taxable Income		Rate
1	Taxable Income does not exceed	Rs.400000/-	0%
2	Taxable Income exceeds	Rs.400000/- to Rs.750000/-	5% of exceeding 400000/-
3	Taxable Income exceeds	Rs.750000/- to Rs.1500000/-	Rs.17500/-+10% of exceeding 750000/-
4	Taxable Income exceeds	Rs.1500000/- to Rs.2000000/-	Rs.92500/-+15% of exceeding 1500000/-
5	Taxable Income exceeds	Rs.2000000/- to Rs.2500000/-	Rs.167500/-+17.50% of exceeding 2000000/-
6	Taxable Income exceeds	Rs.2500000/-	Rs.255000/-+20% of exceeding 2500000/-

☒ **SPECIAL TAX REBATE TO SENIOR CITIZEN:** (Clause (1A) Part-III of 2nd Schedule)
50% of the tax rebate is provided for Taxpayer of 60 years or above on the 1st day of Tax Year and earning taxable income up to Rs.1000000/-, other than income of FTR.

☒ **REDUCTION IN TAX FOR SALARIED TAX PAYERS:** (Clause 1 (2) Part-III of 2nd Schedule)
The tax payable by a full time teacher or a researcher, employed in a non-profit education or research institution including Government Training & Research Institution duly recognized by a Board of Education or a University or the Higher Education Commission, shall be reduced by 75% of the tax payable on income from salary.

☒ **VALUATION OF PERQUISITES, ALLOWANCES & BENEFITS:**
The value of allowances, perquisites and benefits shall be determined in accordance with Rules 4 to 7 and Entertainment Expenditure as per Rule 10 of the Income Tax Rules, 2002.

☒ **FLYING ALLOWANCE AS A SEPARATE BLOCK OF INCOME:**
(Clause 1 (a)(b) Part-III of 2nd Schedule)
Flying Allowance of Pilots, Flight Engineers, Navigators of Pakistan Armed Forces & Airlines, CAA, Commissioned Officers & sub-marine Allowance to Pakistan Navy shall be taxed at 2.5% as a separate block. Provided under this clause reduction of allowance does not exceed an amount equal to basic salary.

☒ **MINIMUM TAX (SECTION 113):**
Rate on Turnover is 0.5% for tax year 2013. Every Individual and AOP having turnover of 50 million or above and every Resident Company shall pay minimum Tax @ 1% for the tax year 2014.

☒ **RATES FOR INCOME TAX FOR COMPANIES:**

Tax Year	Banking Company	Public Company other than Banking Company	Private Company other than a Banking Company	Small Company
2013	35%	35%	35%	25%

☒ **DATES OF FILING OF RETURNS:**

(i) If Tax Year ends;
From 1st January to 30th June:
For Company Case 31st December
For Salary cases: 31st August
For other cases: 30th September
(ii) For all other cases: 30th September

☒ **DATES OF FILING RETURNS ELECTRONICALLY:**
For e-portal returns due date is 31st August.
Following persons are required to e-file the income tax returns & statements.

1. *Returns of persons registered for sales tax.*
2. *Returns of Salaried Persons of income Rs.500000/- or more, along with Wealth Statement & Reconciliation Statement.*
3. *A Statement of deduction of tax by employer.*

RATES OF INCOME TAX FOR INCOME FROM PROPERTY

GROSS INCOME FROM PROPERTY (including furniture, fixture & services)	FOR INDIVIDUALS & AOP:
Up to Rs.150000/-	Nil
Exceeding Rs.150000/- to Rs.400000/-	5% of exceeding 150000/-
Exceeding Rs.400000/- to Rs.1000000/-	Rs.12500/- + 7.5% of exceeding Rs.400000/-
Exceeding Rs.1000000/-	Rs.57500/- + 10% of exceeding Rs.1000000/-
	FOR COMPANY:
Up to Rs.400000/-	5%
Exceeding Rs.400000/- to Rs.1000000/-	Rs.20000/- + 7.5% of exceeding Rs.400000/-
Exceeding Rs.1000000/-	Rs.65000/- + 10% of exceeding Rs.1000000/-

☒ **WEALTH STATEMENT**
Every person being an Individual, filling Income Tax Return or Statement u/s 115(4) falling under final Tax Regime (FTR) shall file Wealth Statement along with Reconciliation Statement for the Tax Year-2013 and onwards.
Every member of an AOP shall file Wealth Statement & Reconciliation Statement with Income Tax Return for the Tax Year 2013 and onwards.

☒ **PENALTY FOR NON-FILING OF RETURN.**
If a person fails to file Income Tax Return within due date shall pay penalty @ 0.1% of Tax Payable for each day of default, maximum 50% of Tax Payable but not less than Rs.20000/- (Even if no Tax is Payable)

☒ **PENALTIES:**

Section182(1A)

Fails to furnish statement required u/s 115, 165 or 165A within due date.	Penalty Rs.2500/- each day of default subject to minimum penalty of Rs.50000/-

Section 182(1AA)

Fails to furnish wealth statement or Reconciliation Statement u/s 114, 115 & 116.	Penalty of Rs.100/- for each day of default

☒ **SECTION 113A- TAX ON RETAILERS-TURN0VER UP TO RS.5 MILLION: (OPTIONAL)**
An individual & AOP may opt for payment of tax as final tax at the rate of 1% of turnover. The retailer shall not be entitled to claim adjustment of withheld tax collected or deducted.

☒ **SECTION 113B-TAX ON RETAILERS-TURN0VER EXCEEDING RS.5 MILLION:**
An individual & AOP may opt for payment of tax as final tax who is subject to special procedure for payment of sales tax. He shall pay at following rates which shall form part of single stage sales tax as per Sales Tax Special Procedure Rules, 2007.

Turnover exceeding Rs.500000/- to Rs.1000000/-	Rs.25000/-+0.5% of turnover exceeding Rs.500000/-
Turnover exceeding Rs.1000000/-	Rs.50000/-+0.75% of exceeding Rs.1000000/-

The retailer shall not be entitled to claim adjustment of withheld tax collected or deducted.

☒ **APPEAL FEE:**

Note: An appeal to C.I.R. (Appeal) shall be entertained only when the amount of admitted tax liability due u/s 137(I) stands paid.

Appeal to:	Limitation	Fee
Commissioner Inland Revenue (Appeals)	30 days	Rs.1,000/-
Appellate Tribunal Inland Revenue	60 days	Rs.2,000/-
Reference to High Court	90 days	Rs.100/-

INCOME TAX ORDINANCE, 2001 (IMPORTANT PROVISIONS SIMPLIFIED)

1- SECTION 2(59A)-SMALL COMPANY:

A company registered on or after 01.07.2005 having paid up capital plus undistributed reserves not exceeding Rs.25 million, employees not exceeding 250 and annual turnover up to 250 million.

2- SECTION 15-INCOME FROM PROPERTY.

