

TAX CARD FOR THE TAX YEAR 2016

With effect from July 01, 2015

FOR THE SALARIED PERSONS

Taxable Income (Rupees)	Rate of Tax
0 to 400,000	0%
400,001 to 500,000	2%
500,001 to 750,000	Rs.2,000 + 5%
750,001 to 1,400,000	Rs.14,500 + 10%
1,400,001 to 1,500,000	Rs.79,500 + 12.5%
1,500,001 to 1,800,000	Rs.92,000 + 15%
1,800,001 to 2,500,000	Rs.137,000 + 17.5%
2,500,001 to 3,000,000	Rs.259,000 + 20%
3,000,001 to 3,500,000	Rs.359,000 + 22.5%
3,500,001 to 4,000,000	Rs.472,000 + 25%
4,000,001 to 7,000,000	Rs.597,000 + 27.5%
Exceeding 7,000,000	Rs.1,422,000 + 30%

ALLOWANCES AND TAX CREDITS

SECTIONS	PARTICULARS	CONCESSION	MAXIMUM LIMIT
60	Zakat	Straight Income Deduction	N/A
61	Charitable Donation	Straight Income Deduction / Tax Credit	Lower of; Amount of donation or 30% of taxable income in case of individual or AOP

62	Investment in Share and Insurance	Tax Credit	Resident person other than company shall be allowed Lower of; -Total cost of acquiring the shares/insurance premium paid. -20% of taxable income -Rs.1,500,000
63	Approved Pension Fund	Tax Credit	Lower of; -Total contribution or premium paid by individual -20% of taxable income
64 A	Profit on Debt or Share	Straight Income Deduction	Lower of; -50% of taxable income -Rs.1,000,000
First Schedule	Disabled persons & persons having age of 60 or above.	50% reduction in tax liability	If taxable income does not exceeds 1 million rupees.
Second Schedule	Full time teacher or researcher, employed in non-profit education or Research Institution	Reduction of 40% in tax liability	

TAX RATES FOR THE BUSINESS INDIVIDUAL & AOPS	
Taxable Income (Rupees)	Rates of Tax
0 to 400,000	0%
400,001 to 500,000	7%
500,001 to 750,000	Rs.7,000 + 10%
750,001 to 1,500,000	Rs.32,000 + 15%
1,500,001 to 2,500,000	Rs.144,500 + 20%
2,500,001 to 4,000,000	Rs.344,500 + 25%

4,000,001 to 6,000,000	Rs.719,500 + 30%
Exceeding 6,000,000	Rs.1,319,500 + 35%

TAX RATES FOR THE COMPANIES

COMPANY	RATE FOR THE TAX YEAR	
	2015	2016
Banking Company	35%	35%
Public Company (other than a Banking Company)	33%	32%
Private Company (other than a Banking Company)	33%	32%
Small Company having Turnover up to Rs.250 million	25%	25%
Modaraba	25%	25%

WITHHOLDING OF TAX ON PAYMENTS

U/S 148	Advance Tax on import stage		
	Particulars	Filer	Non Filer
	Remittable steel, Fertilizers, Cotton, Gold, LNG, Manufacturer (72.04)	1%	1.5%
	Pulses	2%	3%
	Commercial Importers	3%	4.5%
	Ship Breakers	4.5%	6.5%
	Industrial undertaking	5.5%	8%
	Companies	5.5%	8%
	other cases	6%	9%

U/S 150	DIVIDEND		
	Power Generation	Other than Power Generation (Filer)	Other than Power Generation (Non Filer)
	7.5%	12.5%	17.5%
		Stock Fund	Money Market Fund
	Individual	10%	10%
	AOP	10%	10%
	Company	10%	25%
	> if dividend receipts of stock fund are less than capital gain 15%		

Profit on Debt			
		Filers	Non-filers
U/S 151	Amount does not exceed Rs. 500,000	10%	10%
	Amount exceeds Rs. 500,000	10%	17.50%
Profit on Debt U/S 7 B			
U/S	Amount does not exceed Rs 25 Million	10%	
7 B	Amount exceed Rs. 25 Million not exceeds Rs. 50 Million	2,500,000 + 12.50%	
	Where amount exceeds Rs. 50 Million	5,625,000 + 15%	
Payments to Non Residents			
u/s 152	Royalty or fee for Technical services rendered by non-residents. 152(1)	15%	
	Payment to a non-resident on account of contract (construction, assembly or installation, including supervisory activities) and contract for advertisement 152(1A)	6%	
	Insurance premium and re-insurance premium paid to non-resident person. 152(1AA)	5%	
	Advertisement Services to non- resident media person relying outside Pakistan	10%	
	Sports Person	10%	
	Any other	20%	

