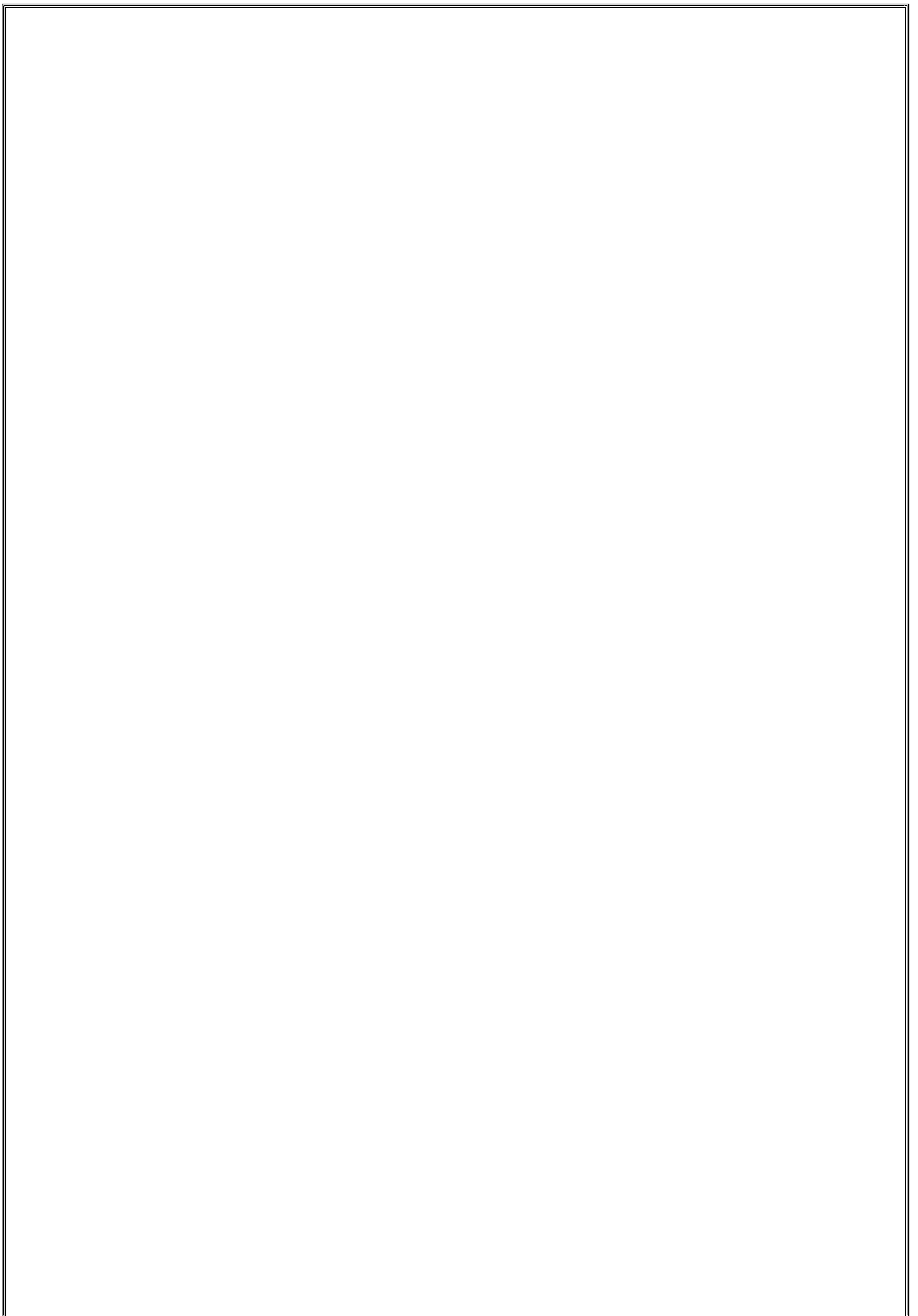


ASIF ASSOCIATES
Chartered Accountants

TAX CARD FOR THE TAX
YEAR 2020

With effect from July 01, 2019





Affectionately dedicated to:

My parents

and

My Professional Guru "Muhammad Luqman Kamil"

FOREWORD

Asif Associates Chartered Accountants is one of the leading Chartered Accountant firm providing accounting, auditing, taxation, management advisory, consultancy and other corporate services to the public & private organizations in the country.