Income from property is now taxable as part of total income at normal rates. The rent received or receivable other than the exempt rent is subject to withholding tax. However, if a tax payer is an Individual or A.O.P. and he earns rent up to Rs.150,000/- and enjoys no other source of income, the rent will not be charged to tax. Tax deducted is adjustable from the tax year-2011 onwards. Prescribed person u/s 155 shall deduct Tax on payment of rent.

Section.15A. Deduction in computing income chargeable under the head "Income from Property".

(1) In computing the income of a person chargeable to tax under the head "Income from Property" for a tax year, a deduction shall be allowed for the following expenditures or allowances, namely:-

(a) In respect of repairs to a building, an allowance equal to one-fifth of the rent chargeable to tax in respect of the building for the year, computed before any deduction allowed under this section;
(b) Any premium paid or payable by the person in the year to insure the building.
(c) Any local rate, tax, charge or cess in respect of the property or the rent from the property paid or payable by the person to any local authority or government in the year.
(d) Any ground rent paid or payable by the person in the year in respect of the property.
(e) Any profit paid or payable by the person in the year on any money borrowed including by way of mortgage, to acquire, construct, renovate, extend or reconstruct the property.
(f) Where the property has been acquired, constructed, renovated, extended, or reconstructed by the person with capital contributed by the HBFC or a Scheduled Bank under a scheme of investment in property on the basis of sharing the rent made by the Corporation or bank, the share in rent paid or payable.
(g) Where the property is subject to mortgage or other capital charge, the amount of profit or interest paid.
(h) Any expenditure (not exceeding six percent of the rent chargeable to tax in respect of the property for the year computed before any deduction allowed under this section) paid or payable by the person in the year for the purpose of collecting the rent due in respect of the property.
(i) Any expenditure paid or payable by the person in the tax year for legal services acquired to defend the person's t itle to the property or any suit connected with the property in a court.

3- SECTION 21(I)- DEDUCTION /EXPENDITURE:

Any expenditure paid or payable under any single head account & Trading /Manufacturing Account or Profit & Loss Account exceeding Rs.50,000/- otherwise than through a Crossed Cheque or Crossed Bank Draft shall not be allowed except expenditures not exceeding Rs.10000/- or expenditure on account of Freight Charges, Travel Fare, Postage, Utilities, Payment of Taxes, Duties, Fee, Fines or any other Statutory Obligation.

4- SECTION 21(m) –DEDUCTION /EXPENDITURE:

Any salary paid or payable exceeding Rs.15,000/- per month other than by a Crossed Cheque or direct transfer of funds to the Employees Bank Account shall not be allowed expenditure.

5- SECTION 37 CAPITAL GAIN

Capital Gain arising on the disposal of immovable property, held for a period up to two years, by a person in a tax year, shall be chargeable to tax in that year under the head Capital Gains at the following rates;-

Where holding period of immovable property is up to one year 10%
Where holding period of immovable property is more than one year but not more than two years 5%

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6- SECTION 37A CAPITAL GAIN SALE OF SECURITIES:

The capital gain arising on or after 01-07-2010 arising from disposal of securities held for a period of less than a year (other than a gain exempt from tax) shall be chargeable to tax at the prescribed rates as a separate block of income. Further gain shall be computed by the difference of A-B, where A is the consideration received on disposal of security and B is the cost of acquisition of security. Rates of tax to be paid u/s 37A shall be as following:-

Sr. No	Period	Tax Year	Rate of Tax	Sr. No	Period	Tax Year	Rate of Tax
1.	Where holding period of security is less than six months.	2011, 2012, 2013 & 2014 2015	10% 17.5%	2.	Where holding period of a security is more than six months but less than twelve months.	2011 2012 2013 2014 2015 2016	7.5% 8% 8% 8% 9.5% 10%
3.	Where holding period of a security is twelve months or more	--	0%				

Provided that a mutual fund or a collective investment scheme shall deduct Capital Gains Tax at the specified rates above, on redemption of securities.

7- SECTION 62-INVESTMENT IN SHARES AND INSURANCE:

A person other than a company is entitled to a tax credit up to maximum cost of acquiring the new shares offered by a listed public company at 20% of the taxable income or Rs.10,00,000/- whichever is less.

8- SECTION 65-D TAX CREDIT FOR NEWLY ESTABLISHED INDUSTRIAL UNDERTAKINGS:

A Tax credit equal to 100% of the tax payable including on account of minimum tax and final taxes payable under the ordinance the taxable income arising from new industrial undertakings and corporate dairy farming set up by a company in Pakistan for a period of five years from the date of setting up or commencement of commercial productions (whichever is later) shall be admissible subject to following conditions.

The company is incorporated and industrial undertaking is set up between 1-07-2011 to 30-06-2016.

Industrial Undertaking is managed by a company formed under the Companies Ordinance 1984, and having its registered office in Pakistan. The Industrial undertaking is not established by splitting up of an undertaking already in existence or transfer of any of its machinery or plant established any time before 01-07-2011.

The industrial undertaking is set up with 100% equity owned by the Company raised through issuance of new shares for cash consideration. Provided that short term loans from banks and financial institutions for working capital shall not disqualify for tax credit. If the tax credit has illegally been availed, it shall be recovered as per law.

9- SECTION 65-E TAX CREDIT FOR EQUITY INVESTMENT FOR BMR IN INDUSTRIAL UNDERTAKINGS:

If a company setup before 01-07-2011 invests with 100% new equity raised through new shares in the purchase and installation of plant and machinery for an industrial undertaking including corporate dairy farming for the purpose of expansion of plant and machinery already installed or undertaking a new project, a tax credit against the tax payable for five years beginning from the date of setting up or commencement of commercial production from the new plant or expansion project whichever is later, shall

be admissible subject to following conditions. Minimum tax paid in excess of actual tax paid can be carried forward by all In100% tax credit will be admissible if separate accounts for expansion projects and new projects are maintained. In other cases the credit shall be on the same proportion which exists between the new equity and total equity. Tax credit shall be admissible if the plant and machinery is purchased and installed between 01-07-2011 to 30-06-2016. The amount of tax credit admissible shall be deducted from the tax payable of the tax year in which the plant or machinery is purchased and installed and for the subsequent four years.

10- SECTION 81 & 82- RESIDENT AND NON-RESIDENT PERSONS:

An individual shall be a resident, who is present in Pakistan for a period of 183 days or more in aggregate in the relevant Tax Year, otherwise he shall be non-resident.

11- SECTION 111-UNEXPLAINED INCOME OR ASSETS:

Where any amount is credited in books of accounts, any investment or ownership of money of valuable articles or any expenditure is claimed or any person has concealed income, furnished inaccurate particulars of income, suppressed any production, sales or any item of receipt but the person offers no explanation regarding source thereof for them, the Commissioner may include such unexplained amount under the head income from other sources in the relevant Tax Year. This does not apply to any amount of foreign exchange remitted from outside Pakistan through normal Banking Channel and en-cashed into rupees by a schedule bank. Source of agricultural Income shall be accepted as per proof of paid Provincial Agriculture Income tax.

