



---

# INCOME TAX CARD 2016

---



**Amended as per Finance Act 2015-16**

***ILYAS SAEED & Co***  
***Chartered Accountants***

*W: [www.ilyassaeed.com](http://www.ilyassaeed.com) E: [info@ilyassaeed.com](mailto:info@ilyassaeed.com)*

## DIRECT TAXES RATES

## Tax Rates for Salary Income

## Section 12

S. No.	Taxable Income	Rate of tax
1	Where the taxable income does not exceed Rs.400,000	0%
2	Where the taxable income exceeds Rs.400,000 but does not exceed Rs.500,000	2% of the amount exceeding Rs.400,000
3	Where the taxable income exceeds Rs.500,000 but does not exceed Rs.750,000	Rs.2,000+5% of the amount exceeding Rs.500,000
4	Where the taxable income exceeds Rs.750,000 but does not exceed Rs.1,400,000	Rs.14,500+10% of the amount exceeding Rs.750,000
5	Where the taxable income exceeds Rs.1,400,000 but does not exceed Rs.1,500,000	Rs.79,500+12.5% of the amount exceeding Rs.1,400,000
6	Where the taxable income exceeds Rs.1,500,000 but does not exceed Rs.1,800,000	Rs.92,000+15% of the amount exceeding Rs.1,500,000
7	Where the taxable income exceeds Rs.1,800,000 but does not exceed Rs.2,500,000	Rs.137,000+17.5% of the amount exceeding Rs.1,800,000
8	Where the taxable income exceeds Rs.2,500,000 but does not exceed Rs.3,000,000	Rs.259,500+20% of the amount exceeding Rs.2,500,000
9	Where the taxable income exceeds Rs.3,000,000 but does not exceed Rs.3,500,000	Rs.359,500+22.5% of the amount exceeding Rs.3,000,000
10	Where the taxable income exceeds Rs.3,500,000 but does not exceed Rs.4,000,000	Rs.472,000+25% of the amount exceeding Rs.3,500,000
11	Where the taxable income exceeds Rs.4,000,000 but does not exceed Rs.7,000,000	Rs.597,000+27.5% of the amount exceeding Rs.4,000,000
12	Where the taxable income exceeds Rs.7,000,000	Rs.1,422,000+30% of the amount exceeding Rs.7,000,000

\*\* Where the income of an individual chargeable under the head—salary exceeds fifty percent of his taxable income, the rates of tax to be applied shall be 'salary tax rates'

## Tax Rate for Business Individual &amp; AOP

## Section 18

S. No.	Taxable Income	Rate of tax
1	Where the taxable income does not exceed Rs.400,000	0%
2	Where the taxable income exceeds Rs.400,000 but does not exceed Rs.500,000	7% of the amount exceeding Rs.400,000
3	Where the taxable income exceeds Rs.500,000 but does not exceed Rs.750,000	Rs.7,000+10% of the amount exceeding Rs.500,000
4	Where the taxable income exceeds Rs.750,000 but does not exceed Rs.1,500,000	Rs.32,000+15% of the amount exceeding Rs.750,000
5	Where the taxable income exceeds Rs.1,500,000 but does not exceed Rs.2,500,000	Rs.144,500+20% of the amount exceeding Rs.1,500,000
6	Where the taxable income exceeds Rs.2,500,000 but does not exceed Rs.4,000,000	Rs.344,500+25% of the amount exceeding Rs.2,500,000
7	Where the taxable income exceeds Rs.4,000,000 but does not exceed Rs.6,000,000	Rs.719,400+30% of the amount exceeding Rs.4,000,000
8	Where the taxable income exceeds Rs.6,000,000	Rs.1,319,500+35% of the amount exceeding Rs.6,000,000

**Rates of Tax for Companies**

**Section 18**

Corporate / Company tax rate	=	32%
Banking Company	=	35%
Small company as defined in section 2, tax rate	=	25%

**Rates of Super Tax**

**Section 4B**

Particulars	Rate
Banking Company	4% of Income
Person other than a banking company having income equal to or exceeding Rs. 500 Million	3% of Income

**Rates of Tax on Dividend**

**Section 5 & 150**

Tax rates for Dividend income is proposed to be as;

S. No.	Dividend By	Rate (Filer)	Rate (Non-filer)
(a)	In the case of dividends declared or distributed by purchaser of a power project privatized by WAPDA or on shares of a company set up for power generation or on shares of a company, supplying coal exclusively to power generation projects	7.5%	7.5%
(b)	in all other cases including dividend in specie	12.5%	17.5%

