

Majid-ul-Juman



ASIF ASSOCIATES
Chartered Accountants

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TAX CARD FOR THE TAX YEAR 2021

With effect from July 01, 2020

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Affectionately dedicated to:

My parents

and

"Muhammad Luqman Kamil"

*Who are and would remain to be a source of
inspiration for me.*

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, 2020.

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 /AOP and 20% in case of company
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) 5% 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	Persons Employing Fresh Graduates*	Tax Credit	Lower of: -5% of taxable income -Annual Salary paid to the freshly qualified graduates.
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.
Second Schedule	Full time teacher or researcher, employed in non-profit education or Research Institution**	Reduction of 25% in tax liability	

* 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	
	2020	2021
Banking Company	15%	15%
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	23%	22%

RATES OF SUPER TAX

Sr. No	Person	Tax year	Tax year	Tax year
		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%

RATES FOR FILING OF APPEALS:

Authority	Individual/AOP		Company	
	Appeal against assessment Order	Other order	Appeal against assessment Order	Other order
Filing of Appeal before CIR (Appeals)				
Appeal Fee	2,500	1,000	5,000	5,000
Filing of Appeal before ATIR				
Appeal Fee	2,500	2,500	5,000	5,000

WITHHOLDING OF TAX ON PAYMENTS

U/S 148	ADVANCE TAX ON IMPORT STAGE		
	Persons	Filer	Non-Filer
	Persons importing goods classified in Part I of the Twelfth Schedule	1%	2%
	Persons importing goods classified in Part II of the Twelfth Schedule	2%	4%
	Persons importing goods classified in Part III of the Twelfth Schedule.	5.5%	11%
	Manufacturers Covered under rescinded SRO 1125(I) /2011 dated 31.12.2011 on import of items covered under the aforementioned SRO.	1%	2%
Persons importing Finished Pharmaceutical products that are not manufactured otherwise in Pakistan as Certified by DRAP.	4%	8%	

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%

U/S 150A	RETURN ON INVESTMENT IN SUKUKS		
	Description	Individual /AOPs	Company
1	If return is less than Rs. 1 million	10%	25%
2	If return is above Rs. 1 million	12.5%	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%
*The Taxpayer furnishes a certificate to the payer of profit that during the tax year profits on debts is Rs. 500,000 or less.			
Profit on Debt U/S 7 B (Separate Block of Income for Individuals & AOPs)			
U/S 7 B	Amount does not exceed Rs. 5 Million	15%	
	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%

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

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

Sr. No.	Description	2021		Reference
		Filers	Non-Filers	
1	Sale of goods (includes Toll manufacturing now)	4%	8%	Section 153(1)(a), Part III Division III
	-In case of company	4.50%	9%	
	-In case of other taxpayers			
	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	• Company	2%	4%	
	• Any Other Person	2.5%	5%	
	Supplies of tea, spices, salt, dry milk, sugar, pulses, wheat flour, and Ghee made to Utility Stores Corporation of Pakistan	1.5%	3%	24CA, Part II of Second Schedule
• Person Other than Company				
Clause applicable from period 07.04.2020 to 30.09.2020 and items not sold under brand name.				
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			
	-In case of company	7%	14%	Section 153(1)(c), Part III Division III
	-In case of other taxpayers	7.5%	15%	
	-In case of sportspersons	10%	20%	

Exports		
U/S 154	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	

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	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.

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

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

DOMESTIC ELECTRICITY CONSUMPTION [Section 235A & Division XIX Part IV First Schedule]

Where the Monthly Bill Exceeds Rs. 75,000

Rate

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%

Sale by Auction U/S 236 A

Filer

Non - Filer

Sale of immovable property	5%	10%
Sale of Goods other than immovable property	10%	20%

Purchase of Tickets - Domestic U/S 236 B

Rate

Purchase of Air Ticket. 236B	5%
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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 4 (four) years.	

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 – From Persons not appearing in Active Taxpayer List	5%

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 Extraction of Minerals– Section 236V	Rate
Filers	0%
Non – Filers	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%

Omitted Sections	Description
235B	Tax on steel rollers and composite units
236D	Advance tax on functions and gatherings
236F	Advance tax on cable operators and other electronic media
236J	Advance tax on dealers, commission agents and artists etc.
236R	Collection of advance tax on education related expenses remitted abroad
236I	Advance tax on insurance premium
236X	Advance tax on tobacco

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 fair trading consumer goods and cigarettes	1.25% of the Turnover
Petroleum agents & distributors who are registered under the Sales Tax Act, 1994	1.25% of the Turnover
Flour mills, Rice mills & dealers	1.25% of the Turnover
Dealers & Sub-dealers of sugar, Cotton and edible oil as recipient of payment.	0.25% of the Turnover
Motorcycle dealers registered under the Sales Tax Act, 1994.	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(i)/(b) shall be considered as minimum Tax	As described in Section 153 (See Page - 6)

*Provisions of minimum tax under section 113 and ACT under section 113C of the Ordinance would not be applicable on the turnover, income, profits and gains of a builder or a developer opting for taxation under Section 106D.