12- SECTION 113- MINIMUM TAX OF INDIVIDUAL, A.O.P & RESIDENT COMPANY (TAX YEAR - 2014):

An Individual having turnover 50 Million Rupees or more in Tax Year 2009 onward and an AOP having turnover 50 Million or above in Tax Year 2007 onwards and a Resident Company are liable to pay minimum tax @ 1%, if no tax is payable due to any reason or tax paid is less than 1% of the turnover. Minimum tax paid in excess of actual tax payable can be carried forward by all individuals, AOP & Companies.

13- SECTION 113A- MINIMUM TAX ON BUILDERS:

Subject to this Ordinance, where a person derives income from the business of construction and sale of residential, commercial or other buildings, he shall pay minimum tax at the rates as the Federal Government may notify in the official Gazette. The Federal Government may also specify the mode, manner and time of payment of such amount of tax.

The prescribed rate of tax under this section is Rs.25/- per sq.ft. The tax paid under this section shall be minimum tax on the income of the builder from the sale of such residential, commercial or other building.

14- SECTION 113B- MINIMUM TAX ON LAND DEVELOPERS:

Subject to this Ordinance, where a person derives income from the business of development and sale of residential, commercial or other plots, he shall pay minimum tax at the rates as the Federal Government may notify in the official Gazette. The Federal Government may also specify the mode, manner and time of payment of such amount of tax. The prescribed tax rate under this section is Rs.50/- per sq.yd. The tax paid under this section shall be minimum tax on the income of the developer from the sale of such residential, commercial or other plots sold or booked.

15- SECTION 114- RETURN OF INCOME

Following persons are required to furnish a return of income: (i) Every Company and AOP (ii) Every Business Individual whose income exceeds Rs.300000/- but does not exceed Rs.400000/-. (iii) Every non-profit organization. (iv) Every Welfare Institution (v) Every person who has been charged to tax of any of the two preceding Tax Years (vi) Any person claiming carry forward of a loss for a Tax Year. (vii) Every person owing immovable property of 250 sq. yards or more (viii) Every person owing any flat located in the Municipal Limits etc. (ix) Every person owing immovable property of 500 sq. yards or more located in a rating area. (x) Every person owing any flat of covered area 2000 sq. ft or more located in a rating area. (xi) Every person owing a Motor Vehicle of Engine Capacity above 1000 CC. (xii) Every person who has obtained National Tax Number. (xiii) A taxpayer whose annual bill of industrial and commercial electricity is Rs.500000/- and above. (xiv) Is registered with any chamber of commerce and industry or any trade or business association or any market committee or any professional body including Pakistan Engineering Council, Pakistan Medical and Dental Council, Pakistan Bar Council or any Provincial Bar Council, Institute of Chartered Accountants of Pakistan or Institute of Cost & Management Accountants of Pakistan.

16- SECTION 114(6)- REVISION OF RETURNS

Any person can file revised return of income, having discovered any omission or wrong statement subject to following conditions: (a) A revised return should be accompanied by revised accounts /revised audited accounts. (b) It is accompanied by approval of the Commissioner in writing. (c) Income should not be less than or loss should not be more than assessed u/s 121, 122, 122A, 122C, 129, 132, 133 and 221. If conditions are not fulfilled, the return will be invalid.

17- SECTION 115(4-A) REVISION OF A STATEMENT OF FINAL TAX

Any person can revise his statement of final tax without prejudice to any other liability, within 5 years from the end of the Financial Year in which the original statement was filed.

18- SECTION 116-WEALTH STATEMENT:

A Resident Individual Tax Payer, every member of AOP and the person filing statement of final tax u/s 115(4) shall furnish Wealth Statement & reconciliation of wealth along with return or statement of final tax w.e.f. Tax Year 2013 onwards.

19- SECTION 120-ASSESSMENT-(UNIVERSAL SELF ASSESSMENT SCHEME)

Assessment shall be deemed to have been made if a return is furnished complete in all respects as per requirements of Sec-114 & Rule 34 pertaining to the accounting statements documents and a declaration of records kept by the taxpayers. However if the return is incomplete, the Commissioner shall issue a notice requiring the taxpayer to make up the deficiencies within given time. No such notice shall be issued after the end of the Financial Year and further 180 days, the assessment shall be deemed to have been completed. However the Commissioner may conduct Audit of Income Tax affairs of a person.

20- SECTION 122-AMENDMENT OF ASSESSMENTS:

The Commissioner may amend an Assessment Order within five years from the end of the Financial Year in which the Commissioner has issued or treated to have issued Assessment Order. He may further amend the amended Assessment Order within one year from the end of the Financial Year in which the Commissioner issued or is treated as having issued the amended Assessment Order. The amendment is to be made on the basis of definite information if any income has escaped assessment, has been under assessed or assessed at too low a rate, or is the case of excessive relief or refund. Further, the Commissioner may amend, or further amend, an Assessment Order, if he considers the Assessment Order is erroneous and prejudicial to the interest of revenue. The Powers u/s 122 (5A) shall not be delegated to a Taxation Officer below the rank of Additional Commissioner of Income Tax.

21- SECTION 133 - REFERENCE TO HIGH COURT:

An aggrieved person or the Commissioner may refer a question of law to the High Court arising out of the order of Appellate Tribunal Inland Revenue within 90 days of the communication of the order.

22- SECTION 134 A - ALTERNATIVE DISPUTE RESOLUTION:

An aggrieved person for any matter, except prosecution proceedings or where a question of law having effect on identical other cases, pending before an appellate authority, may apply to FBR for resolution of hardship or dispute.

23- SECTION 147- ADVANCE TAX:

A Taxpayer, being an individual and deriving income from business or profession where last assessed taxable income is Rs.500,000/- or above shall pay Advance Tax in four quarterly installments as per formula and on specified dates. However, a

Company & AOP, even in absence of its last assessed income, shall be liable to pay advance tax on the basis of its quarterly turnover according to the following formula. This section does not apply where tax deducted is final tax and salary income also. The formula to calculate advance tax for each quarter is: (A x B /C) - D.

A- Stands for Tax Payer's Turnover for the Quarter B- Stands for Tax assessed for the latest Tax Year. C- Stands for Tax Payer's Turnover for the latest Tax year

D- Stands for the Tax Paid in the Quarter for which Tax Credit is allowable u/s 168.

Tax Liability u/s 113 shall also be taken into account while working out the Advance Tax Liability

FINAL DATES FOR PAYMENT OF ADVANCE TAX PAYABLE BY INDIVIDUALS			
September Quarter	15th September	December Quarter	15th December
March Quarter	15th March	June Quarter	15th June
FINAL DATES FOR PAYMENT OF ADVANCE TAX PAYABLE BY AOP OR A COMPANY			
September Quarter	25th September	December Quarter	25th December
March Quarter	25th March	June Quarter	15th June

24- SECTION 153 (5)(e)-PAYMENT OF WITHHOLDING TAX BY GINNERS:

Withholding agents shall not deduct withholding tax from payments to the Ginners, if the Ginners deposits due tax in the Govt. Treasury and furnishes evidence to the withholding agent.