Further, proviso is proposed to be amended to take Dividend received by a person from Development of REIT Scheme in tax rates, Division I, Part III of 1<sup>st</sup> Schedule as;

Proviso	Dividend received by a (Individual, Company & AOP) from a stock fund	10% for Stock fund	12.5% for tax year 2016 and onwards, if dividend receipts are less than capital gains
	Dividend received by person from Collective Investment Scheme, Real Estate Investment Trust (REIT) Scheme or Mutual Fund other than Stock Fund from tax year 2015 onwards	Individual AOP Company	10% 10% 25%

The Bill also proposes that, in case if a Developmental REIT Scheme with the object of which is the development and construction of residential buildings is set-up by June 30, 2018, tax on dividend received by a person from such Developmental REIT Scheme shall be reduced by 50% for three years from June 30, 2018.

*Provision of 150 shall not apply to inter-corporate dividend within the group companies entitled to group taxation under section 59AA or 59B (2<sup>nd</sup> Schedule, part IV, 11B)*

**Profit on Debt**

**Section 7B**

Sr.	Particulars	Rate
1.	Profit exceeds 25 million	10%
2.	Profit exceeds 25 million but does not exceed 50 Million	2,500,000+ 12.5 % of the amount exceeding Rs. 25,000,000
3.	Profit Exceeds 50 Million	5,625,000+ 15 of the amount exceeding 50,000,000

**Capital Gains**

**Section 37**

Capital gain income derived on immovable property (land) if it is derived within two years is liable to be taxed under this sub-section [(1A) of section 37] shall be as follows:

S. No.	Period	Rate of tax
1	Where holding period of Immovable property is up to one year	10%
2	Where holding period of Immovable property is more than one year but not more than two years.	5%
3	Where holding period of Immovable property is More than two years	0%

**Capital Gains on Disposal of Securities**

**Section 37A**

The rate of tax to be paid under section 37A shall be as follows –

Sr.	Holding Period	Tax Rates	
		T.Y 2016	T.Y 2015
1	Where holding period of a security is less than twelve months.	15 %	12.5 %
2	Where holding period of a security is twelve months or more but less than twenty-four months.	12.5 %	10%
3	Where holding period of a security is twenty-four months or more but less than four years	7.5 %	0%
4	Where holding period exceeds four years	0%	-

A mutual fund or a collective investment scheme or a REIT scheme shall deduct Capital Gains Tax and on redemption of securities, capital gain tax shall be deducted as specified below-

Category	Filer	Non-filer
Individual and association of persons	10% for stock funds	17.5%
Individual and association of persons	10% for others	
Company	10% for stock funds	25%
Company	25% for others	

Provided further that in case of a stock fund if dividend receipts of the fund are less than capital gains, then the rate of tax deduction shall be **12.5%**.

S. No.	Person(s)	Minimum Tax as percentage of the person's turnover for the year
(1)	(2)	(3)
1.	(a) Oil marketing companies, Oil refineries, Sui Southern Gas Company Limited and Sui Northern Gas Pipelines Limited ( for the cases where annual turnover exceeds rupees one billion.); (b) Pakistan International Airlines Corporation; and (c) Poultry industry including poultry breeding, broiler production, egg production and poultry feed production. (d) Dealers of distributors and fertilizers.	0.5%
2.	(a) Distributors of pharmaceutical products and cigarettes; (b) Petroleum agents and distributors who are registered under the Sales Tax Act, 1990; (c) Rice mills and dealers; and (d) Flour mills.	0.2%
3.	Motorcycle dealers registered under the Sales Tax Act, 1990	0.25%
4.	In all other cases.	1%

## WITHHOLDING TAXES REGIME

### Imports (Part II of 1st Schedule)

### Section 148

S. No.	Persons	Filer	Non filer
1	i) Industrial undertaking importing remelttable steel (PCT Heading 72.04) and directly reduced iron for its own use ii) Persons importing potassic fertilizers in pursuance of Economic Coordination Committee of the cabinet's decision No. ECC-155/12/2004 dated the 9 2004; iii) Persons importing urea; and iv) Manufacturers covered under Notification No. S.R.O. 1125(I)/2011 dated the 31December, 2011 dated the 31, 2011. v) Persons importing gold vi) Persons importing cotton vii) Designated buyer of LNG on behalf of Government of Pakistan, to import LNG	1% of import value as increased by customs-duty, sales tax and federal excise duty	1.5% of import value as increased by customs-duty, sales tax and federal excise duty
2	Persons importing pulses	2% of import as increased by customs-duty, sales tax and federal excise duty	3% of import as increased by customs-duty, sales tax and federal excise duty
3	Commercial importers covered under Notification No. S.R.O. 1125(I)/2011 dated the 31 December, 2011.	3% of import value as increased by customs-duty, sales tax and federal excise duty	4.5% of import value as increased by customs-duty, sales tax and federal excise duty
4	Ship breakers on import of ships	4.5%	6.5%
5	Industrial undertakings not covered under S. Nos. 1 to 4	5.5%	8%
6	Companies not covered under S. Nos. 1 to 5	5.5%	8%
7	Persons not covered under S. Nos. 1 to 6	6%	9%