The firm has requisite multi-disciplinary skills and assembled a team of accounting, auditing, corporate, and financial and HR experts. It has involved persons who are capable of performing tasks expeditiously, having unique combination of knowledge and experience.

Each assignment is handled by a Partner, who is supported by the qualified Manager. For its entire professional staff, the firm carries out a structured training program, which covers all areas of the practice including audit, tax, corporate and management advisory.

Asif Associates, Chartered Accountants proudly presents Summary of Income Tax Rates applicable on various sectors of economy in Pakistan under the Income Tax Ordinance, 2001 as a Tax Card Booklet. While developing this card, efforts have been endured to keep the presentation simple, easy to understand for laymen and changes have been incorporated up to Finance Act, 2019.

Asif Associates team takes pride in saying that we value our clients and have made efforts for developing this document to enable our clients have a ready reference to the tax rates applicable on them under the Income Tax Ordinance, 2001 and Provincial Sales Tax Act.

We are grateful to Almighty Allah for infinite blessings and favours of His and pray that our clients may be successful in all of their business and personal endeavours.

Best Regards

Muhammad Asif Raza (FCA)
Principal

ASIF ASSOCIATES
Chartered Accountants

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FOR SALARIED INDIVIDUALS	
Taxable Income (Rupees)	Rate of Tax
0 to 600,000	0%
600,001 to 1,200,000	5% of amount exceeding Rs.600,000
1,200,001 to 1,800,000	Rs.30,000+10% amount exceeding Rs.1,200,000
1,800,001 to 2,500,000	Rs.90,000+15% amount exceeding Rs.1,800,000
2,500,001 to 3,500,000	Rs.195,000 + 17.5% amount exceeding Rs.2,500,000
3,500,001 to 5,000,000	Rs.370,000 + 20% amount exceeding Rs.3,500,000
5,000,001 to 8,000,000	Rs.670,000+22.5% amount exceeding Rs.5,000,000
8,000,001 to 12,000,000	Rs.1,345,000+25% amount exceeding Rs.8,000,000
12,000,001 to 30,000,000	Rs.2,345,000+27.5% amount exceeding Rs.12,000,000
30,000,000 to 50,000,000	Rs.7,295,000+30% amount exceeding Rs.30,000,000
50,000,001 to 75,000,000	Rs.13,295,000+32.5% amount exceeding Rs.50,000,000
Where Taxable Income exceeds Rs.75,000,000	Rs.21,420,000+35% amount exceeding Rs.75,000,000

*Salaried Individual means income of individual under the head “Salary” exceeds 75% of his taxable income.

FOR NON-SALARIED INDIVIDUALS / ASSOCIATION OF PERSONS (AOP)	
Taxable Income (Rupees)	Rate of Tax
0 to 400,000	0%
400,001 to 600,000	5% of amount exceeding Rs.400,000
600,001 to 1,200,000	Rs.10,000+10% amount exceeding Rs.600,000
1,200,001 to 2,400,000	Rs.70,000+15% amount exceeding Rs.1,200,000

2,400,001 to 3,000,000	Rs.250,000 + 20% amount exceeding Rs.2,400,000
3,000,001 to 4,000,000	Rs.370,000 + 25% amount exceeding Rs.3,000,000
4,000,001 to 6,000,000	Rs.620,000+30% amount exceeding Rs.4,000,000
Where Taxable Income exceeds Rs.6,000,000	Rs.1,220,000+35% amount exceeding Rs.6,000,000

ALLOWANCES AND TAX CREDITS

SECTIONS	PARTICULARS	CONCESSION	MAXIMUM LIMIT
60	Zakat	Straight Income Deduction	N/A
60 (C)	Profit on Debt for Construction of house	Straight Income Deduction	Lower of; -50% of taxable income -Rs.2,000,000
60 (D)	Education Expenses	Income Deduction	If Income of Taxpayer less than Rs. 1,500,000: Lesser of: - 5% of Tuition Fee - 25% of Taxable Income - 60,000 x No. of Children
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.2,000,000