Payments to Permanent Establishments of Non - Residents	Company		Others	
	Filer	Non Filer	Filer	Non Filer
Supply/Sale of Goods by PE of Non resident	4%	6%	4.50%	6.50%
Services rendered/provided by PE of Non resident	8%	12%	10%	15%
Execution of Contracts by PE of Non resident	7%	10%	7.50%	10%

Sr. No.	Payments u/s 153			
		2016		Reference
		Filers	Non-Filers	
1	Sale of goods -In case of company -In case of other taxpayers - In case of payments for Cotton seed, rice, edible oil - Sale by Distributors of Pharma, Cigarette and large import House	4% 4.50% 1.5% 1%	6% 6.5% 1.5% 1%	Section 153(1)(a), Part III Division III
2	Rendering of services A) - Transport B) others -In case of company - In case of other taxpayers C) -Advertising payment to Electric & Print Media	2% 8% 10% 1%	2% 12% 15% 12% Company 15% Others	Section 153(1)(b), Part III Division III
3	Execution of contracts -In case of company -In case of other taxpayers -In case of sportspersons	7% 7.5% 10%	10% 10% 10%	Section 153(1)(c), Part III Division III

U/S 154	Exports.	
	Indenting commission. 154(2)	5%
	Sale of goods to an exporter under inland back-to-back LC or any other Arrangement like SPO. 154(3)	1%

TAX ON RENTAL INCOME:	
DEDUCTION AT SOURCE AGAINST U/S 155 (INDIVIDUALS/AOPS)	

Gross Rentals(Rupees)	Rate
0 to 150,000	0%
150,001 to 1,000,000	10%
Exceeding 1,000,000	Rs.185,000 + 15%

DEDUCTION AT SOURCE AGAINST RENT U/S 155 (COMPANIES): 15% of gross amount of rent.
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U/S 156	Prizes and winnings	Rate
	Prize on Prize Bond & cross-word puzzle. 156	15%
	Winnings from a raffle, lottery, prize on winning a quiz, prize offered by a company for promotion of sales	20%

U/S 156 A	Commission on petroleum products	
	Filers	12%
	Non-filers	15%

ADVANCE TAX

Cash withdrawals from banks		
[Section 231A, Division VI Part IV First Schedule & Clause (28B) Part II Second Schedule]	Filer	Non - Filer
Exchange company, duly licensed and authorized by SBP, subject to specified conditions	0.15%	
Other cases, where total withdrawal in a day exceeds Rs. 50,000	0.30%	0.60%

TRANSACTIONS IN BANK – Banking instrument purchased against payment in cash

	Filer	Non - Filer
[Section 231AA & Division VIA Part IV First Schedule]		
Sale against cash of any instrument including demand draft, payment order, CDR, STDR, RTC, OR any other instrument of bearer nature except cross cheque	0.30%	0.60%

BROKERAGE & COMMISSION

[Section 233 & Division II Part IV First Schedule]	Filer	Non - Filer
Advertising agents	10%	15%
Others	12%	15%

DEDUCTION / COLLECTION AT SOURCE (ADJUSTABLE)

Goods transport vehicle.(234)

Goods Transport u/s 234	Filer	Non - Filer
Laden weight of vehicles	2.5 Per Kg	4 Per Kg
Passenger Transport U/S 234		
4 or more seat but less than 10	50 per Seat	100 per seat
10 or more seat but less than 20	100 per Seat	200 per seat
20 or More	300 per Seat	500 per seat

Private Vehicles

Engine Capacity	For filer	for Non filer
Up to 1000cc	800	1,200
1001cc to 1199cc	1,500	4,000
1200cc to 1299cc	1,750	5,000
1300cc to 1499cc	2,500	7,500
1500cc to 1599cc	3,750	12,000
1600cc to 1999cc	4,500	15,000
2000cc and above	10,000	30,000

lump sum tax paid		
Engine Capacity	For filer	for Non filer

Upto 1000cc	10,000	10,000
1001cc to 1199cc	18,000	36,000
1200cc to 1299cc	20,000	40,000
1300cc to 1499cc	30,000	60,000
1500cc to 1599cc	45,000	90,000
1600cc to 1999cc	60,000	120,000
2000cc and above	120,000	240,000

COLLECTION OF TAX BY STOCK EXCHANGES IN LIEU OF TAX ON COMMISSION

[Section 233A & Division IIA Part IV First Schedule]	
On purchase of shares	0.01%
On sale of shares	0.01%

COLLECTION BY TAX BY NCCPL FROM MEMBERS OF STOCK EXCHANGES

[Section 233AA & Division IIB Part IV First Schedule]	
In respect of financing of carryover trade, margin financing, margin trading nor securities lending in shares business	10%

U/S 234-A	CNG Stations	
	CNG Stations (on amount of Gas bill).	4%

DOMESTIC ELECTRICITY CONSUMPTION

[Section 235A & Division XIX Part IV First Schedule]	
Where the monthly bill is Rs. 75,000 and above	7.50%

STEEL MELTERS, RE-ROLLERS ETC.