25- SECTION 153 (7)-INDIVIDUAL, COMPANY, A.O.P & NGO TO ACT AS WITHHOLDING TAX AGENT:

As per amendment, the definition of prescribed person u/s 153 (9) has been extended. Now an Individual having turnover Rs.50 Million or above in tax year 2009 onwards shall act as withholding agent whereas, an A.O.P. having turnover Rs.50 Million or above is legally bound to act as withholding agent and would be required to deduct tax on payments of sales, services and execution of contracts. Further, persons registered under Sales Tax shall also be withholding agents.

26- SECTION 165A-FURNISHING OF INFORMATION BY BANKS:

Notwithstanding anything contained in any law for the time being in force including but not limited to the Banking Companies Ordinance, 1962, the Protection of Economic Reforms Act, 1992, the foreign Exchange Regulation Act, 1947 and the regulations made under the State Bank of Pakistan Act, 1956, if any, on the subject, every banking company shall make arrangements to provide information regarding bank accounts etc. to the Board in the prescribed form and manner.

27-SECTION 171- ADDITIONAL PAYMENT FOR DELAYED REFUNDS:

Where a refund due to a Taxpayer is not paid within 3 months of the date on which it becomes due, the Commissioner shall pay to the taxpayer compensation @ 15% p.a. for a period from the end of the 3rd month to the date of payment. However, this provision shall not apply till the investigation regarding admissibility of refund claim is not concluded. The refund becomes due from the date of refund order is made u/s 170(4) and not date of assessment deemed u/s 120.

28- SECTION 174 RECORDS:

A taxpayer shall maintain prescribed accounts, documents and records for 6 years after the end of the Tax Year to which they relate. Further a tax payer shall maintain records also till final decision of the proceedings pending before any assessing or appellate authority, etc. Besides the Commissioner may also require any person to install and use an electronic tax register.

29- SECTION 177-AUDIT:

The Commissioner may call for record of any person for audit. Subsequent to the audit, he may, after taxpayer's explanation, amend the assessment u/s 122. Further, audit may be got conducted by a firm of Chartered Accountants appointed by FBR.

30- SECTION 181- TAXPAYER'S REGISTRAT ION:-

Besides issuing National Tax Number the Board may, in case of individual, allow use of CNIC number.

31- SECTION 181C-DISPLAYING OF NATIONAL TAX NUMBER:-

Every person deriving income from business chargeable to tax, who has been issued a NTN shall display his NTN at a conspicuous place at every place of his business. In case of violation he shall be liable for a plenty of Rs.5000/-

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32- SECTION 214-C-SELECTION FOR AUDIT BY THE BOARD:

Board may select person or classes of persons for Audit through computer ballot at random or parametrically and shall keep parameters confidential.

33- SECTION 235-WITHHOLDING TAX ON ELECTRICITY BILLS IS MINIMUM TAX:

Tax collected along with electricity bills up to Rs.30,000/- p.m. is not refundable and shall be treated as minimum tax on the income of an individuals and AOP w.e.f. Tax Year 2010. However, tax collected along with electricity bills of amount above Rs.30,000/- per month will be adjustable and refundable. In company cases, tax collected under this section is adjustable.

34- SECTION 236D-ADVANCE TAX ON FUNCTIONS AND GATHERINGS:

Every prescribed person shall collect advance tax at the rate specified on the total amount of the bill from a person arranging or holding a function in a marriage hall, marquee, hotel, restaurant, commercial lawn, club, a community place or any other place used for such purpose. The advance tax collected shall be adjustable.

35- SECTION 236E-ADVANCE TAX ON FOREIGN-PRODUCED TV PLAYS AND SERIALS:

Any licensing authority certifying any foreign TV drama serial or a play dubbed in Urdu or any other regional language, for screening and viewing on any landing rights channel, shall collect advance tax at the rates specified. The advance tax collected shall be adjustable.

36- SECTION 236F-ADVANCE TAX ON CABLE OPERATORS & OTHER ELECTRONIC MEDIA:

Pakistan Electronic Media Regulatory Authority, at the time of issuance of licence for distribution services or renewal of the licence to a licencee, shall collect advance tax at the rates specified. The tax collected shall be adjustable.

37- SECTION 236G-ADVANCE TAX ON SALES TO DISTRIBUTORS, DEALERS & WHOLESALERS:

Every manufacturer or commercial importer of electronics, sugar, cement, iron and steel products, fertilizer, motorcycles, pesticides, cigarettes, glass, textile, beverages, paint or foam sector, at the time of sale to distributors, dealers and wholesalers, shall collect advance tax at the rate specified, from the aforesaid person to whom such sales have been made. Credit for the tax collected shall be allowed in computing the tax due by the distributor, dealer or wholesaler on the taxable income for the tax year in which the tax was collected.

38- SECTION 236H-ADVANCE TAX ON SALES TO RETAILERS:

Every manufacturer, distributor, dealer, wholesaler or commercial importer of electronics, sugar, cement, iron and steel products, fertilizer, motorcycles, pesticides, cigarettes, glass, textile, beverages, paint or foam sector, at the time of sale to retailers, shall collect advance tax at the rate specified, from the aforesaid person to whom such sales have been made.

Credit for the tax collected shall be allowed in computing the tax due by the retailer on the taxable income for the tax year in which the tax was collected.

39- SECTION 236I-COLLECTION OF ADVANCE TAX BY EDUCATIONAL INSTITUTIONS:

There shall be collected advance tax at the rate specified on the amount of fee paid to an educational institution. The person preparing fee voucher or challan shall charge advance tax in the manner the fee is charged. Advance tax under this section shall not be collected from a person where annual fee does not exceed two hundred thousand rupees. Tax collected under this section shall be adjustable against the tax liability of either of the parents or guardian making payment of the fee.

40- SECTION 236J-ADVANCE TAX ON DEALERS, COMMISSION AGENTS AND ARHATIS etc.:

Every market committee shall collect advance tax from dealers, commission agents or arhatis, etc. at the rates specified at the time of issuance or renewal of licences. The advance tax collected shall be adjustable.