62A	Tax Credit for Investment in Health Insurance	Tax Credit	Resident Filer other than company allowed lesser of: i) Rs. 150,000 ii) 50% of Taxable Income iii) Premium paid
63	Approved Pension Fund	Tax Credit	Allowed to Eligible Person U/s 2(19A): Lower of; -Total contribution or premium paid by individual -20% of taxable income Additional Contribution of 2% of p.a for person exceeding 40 years of age up to June 30, 2019. (Total contribution not exceeding 30% of Total Taxable Income).
64 B	Employment Generation	Tax Credit	Tax Credit to manufacturers setting up units between 01.07.2015 to 30.06.2019 equal to 2% for every 50 employees registered with EOBI.
64 C	<i>Persons Employing Fresh Graduates*</i>	<i>Tax Credit</i>	<i>Lower of;</i> <i>-5% of taxable income</i> <i>-Annual Salary paid to the freshly qualified graduates.</i>
First Schedule	Persons of age 60 years or above.	50% reduction in tax liability.	If taxable income does not exceed 1,000,000 Pak Rupees.
<i>Second Schedule</i>	<i>Full time teacher or researcher, employed in non-profit education or Research Institution**</i>	<i>Reduction of 25% in tax liability</i>	

*Fresh qualified graduate means a person who has graduated after the First day of July 2017 from any institution or university recognised by the HEC.

**This exemption is not available for teachers of medical profession who derive income from private medical practice or who receive share of consideration received from patients.

TAX RATES FOR THE COMPANIES

COMPANY	RATE FOR THE TAX YEAR	
	2019	2020
Banking Company	35%	35%
Public Company (other than a Banking Company)	29%	29%
Private Company (other than a Banking Company)	29%	29%
Small Company having Turnover up to Rs.250 million	24%	23%

RATES OF SUPER TAX

		Tax year	Tax year	Tax year
Sr. No	Person	2019	2020	2021
1	Banking Company	4%	4%	4%
2	Other Than Banking company having income equal or more than Rs. 500 M	2%	0%	0%

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%	2%
	Pulses	2%	4%
	Commercial Importers	3%	6%
	Persons importing coal	4%	8%
	Ship Breakers	4.5%	9%
	Industrial undertaking not covered in above	5.5%	11%
	other cases	6%	12%

U/S 150	DIVIDEND	
	Description	Rate
1	Dividend paid by IPPs where such dividend is a pass-through item under Implementation Agreement, or Power Purchase Agreement or Energy Purchase Agreement and is required to be reimbursed by Central Power Purchasing Agency.	7.5%
2	Mutual Funds and all other cases	15%
3	From Company having no tax is payable due to exemption or carried forward of business losses or claim of tax credits	25%

Profit on Debt			
		Filers	Non-filers
U/S 151	Amount does not exceed Rs.500,000	10%	20%
	Amount exceeds Rs.500,000	15%	30%
Profit on Debt U/S 7 B (Separate Block of Income for Individuals & AOPs)			
U/S	Amount does not exceed Rs5 Million	15%	
7 B	Amount exceed Rs.5 Million not exceeds Rs.25 Million	17.50%	
	Where amount exceeds Rs.25 Million not exceeds Rs.36 Million	20%	
	Amount exceeding Rs.36 Million	Taxed in Normal Tax Regime	
Payments to Non-Residents			
U/s 152	Royalty or fee for Technical services rendered by non-residents. 152(1)	15%	
	Fee for offshore digital services	5%	
	Contract for Construction / Construction Services, Assembly, Installation including supervisory activities and contract for advertisement 152(1A)	Filer --- 7%	
	Insurance premium and re-insurance premium paid to non-resident person. 152(1AA)	Filer --- 5% Non-Filer --- 10%	
	Advertisement Services to non- resident media person relying outside Pakistan 152(1AAA)	10%	
	Sports Person	10%	
	Any other	20%	
U/s 152 (A)	Payment for Foreign Produced Commercials to Non – Residents (Rate on Gross Amt.)	20%	

Payments to Permanent Establishments of Non – Residents – 152 (2A)	Company		Others	
	Filer	Non-Filer	Filer	Non-Filer
Supply/Sale of Goods by PE of Non-residents	4%	4%	4.5%	4.5%
Services rendered/provided by PE of Non-residents	8%	16%	10%	20%
Execution of Contracts by PE of Non-residents	7%	14%	7%	14%

U/s 153B	Payment of Royalty to Resident Person		
	Payment of Royalty to resident person	15%	