### Deduction of Tax at Source (Part III & IV of 1<sup>st</sup> Schedule)

#### Profit on Debt

#### Section 151

Profit on Debt	Filer	Non Filer
Less than 500,000	10%	10%
Greater than 500,000	10%	17.5%

*Provision of 151 shall not apply to inter-corporate dividend within the group companies entitled to group taxation under section 59AA or 59B (2<sup>nd</sup> Schedule, part IV, 11C)*

Provisions of 151(1)(a) not apply to any amount paid as yield or profit on investment in Bahhood Savings Certificate or Pensioner's Benefit Account. (2<sup>nd</sup> Schedule, part IV, 136A)

**Payment to Non- Resident**

**Section 152**

Particulars	Filer	Non- Filer
Royalty or fee for technical services	15%	15%
Contract for construction, assembly or installation project; construction contract and related services; advertisement services by TV satellite channels	6%	6%
Insurance premium or reinsurance premium	5%	5%

Permanent establishment of non- resident	Filer	Non- Filer
Gross Amount of sale of goods (Company)	4%	6%
Gross Amount of sale of goods (Other than Company)	4.5%	6.5%
Gross Amount of services rendered/provided other than transport (Company)	8%	12%
Gross Amount of services rendered/provided other than transport (Other than Company)	10%	15%
Gross Amount of execution of contract (in case of sportspersons)	10%	10%
Gross Amount of execution of contract (in case of company)	7%	10%
Gross Amount of execution of contract (in case of other than company)	7.5%	10%

**Payment of Goods, Services & Contracts**

**Section 153**

Section	Nature of Payment	Filer	Non-Filer
153(1)(a) 2	Sale of goods:		
	<ul style="list-style-type: none"> <li>• Company</li> <li>• Other than company</li> </ul>	4% 4.5%	6% 6.5%
153(1)(b)	For transport services	2%	2%
153(1)(b)	For other services:		
	<ul style="list-style-type: none"> <li>• Company</li> <li>• Other than company</li> </ul>	8% 10%	12% 15%
	For Electronic & Print media for advertising services		
	<ul style="list-style-type: none"> <li>• Company</li> <li>• Other than company</li> </ul>	1% 1%	12% 15%
153(1)(c)	Execution of Contracts:		
	<ul style="list-style-type: none"> <li>• Company</li> <li>• Other than company</li> <li>• Sports person</li> </ul>	7% 7.5% 10%	10% 10% 10%

Notes

1. Provisions of 153(1) shall not apply (2<sup>nd</sup> Schedule, part IV, clause --)
  - a. (45) any manufacturer-cum-exporter as the prescribed person  
Provided that –
    - (a) the manufacturer-cum-exporter shall deduct tax from payments made in respect of goods sold in Pakistan;
    - (b) if tax has not been deducted from payments on account of supply of goods in respect of goods sold in Pakistan, the tax shall be paid by the manufacture-cum-exporter, if the sales in Pakistan are in excess of five per cent of export sales; and
    - (c) nothing contained in this clause shall apply to payments made on account of purchase of the goods in respect of which special rates of tax deduction have been specified 6[under the provisions of the repealed Ordinance].
  - b. (46) any payment received by an oil distribution company or an oil refinery 2[or Permanent Establishment of Non-resident Petroleum Exploration and Production (E&P) Companies] for supply of its petroleum products.
  
2. Provisions of 153(1)(a) shall not apply to followings; (2<sup>nd</sup> Schedule, part IV)
  - a. (43A) Payments received by a person on account of supply of petroleum product imported by the same person under the Government of Pakistan's deregulation policy of POL products
  - b. (43B) Payments received on sale of air tickets by travelling agents, who have paid withholding tax on their commission income.
  - c. (43C) any payment received by a petroleum agent or distributor who is registered under Sales Tax Act, 1990 on account of supply of petroleum products.
  - d. (43D) An oil tanker contractor with effect from 1st July 2008, provided that such contractor pays tax @ 2.5%, on the payments for rendering or providing of carriage services w.e.f. tax year 2012.
  - e. (44E) Goods transport contractors, provided that such contractors pay tax at the rate of 2.5% on payments for rendering or providing of carriage services.
  - f. (45A) (a) The rate of deduction of withholding tax under 153(1)(a)(b) shall be one per cent on local sales, supplies and services provided or rendered to the taxpayers falling in the following categories namely:-
    - (i) textile and articles thereof;
    - (ii) carpets;
    - (iii) leather and articles thereof including artificial leather footwear;
    - (iv) surgical goods; and
    - (v) sports goods;
 Provided that withholding tax under 153(1)(a)(b) shall not be deducted from sales, supplies and services made by traders of yarn to the above mentioned categories of taxpayers. Such traders of yarn shall pay minimum tax @ 0.1% on their annual turnover on monthly basis on 30th day of each month and monthly withholding tax statement shall be e-filed under the provisions of section 165 of this Ordinance