RATES OF INCOME TAX FOR BUSINESS INDIVIDUALS & A.O.P. FOR TAX YEAR–2014

S. No.	TAXABLE INCOME	RATE
1	Taxable income does not exceed Rs.400000/-	0 %
2	Taxable income exceeds Rs.400000/- to Rs.750000/-	10 % of amount exceeding Rs. 400000/-
3	Taxable income exceeds Rs.750000/- to Rs.1500000/-	Rs.35000/- + 15 % of exceeding Rs.750000/-
4	Taxable income exceeds Rs.1500000/- to Rs.2500000/-	Rs.147500/- + 20 % of exceeding Rs.1500000/-
5	Taxable income exceeds Rs.2500000/- to Rs.4000000/-	Rs.347500/- + 25 % of exceeding Rs.2500000/-
6	Taxable income exceeds Rs.4000000/- to Rs.6000000/-	Rs.722500/- + 30 % of exceeding Rs.4000000/-
7	Taxable income exceeds Rs.6000000/-	Rs.1322500/- + 35 % of exceeding Rs.6000000/-

RATES OF INCOME TAX FOR SALARIED INDIVIDUALS FOR TAX YEAR–2014

Sr. No	TAXABLE INCOME	RATE
1	Taxable income does not exceed Rs.400000/-	0 %
2	Exceeding Rs.400000/- to Rs.750000/-	5% of amount exceeding Rs. 400000/-
3	Exceeding Rs.750000/- to Rs.1400000/-	Rs.17500/- + 10% of amount exceeding Rs.750000/-
4	Exceeding Rs.1400000/- to Rs.1500000/-	Rs.82500/- + 12.5% of amount exceeding Rs.1400000/-
5	Exceeding Rs.1500000/- to Rs.1800000/-	Rs.95000/- + 15% of amount exceeding Rs.1500000/-
6	Exceeding Rs.1800000/- to Rs.2500000/-	Rs.140000/- + 17.5% of amount exceeding Rs.1800000/-
7	Exceeding Rs.2500000/- to Rs.3000000/-	Rs.262500/- + 20% of amount exceeding Rs.2500000/-
8	Exceeding Rs.3000000/- to Rs.3500000/-	Rs.362500/- + 22.5% of amount exceeding Rs.3000000/-
9	Exceeding Rs.3500000/- to Rs.4000000/-	Rs.475000/- + 25% of amount exceeding Rs.3500000/-
10	Exceeding Rs.4000000/- to Rs.7000000/-	Rs.600000/- + 27.5% of amount exceeding Rs.4000000/-
11	Exceeding Rs.7000000/-	Rs.1425000/- + 30% of amount exceeding Rs.7000000/-

INCOME SUPPORT LEVY ACT, 2013 (Important Provisions Simplified)

This Act has been promulgated vide Finance Act, 2013 to levy **0.5%** tax on net moveable wealth of individuals.

In this Act:- a) "**Levy**" means the Income Support Levy leviable or payable under this Act;

b) "**net moveable wealth**" means the amount by which the aggregate value of the moveable assets belonging to a person as declared in the wealth statement for the relevant tax year, is in excess of the aggregate value of all the liabilities owed by that person on the closing date of the tax year.

Explanation.-for the purpose of this clause,- i) Where liability claimed relates wholly and exclusively to an immovable asset, it shall not be claimed and allowed while computing the net moveable wealth. However, where the liability claimed relates wholly and exclusively to a moveable asset, it shall be claimed and allowed as a straight deduction while computing net moveable wealth; and

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ii) where the gross wealth of a person, declared in the wealth statement, includes both moveable and immoveable assets and the nature of assets to which the liability relates is not determinable, the liability to be allowed while determining the net moveable wealth shall be calculated by the following formula;

(A / B) x C. **A** is the gross value of moveable assets; **B** is the gross value of both moveable or immoveable assets; **C** is the value of the debts owed

"**Ordinance**" means the Income Tax Ordinance, 2001. "**person**" means an individual;

Time & manner of levy payment. A person who is liable to pay the Levy under this Act shall pay the Levy along with wealth statement.

Assessment of levy. The officer inland revenue shall by an order in writing determine the levy payable. The sum shall be payable within time specified in the notice along with assessment order served upon person.

Default surcharge. Without prejudice to any liability under any other law for the time being in force, where a person fails to pay Levy or the levy so paid is less than the amount payable, he shall be liable to pay default surcharge at the rate of sixteen per cent per annum on the amount not paid or short paid, calculated from date it was payable to the date it is paid.

Appeals, revisions and rectification. The provisions of the Ordinance shall, apply to an appeal against, or revision or rectification or, an order under this Act as they apply to an appeal, revision or rectification under the Ordinance.

Rate of Levy. The levy payable under this Act shall be **0.5%** of net moveable wealth exceeding one million rupees.

WORKERS WELFARE FUND ORDINANCE, 1971 (Important Provisions Simplified)

W.W.F. shall be charged @ 2% in the cases of industrial establishments where declared total income u/s 114 of Income Tax Ordinance, 2001 is Rs.500,000/- or more.

Total Income means profit before taxation as per accounts or declared income whichever is higher. In case of filing of statement u/s 115(4) of Income Tax Ordinance, 2001, profit before taxation as per accounts or 4% of declared receipts, whichever is higher is to be taken for W.W.F.

An Industrial Establishment aggrieved of the Order of the Commissioner Inland Revenue /Taxation Officer Inland Revenue may file an Appeal to Commissioner Inland Revenue (Appeals) under the provisions of Income Tax Ordinance, 2001. In case of non-payment of W.W.F. Additional Amount (Default Surcharge) shall be charged as per provisions of Income Tax Ordinance, 2001 from the date on which it was originally payable.

Industrial Establishment means a manufacturing concern, mining, public transport, passenger & goods vessels, growing of tea, coffee etc., but does not include any Government concern.

SALES TAX ACT, 1990 (Important Provisions Simplified)

1- SECTION 2(5AB)-COTTAGE INDUSTRY:

"Cottage Industry means a manufacturer whose annual turnover from taxable supplie s in any tax period during the last twelve months does not exceed Rs.5 Million or whose annual utilities bills (electricity, gas & telephone) during the last twelve months ending on any tax period not exceed Rs. 700,000/". Cottage Industry is exempt from Sales Tax.

2- SECTION 5AC.CREST:
"CREST" means the computerized program for analyzing and cross -matching of sales tax returns, also referred to as Computerized Risk-based Evaluation of Sales Tax.

3- SECTION 33A.SUPPLY CHAIN:
Supply Chain means the series of Transactions between buyers and sellers from the stage of first purchase or import to the stage of final supply.

4- SECTION 2(46)-VALUE OF SUPPLY:
"The value of supply" means in respect of a taxable supply, the consideration in money including all Federal and Provinci al Duties and Taxes but excluding the amount of Sales Tax.

5- SECTION 3.SCOPE OF TAX:
Subject to the provisions of this Act, there shall be charged , levied and paid a Tax, known as Sales Tax @ 17% of the value of taxable supplies and goods imported into Pakistan. On Gas supplied to CNG stations further Sales Tax @ 9% shall be charged. This amendment is effective from 1st July, 2007.

6- SECTION 3(1A).FURTHER TAX:
Where taxable supplies are made to a non-registered person there shall be charged, levied and paid a further Tax at the rate of 1% of the value in addition to 17% of normal rate. Government may notify exempt items from further tax.

7- SECTION 7-DETERMINATION OF TAX LIABILITY:
For determination of tax liability of taxable supplies during a tax period, a registered person may deduct input tax paid or payable during the tax period and input tax not deducted can be claimed in the return for any of the succeeding 6 tax periods.

8- SECTION 8 -TAX CREDIT:
A registered person dealing in taxable and non-taxable supplies can reclaim only such proportion of the input tax as is attributable to taxable supplies as per APPORTIONMENT OF INPUT TAX RULES. No credit allowed if discrepancy is indicated by CREST or input tax not verifiable in supply chain.