**PAYMENTS AGAINST GOODS, SERVICES & EXECUTION OF
CONTRACTS U/S 153**

Sr. No.	Description	2020		Reference
		Filers	Non-Filers	
1	Sale of goods			Section 153(1)(a), Part III Division III
	-In case of company	4%	8%	
	-In case of other taxpayers	4.50%	9%	
	In case of payments for Cotton seed, rice, edible oil.	1.5%	3%	
	Sale by Distributors of Pharmaceuticals, Cigarette and large import House	1%	2%	45 (A), Part IV of Second Schedule
	Dealers & Sub-dealers of Sugar, Cement and edible oil as recipient of payment.	0.25%	0.50%	24C, Part II of Second Schedule
	Supplies by Distributors of FMCG products			
	<ul style="list-style-type: none"> • Company • Any Other Person 	2% 2.5%	4% 5%	
2	Rendering of services including: Transport services, freight forwarding services, air cargo services, courier services, manpower outsourcing services, hotel services, security guard services, software development services, IT services and IT enables services, tracking services, advertising services (other than print or electronic media), share registrar services, engineering services, car rental services, building maintenance services, services rendered by Pakistan Stock Exchange Limited and Pakistan Mercantile Exchange Limited inspection, certification, testing and training services.	3%	6%	Section 153(1)(b), Part III Division III
	A) Others			
	-In case of company	8%	16%	
	- In case of other taxpayers	10%	20%	
	C) Advertising payment to Electronic & Print Media			
	- Company	1.5%	3%	
	- Any other Person	1.5%	3%	

3	Execution of contracts			Section 153(1)(c), Part III Division III
	-In case of company	7%	14%	
	-In case of other taxpayers	7.5%	15%	
	-In case of sportspersons	10%	20%	

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 200,000	0%	
200,001 to 600,000	5%	
600,001 to 1,000,000	Rs.20,000 + 10%	
1,000,001 to 2,000,000	Rs.60,000 + 15%	
2,000,001 to 4,000,000	Rs.210,000 + 20%	
4,000,001 to 6,000,000	Rs.610,000 + 25%	
6,000,001 to 8,000,000	Rs.1,110,000 + 30%	
Exceeding Rs.8,000,000	Rs.1,710,000 + 35%	
DEDUCTION AT SOURCE AGAINST RENT U/S 155 (COMPANIES):	Filer	Non - Filer
On gross amount of rent.	15%	15%

U/S 156	Prizes and winnings	Filer	Non - Filer
	Prize on Prize Bond & crossword puzzle. 156	15%	30%
	Winnings from a raffle, lottery, prize on winning a quiz, prize offered by a company for promotion of sales	20%	20%

U/S 156 (A)	Commission on petroleum products	
	Filers	12%
	Non-filers	24%

U/S 156 (B)	Withdrawal of Balance under Pension Fund
	Average Rate of Preceding Three Years

CNG Stations U/S 234-A	Filer	Non - Filer
On amount of Gas bill	4%	8%

ADVANCE TAX

BROKERAGE & COMMISSION		
[Section 233 & Division II Part IV First Schedule]	Filer	Non - Filer
Advertising agents	10%	20%
Life Insurance Agents where commission received is less than Rs.500,000 per annum	8%	16%
Persons not covered in 1 and 2 above	12%	24%

COLLECTION OF TAX BY STOCK EXCHANGES IN LIEU OF TAX ON COMMISSION [Section 233A & Division IIA Part IV First Schedule]	
	Applicable Rate
On purchase of shares	0.02% of Purchase Value
On sale of shares	0.02% of Sale Value

COLLECTION BY TAX BY NCCPL FROM MEMBERS OF STOCK EXCHANGES [Section 233AA & Division IIB Part IV First Schedule]	
	Applicable Rate
In respect of financing of carryover trade, margin financing, margin trading nor securities lending in shares business	10%

MOTOR VEHICLE TAX

DEDUCTION / COLLECTION AT SOURCE (ADJUSTABLE)		
Goods Transport u/s 234	Filer	Non - Filer
Laden weight of vehicles	2.5 Per Kg	5.0 Per Kg
Passenger Transport U/S 234	Filer	Non - Filer
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	600 per seat

PRIVATE MOTOR VEHICLES		
Engine Capacity	For filer	for Non filer
Up to 1000cc	800	1,600
1001cc to 1199cc	1,500	3,000
1200cc to 1299cc	1,750	3,500
1300cc to 1499cc	2,500	5,000
1500cc to 1599cc	3,750	7,500
1600cc to 1999cc	4,500	9,000
2000cc and above	10,000	20,000

PRIVATE MOTOR VEHICLES		
Lump Sum Tax Paid		
Engine Capacity	For filer	for Non filer
Up to 1000cc	10,000	20,000
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