[Section 235B/ Section 153(1)]	
Electricity consumed for the production of steel billets, ingots and mild steel (MS products) excluding stainless steel by steel melters, steel re-rollers, composite steel units (registered for the purpose of Chapter XI of Sales Tax Special Procedure Rules, 2007)	Re. 1 per unit of electricity consumed

TELEPHONE USERS

[Section 236 & Division V Part IV First Schedule]	
Landline bills exceeding Rs. 1,000	10%

Post-paid internet and prepaid internet cards	14%
Mobile phone bills and prepaid telephone cards	14%

Sale by Auction U/S 236 A	Rate
Sale of property, goods or lease of right by public auction or tender	10%

Purchase of Tickets - Domestic U/S 236 B	Rate
Purchase of Air Ticket. 236B	5%

U/S 236C	Sale/Transfer of Immovable Property	
	for Filers	0.50%
	Non-filers	1%

FUNCTIONS AND GATHERINGS

[Section 236D & Division XI Part IV First Schedule]	Rate
To be collected from a person arranging or holding a function on total amount of bill and also for food, service or facility	5%

U/S 236G	Advance tax on sale to Distributer, Dealer	Filer	Non-filer
	Fertilizers	0.70%	1.40%
	Other than fertilizer	0.10%	0.20%

Advance tax on sale to retailers

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

Collection of advance tax by educational institutions

The rate of collection of tax under section 236I shall be 5% of the amount of fee where fee exceeds Rs. 200,000

Advance tax on dealers, commission agents and *arhatis*, etc.

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

Group	Amount of tax
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	(per annum)
Group or Class B:	Rs. 7,500
Group or Class C:	Rs. 5,000
Any other category:	Rs. 5,000]

Advance tax on purchase of immovable property

The rate of tax to be collected under section 236K, *Division XVIII* shall be:-

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

Advance tax on international air ticket

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

S. No.	Type of Ticket	Rate
(1)	(2)	(3)
1	First/Executive	16,000 per person
2.	Other than economy	12,000 per person
3.	Economy	0

BONUS SHARES

[Section 236M & 236N]	Rate
Issued by listed companies	5%
Issued by other companies	5%

Advance tax on Banking Transaction other than cash

Section 236 P
0.6 % from Non Filers
Advance tax on payments for right to use the Machinery & Equipment's
Section 236 Q
10% of the amount of payment

Advance tax on education related payments remitted abroad
Section 236 R
5% of the amount of payment

MINIMUM TAXES

Narration Section	Rates
Minimum Tax for companies. 113	1% of the Turnover
Distributors Pharmaceutical products, consumer goods including fast moving consumer goods fertilizers and cigarettes 0	0.2% of the Turnover
Petroleum agents & distributors who are registered under the Sales Tax Act, 1990	0.2% of the Turnover
Flour mills, Rice mills & dealers.	0.2% of the Turnover
Motorcycle dealers registered under the Sales Tax Act, 1990. 113	0.25% of the Turnover
Poultry industry including poultry breeding, broiler production, egg production poultry feed production	0.5% of the Turnover
Pakistan International Airlines Corporation.	0.5% of the Turnover
oil marketing companies, oil refineries, Sui southern Gas Company limited, Sui Northern Gas pipe Line Limited (for the case where annual turnover exceeds rupees one billion)	0.5% of the Turnover
Collection of Tax by Pakistan Mercantile Exchange Limited(PMEX)u/s 236T in case of; > sale or purchase of future commodity contract > commission on sale or Purchase of future commodity contract	0.1% 0.1%

Tax deduction on Payments received by the Individuals against the services provided or rendered U/S 153(1)(b) shall be considered as minimum Tax	As described in Section 153
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RATE OF TAX ON CAPITAL GAINS

Rate of tax on Disposal of Capital Property:

Period for which property is held	Rate
up to 1 year	10%
More than 1 year but less than 2 years	5%
More than 2 years	0%

Tax on Capital Gain on Disposal of Securities: U/S 37A

Holding Period	Tax Year	
	2016	2015
Less than 12 months	15%	12.5%
12 months to less than 24 months	12.5%	10%
24 months to less than 48 months	7.5%	0%
More than 48 months	0%	0%



Disclaimer:

We have prepared this Tax card by using the details from the Income Tax Ordinance, 2001 AND updated to the effect of the Finance Act, 2015.

We have exercised due professional care in compiling the above details, however, the above constitutes our general interpretation of applicable tax statute and does not constitute any opinion or advice and may also not be acceptable to taxation authorities in any particular case.

Tax laws are subject to change from time to time and we do not accept any responsibility to update the same.

We expressly disclaim any responsibility towards any person relying on the details given above.

With Best Regards

MUHAMMAD ASIF RAZA (FCA)

PRINCIPAL

ASIF ASSOCIATES