9- SECTION 11 –ASSESSMENT OF TAX:
An officer of Inland Revenue after a Show Cause Notice within 120 days shall make an order for Assessment of Tax including penal ty and default surcharge where a person fails to file a tax return or pay tax payable for a tax period, or the person has made short payment or claimed an inadmissible adjustment or refund. However, the Show Cause Notice can be given within 5 years.

10- SECTION 11-A- SHORT PAID AMOUNTS RECOVERABLE WITHOUT NOTICE:
The short paid amount of tax shall be recovered by stopping, removal of goods and attachment of business bank account without giving a Show Cause Notice where a registered person pays the amount of tax less than the due tax as indicated in his return. However, penalty along with default surcharge is subject to Show Cause Notice.

11- SECTION 14-REGISTRATION:
The following persons are required to be registered: -
(i) A manufacturer whose annual turnover during the last 12 months exceeds 5.00 million rupees. (ii) A retailer whose value of supplies during the last 12 months exceeds 5.00 million rupees (iii) An Importer (iv) Wholesaler /Dealer /Distributor.
Procedure for Registration: A person required to be registered, before making taxable supplies, shall apply to the CRO electronically, in Form STR-1. The applicant will specify the concerned RTO.
(ii) CRO may cause further inquiry from the applicant through LRO.
(iii) A person applying for registration as manufacturer shall be registered after verification through LRO.
(iv) The required documents specified by CRO may be submitted direct to CRO or Concerned LRO/RTO. The required documents may be such as signed TRF-1, copy CNIC, Bank Statement or Account Maintaining Certificate, copy Utility Bills, copy NTN Certificate, Business Letter Head, Property ownership proof or lease deed and in case of Firm copy partnership deed & Form-C and in case of a Company Memorandum & Articles of Association and incorporation certificates etc.

12- SECTION 21-DE-REGISTRATION; BLACK LISTING & SUSPENSION OF REGISTRATION:
The Board or any Officer authorized may de-register a registered person or class of registered persons not required to be registered under the Act. Further, registration may be cancelled due to failure in filing six consecutive monthly returns. Where the Commissioner is satisfied that a registered person is found to have issued fake invoices or has committed tax fraud, he may black list or suspend his registration after giving an opportunity of defense. During the period of suspension of registration, the invoices issued by such person shall not be entertained for the purposes of sales tax refund or input credit.

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13- SECTION 22- RECORDS:
Briefly a registered person is required to maintain the following records:
(a) Records of supplies including description of goods, quantity of goods, value of goods, name & address of the purchaser and amount of tax charged;
(b) Records of purchases indicating description of goods, quantity of goods, value of goods, name & address of the supplier and amount of tax charged;
(c) Records of goods imported indicating description, quantity and value of goods and amount of tax paid;
(d) Records of zero rated and exempt supplies.
(da) Double entry sales tax accounts;
(e) Invoices, credit notes, debit notes, bank statements, banking instruments in terms of Section 3, inventory records, utility bills, salary & labor bills, rental agreements, sale purchase agreements and lease agreements.
(ea) Record relating to gate passes, inward or outward, and transport receipts.

14- SECTION 23-TAX INVOICES:
(1) A registered person making a taxable supply shall issue a serially numbered tax invoice at the time of supply of goods containing the following particulars, namely;
(a) Name, address & registration number of the supplier; (b) name, address & registration number of the recipient;
(c) Date of issue of invoice; (d) description and quantity of goods; (e) Value exclusive of tax; (f) amount of sales tax; and (g) Value inclusive of tax
Provided that the Board may by notification in the official Gazette, specify such modified invoices for different persons or classes of persons: Provided further that not more than one tax invoice shall be issued for a taxable supply.
(2) No person other than a registered person shall issue an invoice under this section.
(3) A registered person may issue electronically invoices to another registered person and to the Board and also to the Commissioner as may be specified.

15- SECTION 24 –RETENTION OF RECORDS AND DOCUMENTS FOR SIX YEARS:
A person, who is required to maintain any record or documents under this Act, shall retain the record and documents for period of Six Years after the end of the tax period to which such record or documents relate, or till final decision of litigation.

16- SECTION 25 –ACCESS TO RECORDS, DOCUMENTS & AUDIT ETC:
An officer of Inland Revenue shall have access to record and may once in a year, conduct audit.

17- SECTION 26 –RETURNS:
Every registered person shall furnish a Sales Tax Return electronically. However, the Board may require a person or class of persons to submit Sales Tax Returns on quarterly or annual basis in addition to the monthly return or the quarterly return. However, a revised return may be filed within 120 days with approval of Commissioner of Inland Revenue.

18- SECTION 33 - PENALTIES: This section inter alia stipulates the following offenses and penalties:

Non filing of return	Rs.5000/-
Non filing of return within 15 days	Rs.100/- per day
Non issuance of Invoice	Rs.5000/- or 3% of tax involved whichever is higher
Unauthorized issuance of Invoices	Rs.10000/- or 5% of tax involved whichever is higher
Non payment of Tax within time	Rs.10000/- or 5% of tax involved whichever is higher
Repeating erroneous calculation in the return	Rs.5000/- or 3% of tax involved whichever is higher
Failure to apply for Registration	Rs.10000/- or 5% of tax involved whichever is higher
Non maintenance of record	Rs.10000/- or 5% of tax involved whichever is higher
Non compliance of notice u/s 25 for production of record	Rs.5000/- to Rs.50000/- (on successive notices)
Non providing information to Board	Rs.10000/-
Submission of false or forged documents	Rs.25000/- or 100% of Tax amount, whichever is higher and also criminal proceedings before a special judge.
Note: Total offenses as per table of Section 33 are 21 in number. For details please see Section 33 of the Act.	

19- SECTION 34 – DEFAULT SURCHARGE:

If a registered person fails to pay the tax due or claims a tax credit, refund or makes an adjustment not admissible, he is liable to default surcharge @ KIBOR Plus 3% per annum and in case of tax fraud @ 2% per month for the period of default

20- SECTION 72-B SELECTION FOR AUDIT BY THE BOARD:

Board may select person or classes of persons for Audit through computer ballot at random or parametrically.

21- SECTION 73 – CERTAIN TRANSACTIONS NOT ADMISSIBLE:

Any transaction exceeding Rs.50,000/- otherwise than by a Banking instruments showing transfer of the amount from the specified Bank Account of the buyer to the specified Bank Account (business bank accounts declared to commissioner) of the supplier shall not be admissible for input tax credit, adjustment or deduction, refund, repayment or the dra w back or zero rating etc. Provided that online transfer of payment from the business account of buyer to the business account of supplier as well as payment through credit cards shall be treated as transactions through the banking channel, if these are verified from the bank statements of the respective buyer and supplier. Payment in case of credit transaction shall be transferred within 120 days of issuance of tax invoice.