**Exports**

**Section 154**

S. No.	Particulars	Rate
1	Export proceeds	1%
2.	Indenting Commission	5%

**Income from Property**

**Section 155**

**FOR INDIVIDUALS & AOP'S**

S. No.	Particulars	Rate
1.	Upto Rs. 150,000	NIL
2.	Rs. 150,001 to 1,000,000	10% of gross amount exceeding Rs.150,000
3.	Rs. 1,000,001 and above	Rs. 85,000 plus 15 % of amount above Rs.1,000,000

The rate of tax to be deducted under section 155 in the case of companies shall be 15% of the gross amount of rent.



**Prizes & Winnings**

**Section 156**

S. No.	Particulars	Rate
1.	Prize bond or cross word puzzle	15%
2.	Raffle, Lottery, prize on winning a quiz, Prize offered by companies for promotion of Sales	20%

**Petroleum Products**

**Section 156A**

Taxable amount	Filer	Non- Filer
Commission or Discount allowed on Petroleum Products	12%	15%

**Cash Withdrawal from A Bank**

**Section 231 A**

Taxable amount	Filer	Non- Filer
If Amount of Cash Withdrawn exceeds 50,000	0.3%	0.6%

**Advance Tax on Certain Transactions with Bank**

**Section 231AA**

Particulars	Filer	Non- Filer
Sale against cash of any instrument including D.D, P.O, CDR, STDR, SDR, RTC or any other instrument of bearer nature	0.3%	0.6%
Sale against cheque of any instrument including D.D, P.O, CDR, STDR, SDR, RTC or any other instrument of bearer nature	-	0.6%
Inter bank / Intra Bank transfer	-	0.6%

**Commission and Brokerage**

**Section 233**

Particulars	Filer	Non- Filer
Brokerage and Commission(Advertising Agents)	10%	15%
Brokerage and Commission(Other than Advertising Agents)	12%	15%

**Tax on Motor Vehicle**

**Section 234**

The bill seeks to reduce the existing rates of advance tax at the time of motor vehicle tax by E & T Department. Further, distinction has been made in filer and non-filer cases;

S. No.	Engine Capacity	Tax for filer	Tax for Non-filer
(1)	(2)	(3)	(4)
1.	Upto 1000cc	Rs. 800	Rs. 1,200
2.	1001cc to 1199cc	Rs. 1,500	Rs. 4,000
3.	1200cc to 1299cc	Rs. 1,750	Rs. 5,000
4.	1300cc to 1499cc	Rs. 2,500	Rs. 7,500
5.	1500cc to 1599cc	Rs. 3,750	Rs. 12,000
6.	1600cc to 1999cc	Rs. 4,500	Rs.15,000
7.	Above 2000cc	Rs. 10,000	Rs. 30,000

Where motor vehicle tax is collected in lump sum, rates are as follows;

S. No.	Engine Capacity	Tax for filer	Tax for Non-filer
(1)	(2)	(3)	(4)
1.	Upto 1000cc	Rs. 10,000	Rs. 10,000
2.	1001cc to 1199cc	Rs. 18,000	Rs. 36,000
3.	1200cc to 1299cc	Rs. 20,000	Rs. 40,000
4.	1300cc to 1499cc	Rs. 30,000	Rs. 60,000
5.	1500cc to 1599cc	Rs. 45,000	Rs. 90,000
6.	1600cc to 1999cc	Rs. 60,000	Rs.120,000
7.	Above 2000cc	Rs.120,000	Rs.240,000