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	2.5%
2	Where the gain exceeds Rs. 5 million but does not exceed Rs. 10 million.	5%
3	Where the gain exceeds Rs. 10 million but does not exceed Rs. 15 million.	7.5%
4	Where the gain exceeds Rs. 15 million.	10%

COMPUTATION OF CAPITAL GAINS

Sr. No.	Holding Period	Taxable Capital Gains
1	Where the holding period of an immovable property does not exceed one year	100% Gains
2	Where the holding period of an immovable property exceeds one year but does not exceed two years	75% of the Gains
3	Where the holding period of an immovable property exceeds two years but does not exceed three years	50% of the Gains
4	Where the holding period of an immovable property exceeds three years but does not exceed four years	25% of the Gains
5	Where the holding period of an immovable property exceeds 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.

*** Capital Gain tax will not be applicable on disposal of constructed property by a resident individual subject to the conditions

- the land area of the property does not exceed 500 square yards in case of a house and 4000 square feet in case of a flat
- Exemption has not previously been availed by the individual, his spouse or dependents.
- Property was being used for personal accommodation by the individual, his spouse or dependents at the time of sale and for which any of the utility bills is issued in the name of such individual.

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 & onwards	
				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 ENTRIES IN FIFTH SCHEDULE	
Sr. No.	DESCRIPTION
13	Supplies of raw materials, components and goods for further manufacture of goods in the Gwadar Free Zone and export thereof, provided that in case of supply to tariff area of Pakistan, tax shall be charged on the value assessed on the Goods Declaration for import.
14	<p>Supplies of locally manufactured plant and machinery of the following specifications, to manufacturers in the Gwadar Free Zone, subject to the conditions, restrictions and procedure given below, namely: -</p> <p>(i) Plant and machinery, operated by power of any description, as is used for the manufacture or production of goods by that manufacturer;</p> <p>(ii) Apparatus, appliances and equipment specifically meant or adapted for use in conjunction with the machinery specified in clause (i);</p> <p>(iii) Mechanical and electrical control and transmission gear, meant or adapted for use in conjunction with machinery specified in clause (i); and</p> <p>(iv) Parts of machinery as specified in clauses (i), (ii) and (iii), identifiable for use in or with such machinery.</p> <p><u>Conditions, restrictions and procedures: -</u></p> <p>(a) the supplier of the machinery is registered under the Act;</p> <p>(b) proper bill of export is filed showing registration number;</p> <p>(c) the purchaser of the machinery is an established manufacturer located in the Gwadar Free Zone and holds a certificate from the Gwadar Port Authority to that effect;</p> <p>(d) the purchaser submits an indemnity bond in proper form to the satisfaction of the concerned Commissioner Inland Revenue that the machinery shall, without prior permission from the said Commissioner, not be sold, transferred or otherwise moved out of the Gwadar Free Zone before a period of five years from the date of entry into the Zone;</p> <p>(e) if the machinery is brought to tariff area of Pakistan outside Gwadar Free Zone, sales tax shall be charged on the value assessed on the Goods Declaration for import; and</p> <p>(f) breach of any of the conditions specified herein shall attract legal action under the relevant provisions of the Act, besides recovery of the amount of sales tax along with default surcharge and penalties involved.</p>

SIXTH SCHEDULE:

INCLUSION OF ENTRIES IN SIXTH SCHEDULE - TABLE I		
Sr. No.	DESCRIPTION	HEADING NO.
154	Dietetic Foods intended for consumption by children suffering from inherit metabolic disorder subject to the conditions that the importer shall acquire approval and quota from Ministry of National Health Services, Regulations and Coordination.	Respective Heading
155	Oil Cake and other Solid residues, whether or not ground or in the form of pellets.	2306.1000
156	Import of CKD Kits by local manufacturers of following Electric Vehicles: -	
	(i) Road Tractors for semi-trailers (Electric Prime Movers)	8701.2060
	(ii) Electric Buses	8702.4090
	(iii) Three Wheeler Electric Rickshaw	8703.8030
	(iv) Three Wheeler Electric Loader	8704.9030
	(v) Electric Trucks	8704.9059

INCLUSION OF ENTRY IN SIXTH SCHEDULE - TABLE III			
Sr. No.	DESCRIPTION	HEADING NO.	
20	Plant and Machinery for the assembly/manufacturing of electric Vehicles	Respective heading	The exemption shall be admissible on one time basis for setting up the new assembly and/or manufacturing facility of the vehicles and expansion in the existing units to the extent of electric vehicles specific plant and machinery, duly approved/certified and determined by the Engineering Development Board (EDB)