22- APPEAL FEE:

Appeal	Authority	Limitation	Fee
Against orders passed by any officer of Inland Revenue	Commissioner Inland Revenue (Appeals)	30 days	Rs.1000/-
Against any order passed by the Commissioner (Appeals) and by the Board	Appellate Tribunal Inland Revenue	60 days	Rs.1000/-
Reference to High Court against the order of Appellate Tribunal	High Court	90 days	Rs.100/-

Note: Commissioner Appeals in case of undue hardship to the taxpayer, may stay the recovery of tax for a period not exceeding 30 days in aggregate.

23- NEW ENTRIES IN THIRD SCHEDULE FOR PRINTING RETAIL PRICE INCLUDING SALES TAX:

The following items have been included w.e.f. 13-06-2013 in third schedule for retail prices & sales tax to be printed for retail sales;

Finished or made-up articles of textile and leather, including garments, footwear & bed ware, sold in retail packing. Household electrical goods, including air conditioners, refrigerators, deep freezers, televisions, recorders and players, electric bulbs, tube-lights, fans, electric irons, washing machines and telephone sets.

Household gas appliances including cooking range, ovens, geysers and gas heaters. Foam or spring mattresses and other foam products for household use. Auto parts and accessories sold in retail packing.

Lubricating oils, brake fluid, transmission fluid, and other vehicular fluids and maintenance products in retail packing. Tyres and tubes, storage batteries, arms and ammunition, paints, distempers, enamels, pigments, colors, varnishes, gums, resins, dyes, glazes, thinners, blacks, cellulose lacquers and polishes sold in retail packing. Fertilizers, cement sold in retail packing, tiles sold in retail packing.

Biscuits, confectionary, chocolates, toffees and candies, other goods and products sold in retail packing.

SOME IMPORTANT S.R.O.s IN BRIEF

Vide S.R.O. 213(I)/2013 dated 15-03-2013 Sales Tax shall be charged on supplies of Cotton Seed Oil @ 2%.

Vide S.R.O.648 (I)/2013 dated 09-07-2013, further tax at the rate of **1%** shall not be charged levied or paid on the taxable supplies as following;

1. Electrical energy supplied to domestic and agricultural consumers.
2. Natural gas supplied to domestic consumers.
3. Motor spirit, diesel oil, jet fuel, kerosene oil and fuel oil.
4. Goods sold by retailers to the end consumers.
5. Supply of goods directly to the end consumers including food and beverages, fertilizers and vehicles.
6. Items falling in the Third Schedule to the Sales Tax Act, 1990.

Vide S.R.O. 1125(I)/2011 dated 31-12-2011, certain goods were specified to be charged at zero %, 2% or 5% Sales Tax. Briefly , 127 articles including the finished articles of Textiles & textile made-ups, Carpets (excluding in finished condition), Leather (excluding finished articles), Sports & Surgical (excluding in finished condition) on import by registered manufacturer & supplies as industrial inputs up to whole sale stage shall be charged at zero percent. Finished goods imported by or supplies made shall be charged at 5%. Commercial imports to be used as Industrial inputs shall be charged at 2% along with 1% value addition at import stage. Import of finished goods for general public use shall be charged at 5%. Supplies of finished products to retailers shall be charged at 5%. The registered manufacturers processing goods owned by other persons shall charge at 2% on processing charges. A registered person consuming inputs on payment of Sales Tax shall be entitled to input tax adjustment. Registered manufacturer is entitled input tax paid on machinery, parts, spares, lubricants & is also entitled zero percent to be charged on Electricity and Gas. The benefit is available to persons on active tax payers list (ATL). This notification for textile sector shall apply from ginning onwards. This notification is effective from 01-01-2012.

Vide S.R.O.499(I)/2013 dated 12-06-2013, the import of Hybrid Electric Vehicles (HEVs) have been exempted to the extent below:-

TABLE

S.No.	ENGINE CAPACITY	EXTENT OF EXEMPTION IN LEVIABLE DUTY & TAXES.
1.	Up to 1200 C.C.	100%
2.	From 1201 C.C. to 1800 C.C.	50%
3.	From 1801 C.C. to 2500 C.C.	25%

Vide S.R.O.501(I)/2013 dated 12-06-2013, import & supplies of 33 items have been declared exempt including Cotton Seed (PCT heading 1207.0000), Oil Cake & other solid residues (PCT heading 2306.1000), some stationary items, energy saver lamps, sewing machines, bicycles etc. w.e.f. 13.06.2013.

Vide S.R.O.509(I)/2013 dated 12-06-2013. Unregistered or inactive persons having Industrial or Commercial connection of electric power & natural gas shall be charged extra 5% Sales Tax on monthly bills exceeding Rs.15000/-

COLLECTION / DEDUCTION OF TAX UNDER INCOME TAX ORDINANCE, 2001

WITHHOLDING TAX RATES FOR TAX YEAR 2014 (01-07-2013 to 30-06-2014)