DOMESTIC ELECTRICITY CONSUMPTION [Section 235A & Division XIX Part IV First Schedule]	Rate
Where the Monthly Bill Exceeds Rs. 75,000	7.50%

TELEPHONE USERS [Section 236 & Division V Part IV First Schedule]	Rate
Landline bills exceeding Rs. 1,000	10%
Post-paid internet and prepaid internet cards	12.5%
Mobile phone bills and prepaid telephone cards	12.5%

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	Nil	0.60%

TRANSACTIONS IN BANK – Banking instrument purchased against payment in cash [Section 231AA & Division VIA Part IV First Schedule]	Filer	Non - Filer
Sale against cash of any instrument including demand draft, payment order, CDR, STDR, RTC, OR any other instrument of bearer nature except cross cheques.	Nil	0.60%

ADVANCE TAX ON PURCHASE AND TRANSFER OF PRIVATE MOTOR VEHICLES (Section 231B – Division VII, Part IV, 1st Schedule)

PURCHASE / REGISTRATION		
Engine Capacity	Filer	Non-Filer
Up to 850cc	7,500	15,000
851cc to 1000cc	15,000	30,000
1001cc to 1300cc	25,000	50,000
1301cc to 1600cc	50,000	100,000
1601cc to 1800cc	75,000	150,000
1801cc to 2000cc	100,000	200,000
2001cc to 2500cc	150,000	300,000
2501cc to 3000cc	200,000	400,000
3000cc and above	250,000	500,000

TRANSFER		
Engine Capacity	Filer	Non-Filer
Up to 850cc	-	-
851cc to 1000cc	5,000	10,000
1001cc to 1300cc	7,500	15,000
1301cc to 1600cc	12,500	25,000
1601cc to 1800cc	18,750	37,500
1801cc to 2000cc	25,000	50,000
2001cc to 2500cc	37,500	75,000
2501cc to 3000cc	50,000	100,000
3000cc and above	62,500	125,000

- No Tax to be collected after five years of Date of First Registration
- At time of leasing of a Motor Vehicle to NON – FILER, Advance Tax @ 4% to be collected by scheduled bank or an investment bank or a development finance institution or a modaraba.

STEEL MELTERS, RE-ROLLERS ETC. [Section 235B/ Section 153(1)]	Rate
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

Sale by Auction U/S 236 A (Final Tax)	Filer	Non – Filer
Sale of property, goods or lease of right by public auction or tender	10%	20%

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

Sale/Transfer of Immovable Property U/s 236C	Rate
Filers	1%
Non-filers	2%
Not Applicable if Immovable Property is held for a period Exceeding 5 (five) years.	

Functions and Gatherings U/s 236D & Division XI Part IV First Schedule	Rate
For Islamabad, Lahore, Multan, Faisalabad, Rawalpindi, Gujranwala, Bahawalpur, Sargodha, Sahiwal, Sheikhupura, Dera Ghazi Khan, Karachi, Hyderabad, Sukkur, Thatta, Larkana, Mirpur Khas, Nawabshah, Peshawar, Mardan, Abbottabad, Kohat, Dera Ismail Khan, Quetta, Sibi, Loralai, Khuzdar, Dera Murad Jamali and Turbat.	5% of the bill ad valorem or Rs. 20,000 per function, whichever is higher
For cities other than those mentioned above;	5% of the bill ad valorem or Rs. 10,000 per function, whichever is higher

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

Advance tax on sale to retailers, Distributors or Dealers of another Wholesaler – Section 236H	Filer	Non - Filer
On Gross Amount of Sales – Electronics	1%	2%
On Gross Amount of Sales – Others	0.5%	1%

Advance tax on sale of certain Petroleum Products – Section 236HA	Filer	Non - Filer
Ex Depot Sale Price	0.5%	1%

Advance tax Collection by Educational Institutions – Section 236I	Rate
Where the Fee Exceeds Rs.200,000	5%

Advance tax on Dealers, Commission Agents, Arhatis, etc. – Section 236J	Amount of Tax (Per Annum)
Group or Class A	Rs. 100,000
Group or Class B	Rs. 75,000
Group or Class C	Rs. 50,000
Any other Category	Rs. 50,000

Advance tax on Purchase of Immovable Property U/S 236K	Filer	Non-Filer
Value of Property	1% of FMV	2% of FMV

Advance tax on International Air Ticket – Section 236L	Amount of Tax Per Person
First / Executive Class	Rs.16,000
Other Excluding Economy	Rs.12,000
Economy	Rs. 0