EIGHTH SCHEDULE:

AMENDMENT IN RATES OF ITEMS IN 8 th SCHEDULE - TABLE I		
Sr. No.	DESCRIPTION	RATE
56	Potassium Chlorate (KCLO3)	17% along with Rs.80/KG
66	Supplies as made from retail outlets as are integrated with Board's computerized system for Realtime reporting of sales	12%

INCLUSION OF VARIOUS ITEMS IN 8 th SCHEDULE - TABLE I				
Sr. No.	Description	Heading No.	Rate of Sales Tax	Condition
70.	Following locally manufactured electric vehicles			
	(i) Road Tractors for semi-trailers (Electric Prime Movers)	8701.2060	1%	Locally Supplies only" and

(ii) Electric Buses	8702.4090	1%
(iii) Three Wheeler Electric Rickshaw	8703.8030	1%
(iv) Three Wheeler Electric Loader	8704.9030	1%
(v) Electric Trucks	8704.9059	1%
(vi) Electric Motorcycle	8711.6090	1%

NINETH SCHEDULE:

TABLE – I

Sr. No.	Description/ Specification of Goods	Sales Tax on Supply (Payable at the time of supply by CMOs)
(1)	(2)	(3)
1.	Subscriber Identification Module (SIM) Cards	Rs. 250

TABLE – II

Cellular mobile phones in CKD/CBU form

Sr. No.	Description/ Specification of Goods	Sales Tax on CBUs at the time of import or registration (IMEI number by CMOs)	Sales Tax on import in CKD/SKD Condition	Sales Tax on Supply of locally manufactured mobile phones in CBU Condition in addition to tax under Column (4)
(1)	(2)	(3)	(4)	(5)
1.	Cellular Mobile Phones or satellite Phones to be charged on the basis of import value per set, or equivalent value in rupees in case of supply by the manufacturer, at the rate as indicated against each category:			
	A. Not Exceeding US\$ 30 (excluding smart phones)	Rs. 130	Rs. 10	Rs. 10
	B. Not Exceeding US\$ 30 (smart phones)	Rs. 200	Rs. 10	Rs. 10
	C. Exceeding US\$ 30 but not exceeding US\$ 100	Rs. 200	Rs. 10	Rs. 10
	D. Exceeding US\$ 100 but not exceeding US\$ 200	Rs. 1,680	Rs. 10	Rs. 10
	E. Exceeding US\$ 200 but not exceeding US\$ 350	Rs. 1,740	Rs. 1,740	Rs. 10
	F. Exceeding US\$ 350 but not exceeding US\$ 500	Rs. 5,400	Rs. 5,400	Rs. 10
	G. Exceeding US\$ 500	Rs. 9,270	Rs. 9,270	Rs. 10

TENTH SCHEDULE:

TABLE – II

Sr. No.	Item	Tax
(1)	(2)	(3)
1.	Paver	Rs. 2 per Sq. Ft
2.	Hollow Block (Volume less than 1 Cubic feet)	Rs. 3 per piece
3.	Solid Block (Volume less than 1 Cubic feet)	Rs. 3 per piece
4.	Kerb Stone (Volume less than 1 Cubic feet)	Rs. 5 per piece
5.	Kerb Stone (Volume greater than 1 Cubic feet)	Rs. 10 per piece

ELEVENTH SCHEDULE:

A registered person not appearing in the active taxpayer list shall be subject to 100% withholding just like unregistered person. Amendment in Eleventh Schedule is as under:

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)	Active Taxpayer	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)	Active Taxpayer registered as a wholesaler, dealer or distributor	1/10 th of Sales Tax as shown on invoice
3.	Federal and provincial government departments; autonomous bodies; and public sector organizations	Persons other than Active Taxpayers	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)	Persons other than Active Taxpayers	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.	Persons other than Active Taxpayers	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.
- ix) Supply of sand, stone, gravel/crush and clay to low cost housing schemes sponsored or approved by Naya Pakistan Housing and Development Authority.

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	100% of Sales Tax will be withheld.
Recipient of advertisement services registered with KPRA or FBR	
KPRA 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	
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)	100% of Sales Tax will be withheld
Withholding agent receiving taxable services from SRII registered persons where the amount of sales tax is not indicated on the invoice.	
SRII 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)	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, services from non-filers or unregistered persons or Persons not resident in Pakistan, services from registered person where invoice does not show sales tax	

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, 2020 & 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

ASIF ASSOCIATES
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Handwritten signatures and initials.

Majid Rehman

Asif
Associates
Chartered Accountants