SECTIONS	NATURE OF PAYMENT	RATE	EXEMPTION	ADJUSTABLE / FINAL
148	Import of goods of Industrial undertaking & Import by Companies	5%	Nil	Final, but minimum on edible oil & packing materials & Adjustable for own Industrial use
	Import in case of all other taxpayers	5.5%	Nil	Final
	Import of foreign produced films on value	12%	Nil	Final
149	Salary Income	As per Income Tax Rates	Rs.400000 P.A.	Adjustable
150	Dividends	10%	Nil	Final
151	Yield or profit on debt.	10% after deduction of Zakat	Nil	Final (Other than a Company)
152 Payment to Non residents or P.E. in Pakistan of a Non-Resident	(1) Royalty or Fee for Technical Services	15%	Nil	Final
	(1A) Payment of execution of contracts, construction, Assembly or installation project & advertisement Contracts TV satellite Channels	6%	Nil	Final
	(2) Any other payments to non-residents	20%	Nil	Final
	(2A)Payment to non-resident for sale of goods & rendering services	3.5%	Nil	Final
	(2A)Payment to non-resident for rendering transport services	2%	Nil	Final
	1AA. Payment of insurance or re-insurance premium	5%	Nil	Final
	1AAA. Payment of advertisement services to a media person	10%	Nil	Final
153 Resident	Sale of Rice, Cotton seed or Edible Oil on gross amount	1.5%	Rs.25000/- P.A.	Final
	Sale of any other goods in case of Companies	3.5%	Rs.25000/- P.A.	Final other than manufacturing companies
	Sale of any other goods in case of other Tax Payers	4%	Rs.25000/- P.A.	Final other than manufacturing companies
	Rendering or providing of services in case of Companies	6%	Rs.10000/- P.A.	Minimum Tax
	Rendering or providing of services in case other Tax Payers	7%	Rs.10000/- P.A.	Minimum Tax
	Transport Services	2%	Nil	Final
	Execution of contracts in case of Companies	6%	Rs.10000/- P.A.	Final
	Execution of contracts in case of other Tax Payers	6.5%	Rs.10000/- P.A.	Final
	Cigarette & Pharmaceutical Products Distribution	1%	Nil	Final
153(2)	Services rendered or provided of stitching, dying, printing, embroidery, washing, sizing & weaving to an exporter or Export House	0.5%	Nil	Final
153(1)(a) &(b)	Local Sales, Supplies & Services rendered to Textile & articles thereof, Carpets, leather & articles thereof including artificial leather footwear, Surgical & Sports goods vide clause 45A of Part-IV, 2nd Schedule.	1%	Nil	Final
154	1. Exports	1%	Nil	Final
	2. Indenting Commission Agents.	5%	Rs.10000/-	Final
155	Gross Income from property (including furniture, fixture & services) Up to Rs.150000/- Exceeding Rs.150000/- to Rs.1000000/- Exceeding Rs.1000000/-	**For Individuals & AOP**: Nil 10% of exceeding 150000/- Rs.85000/- + 15%of exceeding Rs.1000000/-	Rs.150000/- P.A. Note: Individual or AOP paying Rent Rs.1500000/- or above shall deduct tax.	Adjustable
	For Company:	15% of Gross Amount of Rent	Nil	Adjustable
156	1. Prize on Prize Bonds or cross-word Puzzle	15%	Nil	Final
	2. Winning from raffle, Lottery, Quiz, and Prize offered by companies for promotion of sales.	20%	Nil	Final
156-A	Commission on Petroleum Products sold to Petrol Pump Operators.	10%	Nil	Final
231-A	Cash withdrawal from a Bank exceeding Rs.50000/- in a day excluding Government and Diplomats.	0.3%	Rs. 50000/- per day	Adjustable
231-AA	On purchase of D.D Pay Order, CDR, STDR, SDR, RTC, etc. On any electronic transfer of money.	0.3%	Rs. 25000/- per day	Adjustable
231-B	New locally manufactured Private Motor Vehicles on Registration	Rs.10000/- to Rs.150000/-	Govt. & Foreign Diplomats	Adjustable
233	Brokerage or commission.	10%	Rs.10000/- P.A.	Final
233-A	1. From Stock Exchange Member on Purchase & Sale of Shares in lieu of the commission earned.	0.01% of purchase /Sale value	Nil	Adjustable
	2. Trading of shares by the members	0.01% of the trade value	Nil	Adjustable
233-AA	On profit or mark-up or interest earned by Providing of any margin financing, margin trading of securities lending in share business collected by NCCPL.	10% of profit or markup or interest earned by the member, margin financer or securities lender	Nil	Adjustable
234	Private Motor Cars (with Token Tax)	Rs.750/- to Rs.8000/- P.A.	After 10 years	Adjustable
	Private Motor Cars (with Token Tax) in lump sum	Rs.7500/- to Rs.80000/- P.A.	Life time Token	Adjustable
234	**Passenger Transport:** a) Four to Nine persons seating capacity	Rs.25/- per seat P.A.	After 10 years use	Adjustable
	b) Ten to nineteen persons seating capacity	Rs.60/- per seat P.A.		
	c) Twenty persons or more seating capacity	Rs.500/- per seat P.A.		
	Goods Transport:	Rs.5/- per Kg of the laden weight	After 10 years use for laden weight less than 8120 kg	Adjustable
234-A	CNG Stations (on gas consumption charges)	4 %	Nil	Final
235(4)	1-Electricity Bills of commercial & industrial consumers up to Rs. 20000/- per month	Rs.80/- to Rs.1500/- p.m.	Up to bill Rs.400/- P.M.	Adjustable for companies. Minimum tax for others up to bills of Rs.30,000/- P.M. & above is adjustable
	2- Electricity Bills of commercial & industrial consumers exceeding Rs. 20000/- per month	10% for Commercial 5% for Industrial	Nil	
236	1. All Telephone Bills exceeding Rs.1000/- p.m.	10% of exceeding bill amount	Rs.1000/-	Adjustable
	2. Mobile Phones & Prepaid Telephone Cards	15% of bill or Sale Price	Nil	
236-A	Gross Auction Sale Price of property, goods (including lease rights)	10%	Nil	Adjustable
236-B	On Gross amount of domestic Air Ticket	5%	Nil	Adjustable
236-C	Advance tax on sale or transfer of immovable property.	0.5% of Consideration received	Nil	Adjustable
236 D	Function in marriage hall, hotel restaurant, club, Commercial Lawn, Community Place etc.	10% of total bill amount	Nil	Adjustable
236 E	Foreign produced T.V. plays & Drama Serials (single episode)	Rs.100000/- per episode	Nil	Adjustable
236 F	Cable T.V. Operators & other Electronic Media licensed by PEMRA	Licence Fee & Renewal Fee as per Div.XIII,Part-IV of First Schedule	Nil	Adjustable
236 G	Sale by every manufacturer or commercial importer to Distributors, Dealers & Wholesalers of electronics, sugar, cement, iron, and steel products, fertilizer, motorcycles, pesticides, cigarettes, glass, textile, beverages, paint or foam sector	0.1% of gross amount of sales	Nil	Adjustable
236 H	Sale to Retailers by every manufacturer, Distributor, Dealer, Wholesaler or commercial importer of electronics, sugar, cement, iron, and steel products, fertilizer, motorcycles, pesticides, cigarettes, glass, textile, beverages, paint or foam sector	0.5% of gross amount of sales	Nil	Adjustable
236 I	By Educational Institutions Fee	5% of Fee paid	Rs.200000/- Annual	Adjustable
236 J	On Dealers, Commission Agents & Arhaties	ClassA Rs.10000/-ClassB Rs. 7500/-ClassC & any other Rs.5000/-	Nil	Adjustable

Special Rates vide SRO 600(I)/91 Dated 02-07-1991(i) supply of Cotton lint, Raw wool & Rice 1 % (Final for Cotton Ginners)
(ii) Payments on account of Modarba Transactions made by a Modarba or an Investment Bank 1 %

NOTES: (a) Withholding Tax u/s 153(1)(a)&(b) shall not be deducted from sales, supplies & Services made by Traders of Yarn to 5 categories of clause 45A, Part-IV of Second Schedule. Such Yarn Traders shall pay minimum tax @ 0.1% on turnover on monthly basis on 30th day of each month and shall e-file monthly statement. (b) The prescribed persons u/s 153(7) making payment in full or part or advance shall deduct/collect tax at prescribed rates. (c) Gross amount payable for sale of goods u/s 153(1) shall include the Sales Tax, if any. (d) In case a withholding agent fails to deduct or collect tax, he shall be liable to pay the tax u/s 161. (e) In case of default /delayed payment, default surcharge u/s 205 will be charged @18% p.a. which is to be exclusively borne by deducting authority and not by tax payer (f) Further for Reduction in withholding tax rates, consult Part-II of 2nd schedule of Income Tax Ordinance, 2001. (g) A withholding agent shall file Monthly and Annual statement of tax deductions as required u/s 165 & Income Tax Rules, 2002. (h) Provisions of Section 233AA shall not apply to any mutual fund specified in clause 57(2) of part-I of Second Schedule.