Advance tax on Banking Transactions other than Cash – Section 236P	Rate
Filers	0%
Non – Filers	0.4%

Advance tax on Payment for the right to use Machinery & Equipment – Section 236Q	Rate
On amount of Payment	10%

Advance tax on Education related expenses remitted abroad – Section 236R	Rate
Of amount of Payment	5%

Advance Tax on Insurance Premium– Section 236U	Rate for Non – Filers only
General Insurance Premium	4%
Life insurance premium if exceeding Rs 0.3 million per annum	1%
Others	0%

Advance Tax on Extraction of Minerals– Section 236V	Rate
Filers	0%
Non – Filers	5%

Advance Tax on Tobacco – Section 236X	Rate
Pakistan Tobacco or its contractor to collect this advance tax at the time of collection of Cess.	5%

Advance tax on amount remitted abroad through credit, debit or prepaid cards – Section 236 Y	Rate
Gross amount remitted abroad for filers	1%
Gross amount remitted abroad for non-filers.	2%

RATES OF MINIMUM TAX

Narration Section	Rates
Minimum Tax for Companies u/s 113	1.50% of the Turnover
Distributors Pharmaceutical products, consumer goods including fast moving consumer goods and cigarettes.	0.25% of the Turnover
Petroleum agents & distributors who are registered under the Sales Tax Act, 1990	0.25% of the Turnover
Flour mills, Rice mills & dealers.	0.25% of the Turnover
Dealers & Sub-dealers of Sugar, Cement and edible oil as recipient of payment.	0.25% of the Turnover
Motorcycle dealers registered under the Sales Tax Act, 1990.	0.30% of the Turnover
Poultry industry including poultry breeding, broiler production, egg production poultry feed production, dealers or distributors of fertilizer	0.75% of the Turnover
Pakistan International Airlines Corporation.	0.75% of the Turnover
Oil marketing companies, oil refineries, Sui southern Gas Company limited, Sui Northern Gas Pipeline Limited (for the case where annual turnover exceeds rupees one billion)	0.75% of the Turnover
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 (See Page – 6)

RATE OF TAX ON CAPITAL GAINS

Rate of tax on Disposal of Immovable Property U/S 37:

Sr. No.	Amount of Gain	Rate of Tax
1	Where the gain does not exceed Rs. 5 million	5%
2	Where the gain exceeds Rs. 5 million but does not exceed Rs. 10 million.	10%
3	Where the gain exceeds Rs. 10 million but does not exceed Rs. 15 million.	15%
4	Where the gain exceeds Rs. 15 million.	20%

COMPUTATION OF CAPITAL GAINS

Open Plots		Constructed Property	
Holding Period	Gain	Holding Period	Gain
Up to One year	Fully Taxable	Up to one Years	Fully taxable
One to eight Years	75% Taxable	One to Four Years	75% Taxable
More Than eight Years	0%	More than Four Years	0%

*** No Capital Gain Tax shall be applicable if the seller is dependent of Shaheed of Pakistan Armed Forces or of a person who dies while in service of Pakistan Armed Forces or Federal and Provincial Governments and on the first sale of property acquired or allotted as original allottee, duly certified by the official allotment authority.

*** Capital Gain Tax rates shall be reduced by fifty percent on the first sale of immovable property acquired or allotted to ex-service men and serving personnel of Pakistan Armed forces or ex-employees or serving personnel of Federal and Provincial Governments, being original allottees of the immovable property, duly certified by the allotment authority.

TAX ON CAPITAL GAIN ON DISPOSAL OF SECURITIES: U/S 37A:

Holding Months	Tax Year 2015	Tax Year 2016	Tax Year 2017	Tax Year 2018, 2019 & 2020	
				Securities Acquired before 01 July 2016	Securities Acquired after 01 July 2016
Up to 12	12.5%	15%	15%	15%	15%
12 to 24	10%	12.5%	12.5%	12.5%	15%
More than 24 months (acquired on or after 01.07.2013)	0%	7.5%	7.5%	7.5%	15%
Security was acquired before 01.07.2013	0%	0%	0%	0%	0%
Future Commodity Contracts entered by members of PMEX	0%	0%	5%	5%	5%

AMENDMENTS IN SALE TAX ACT, 1990

INCLUSION OF VARIOUS ITEMS IN THIRD SCHEDULE REGIME	
Sr. No.	DESCRIPTION
38	Household electrical goods, including air conditioners, refrigerators, deep freezers, televisions, recorders and players, electric bulbs, tube-lights, electric fans, electric irons, washing machines and telephone sets.
39	Household gas appliances, including cooking range, ovens, geysers and gas heaters
40	Foam or spring mattresses and other foam products for household use.
41	Paints, distempers, enamels, pigments, colours, varnishes, gums, resins, dyes, glazes, thinners, blacks, cellulose lacquers and polishes sold in retail packing
42	Lubricating oils, brake fluids, transmission fluid, and other vehicular fluids sold in retail packing
43	Storage batteries excluding those sold to automotive manufacturers or assemblers
44	Tyres and tubes excluding those sold to automotive manufacturers or assemblers
45	Motorcycles
46	Auto rickshaws
47	Biscuits in retail packing with brand name
48	Tiles
49	Auto-parts, in retail packing, excluding those sold to automotive manufacturers or assemblers

INCLUSION OF VARIOUS ITEMS IN 8th SCHEDULE REGIME			
Sr. No.	DESCRIPTION	RATE	CONDITION
59	Products of milling industry except wheat and Meslin flour	10%	If sold in retail packing under a brand name.
60	Fat filled milk	10%	If sold in retail packing under a brand name.
61	Silver, in unworked condition	1%	
62	Gold, in unworked condition	1%	
63	Articles of jewellery, or parts thereof, of precious metal or of metal clad with precious metal	1.5% of value of gold, plus 0.5% of value of diamond, used therein, plus 3% of making charges	No input tax adjustment to be allowed except of the tax paid on gold
64	Prepared Food, foodstuff and sweetmeats supplied by restaurants, bakeries, caterers and sweetmeat shops	7.5%	Supplies only, subject to condition that no input tax shall be adjusted
65	Ginned cotton	10%	
66	Supplies as made from retail outlets as are integrated with Board's computerized system for real-time reporting of sales	14%	If supplied goods are finished fabric, and locally manufactured finished articles of textile and textile made ups and leather and

			artificial leather subject to the condition that they have maintained 4% value addition during the last six months
67	LNG imported for servicing CNG sector and local supplies thereof	5%	
68	Frozen prepared or preserved sausages and similar products of poultry meat or meat offal	8%	
69	Meat and similar products of prepared frozen or preserved meat or meat offal of all types including poultry, meat and fish	8%	

ELEVENTH SCHEDULE:

Withholding Sales Tax rates are now inserted in Eleventh Schedule of STA, 1990

Sr. No.	Withholding Agent	Supplier Category	Rate or Extent of deduction
1.	(a) Federal and provincial government departments; autonomous bodies; and public sector organizations (b) Companies as defined in the Income Tax Ordinance, 2001 (XLIX of 2001)	Registered Persons	1/5 th of Sales Tax as shown on invoice
2.	(a) Federal and provincial government departments; autonomous bodies; and public sector organizations (b) Companies as defined in the Income Tax Ordinance, 2001 (XLIX of 2001)	Person registered as a wholesaler, dealer or distributor	1/10th of Sales Tax as shown on invoice
3.	Federal and provincial government departments; autonomous bodies; and public sector organizations	Unregistered persons	Whole of the tax involved or as applicable to supplies on the basis of gross value of supplies
4.	Companies as defined in the Income Tax Ordinance, 2001 (XLIX of 2001)	Unregistered persons	5% of gross value of supplies
5.	Registered persons as recipient of advertisement services	Person providing advertisement services	Whole of sales tax applicable
6.	Registered persons purchasing cane molasses.	Unregistered persons	Whole of sales tax applicable

SECTORS EXCLUDED FROM WITHHOLDING OF SALE TAX:

- i) Electrical energy;
- ii) Natural gas;

- iii) Petroleum products as supplied by petroleum production and exploration companies, oil refineries, oil marketing companies and dealers of motor spirit and high-speed diesel;
- iv) Vegetable ghee and cooking oil;
- v) Telecommunication services;
- vi) Goods specified in the Third Schedule to the Sales Tax Act, 1990;
- vii) Supplies made by importers who paid value addition tax on such goods at the time of import; and
- viii) Supplies made by an Active Taxpayer as defined in the Sales Tax Act, 1990 to another registered persons with exception of advertisement services

AMENDMENTS IN ICT, 2001

SERVICES NOW TAXABLE UNDER ICT, 2001		
Sr. No.	DESCRIPTION	RATE
43	Advertisement on hoarding boards, pole signs and signboards, and websites or internet	16%
44	Services provided by landscape designers	16%
45	Sponsorship services	16%
46	Services provided or rendered by legal practitioners and consultants	16%
47	Services provided by accountants and auditors	16%
48	Service provided or rendered by Stockbrokers, future brokers and commodity brokers, money exchanger, surveyors, outdoor photographers, event photographers, videographers, art painters, auctioneers (excluding value of goods) and registrar to an issue	16%
49	Services provided by race clubs: Entry/ admission and other services	16%
50	Services provided or rendered by corporate law Consultants	16%
51	Visa processing services, including advisory or consultancy services for migration or visa application filing services	16%
52	Debt collection services and other debt recovery services	16%
53	Supply chain management or distribution (including delivery) services	16%
54	Services provided or rendered by persons engaged in inter-city transportation or carriage of goods by road or through pipeline or conduit	16%
55	Ready mix concrete services	16%
56	Public relations services	16%
57	Training or coaching services other than education services	16%
58	Cleaning services including janitorial services, collection of waste and processing of domestic waste	16%

WITHHOLDING AGENTS

PUNJAB

WITHHOLDING AGENTS:

Description	Rate
Departments of Federal Government, Provincial & Local Government	100% of Sales Tax will be withheld.
Public Sector Organizations & Autonomous Bodies	
Company Resident in Punjab	
Company having place of business in Punjab	
Recipient of advertisement services	
PRA registered persons receiving services from unregistered persons	

EXEMPTIONS

- Telecommunication
- Banking Companies
- Courier Companies
- Insurance Companies (Other than re-insurance)
- Active Companies (Except advertisement service providers)

KHYBER PAKHTUNKHWA

WITHHOLDING AGENTS:

Description	Rate
Departments of Federal Government, Provincial & Local Government	20% of Sales Tax will be withheld.
Public Sector Organizations & Autonomous Bodies	
Organization funded by Budget of Federal/Provincial Budget	
Company Resident in KPK	
Recipient of advertisement services registered with KPRA or FBR	100% of Sales Tax will be withheld.
PRA registered persons receiving services from unregistered persons	

SINDH

WITHHOLDING AGENTS:

Description	Rate
Departments of Federal Government, Provincial & Local Government	20% of Sales Tax will be withheld.
Public Sector Organizations & Autonomous Bodies	
Organization funded by Budget of Federal/Provincial Budget	
Company defined in Sindh Sales Tax Act, 2011	

Recipient of advertisement services registered with KPRA or FBR	100% of Sales Tax will be withheld.
Registered persons receiving advertisement services (other than advertisement in newspapers and periodicals), auctioneers, renting of immovable property, intercity transport or carriage of goods by road (other than those through pipeline or conduit), advertising agent services from agents who issue release order or book advertisements space in relation to advertisement services. (use tax fraction)	
Withholding agent receiving taxable services from SRB registered persons where the amount of sales tax is not indicated on the invoice.	
SRB registered persons receiving services from unregistered persons (use tax fraction formula)	

EXEMPTIONS

- Telecommunication
- Banking Companies
- Financial institutions, Insurance Companies (Other than Re-insurance)
- Port Operator
- Terminal Operator
- Airport Ground Services

BALUCHISTAN

WITHHOLDING AGENTS:

Description	Rate
Departments of Federal Government, Provincial & Local Government (Registered including FBR)	20% of Sales Tax will be withheld.
Public Sector Organizations & Autonomous Bodies (Registered including FBR)	
Organization funded by Budget of Federal/Provincial Budget (Registered including FBR)	
Company (Registered including FBR)	
Registered persons receiving advertisement services (other than advertisement in newspapers and periodicals), auctioneers, renting of immovable property, intercity transport or carriage of goods by road, services from non-filers or unregistered persons or Persons not resident in Pakistan, services from registered person where invoice does not show sales tax	100% of Sales Tax will be withheld.

EXEMPTIONS

- Telecommunication
- Banking Companies
- Financial institutions, Insurance Companies (Other than Re-insurance)
- Port Operator
- Terminal Operator
- Airport Ground Services

DISCLAIMER:

We have prepared this Tax card by using provisions of Income Tax Ordinance, 2001 updated to the effect of Finance Act, 2019 & Provincial Sales Tax Acts.

We have exercised due professional care in compiling the above details, however, the above expresses our general interpretation of applicable tax statute and does not constitute any opinion or advice. Further, the above interpretation 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

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