**ELECTRICITY CONSUMPTION**

**SECTION 235**

Monthly bill	Tax amount (Rs.)	Monthly bill	Tax amount (Rs.)
▪ Upto Rs. 400	Nil	▪ Rs. 3,001 to 4,500	450
▪ Rs. 401 to 600	80	▪ Rs. 4,501 to 6,000	500
▪ Rs. 601 to 800	100	▪ Rs. 6,000 to 10,000	650
▪ Rs. 801 to 1,000	160	▪ Rs. 10,001 to 15,000	1,000
▪ Rs. 1,001 to 1,500	300	▪ Rs. 15,001 to 20,000	1,500
▪ Rs. 1,501 to 3,000	350		
Commercial (where the amount of monthly bill exceeds Rs. 20,000)			10 %
Industrial (where the amount of monthly bill exceeds Rs. 20,000)			5 %

**DOMESTIC ELECTRICITY CONSUMPTION**

**SECTION 235A**

Monthly Bill amount	Rate
Rs. 75,000 or more	7.5% of the amount of monthly bill
Less than Rs. 75,000	0% of the amount of monthly bill

**TELEPHONE AND INTERNET USERS**

**SECTION 236**

Particulars	Rate
On subscriber of Internet, mobile telephone and prepaid internet or telephone card	14% of the amount of bill
Telephone subscriber	10% of the amount exceeding 1000

**Advance tax on private motor vehicles**

**Section 231B**

S. No.	Engine Capacity	Tax for filer	Tax for Non-filer
(1)	(2)	(3)	(4)
1	Upto 850cc	Rs. 10,000	Rs. 10,000
2	851 to 1000cc	Rs. 20,000	Rs. 25,000
3	1001 to 1300cc	Rs. 30,000	Rs. 40,000
4	1301cc to 1600cc	Rs. 50,000	Rs. 100,000
5	1600cc to 1800cc	Rs. 75,000	Rs. 150,000
6	1801cc to 2000cc	Rs. 100,000	Rs. 200,000
7	2001cc to 2500cc	Rs. 150,000	Rs. 300,000
8	2501cc to 3000cc	Rs. 200,000	Rs. 400,000
9	Above 3000cc	Rs. 250,000	Rs. 450,000

Rates have been revised at time of transfer of registration / ownership. Revised rates are as follows;

S. No.	Engine Capacity	Tax for filer	Tax for Non-filer
(1)	(2)	(3)	(4)
1	Upto 850cc	-	5,000
2	851 to 1000cc	Rs.5,000	15,000
3	1001 to 1300cc	Rs.7,500	25,000
4	1301cc to 1600cc	Rs.12,500	65,000
5	1600cc to 1800cc	Rs.18,750	100,000
6	1801cc to 2000cc	Rs.25,000	135,000
7	2001cc to 2500cc	Rs.37,500	200,000
8	2501cc to 3000cc	Rs.50,000	270,000
9	Above 3000cc	Rs.62,500	300,000

Provided rate of tax shall be reduced by 10% each year from date of first registration in Pakistan.

**Advance tax at the time of sale by auction**

**Section 236A**

Taxable Amount	Rate
Gross sale price of property or goods sold by auction	10%

**Advance Tax on Sale or Transfer of Immovable Property**

**Section 236C**

Taxable Amount	Filer	Non-Filer
Consideration received	0.5%	1%

**Advance Tax on Functions & Gatherings**

**Section 236D**

Particulars	Rate
On bill amount for arranging or holding a function in a marriage hall, marquee, hotel, restaurants, commercial lawn, club, a community place or any other place used for such purpose providing food , services or other facility.	5 %

**Advance Tax on Sales to Distributors, Dealers & Wholesalers**

**Section 236G**

Particulars	Filer	Non-Filer
Fertilizer	0.7%	1.4%
Other than Fertilizers	0.1%	0.2%

**Advance Tax on Sales to Retailers or wholesalers**

**Section 236H**

Tax @ 0.5% on the gross amount of Sales

**Collection of Advance Tax on Educational Institutions**

**Section 236I**

Taxable Amount	Rate
Fee paid to educational institutions*	5%

*\*Note: Advance tax under this section shall not be collected from a person who is a non-resident and furnishes copy of passport as an evidence to the educational institution that during previous tax year, his stay in Pakistan was less than one hundred eighty-three days; furnishes a certificate that he has no Pakistan-source income; and the fee is remitted directly from abroad through normal banking channels to the bank account of the educational institution.*

**Advance Tax on Purchase or transfer of Immovable Property**

**Section 236K**

Particulars	Filer	Non-Filer
On registering or attesting the transfer of immovable property (provided property value exceeds 3 million)	1%	2%

**Advance Tax on International Air Ticket**

**Section 236L**

Particulars	Amount of Tax
Air Tickets: <ul style="list-style-type: none"> <li>• First/Executive Class</li> <li>• Others excluding Economy</li> <li>• Economy</li> </ul>	Rs.16,000 per person Rs.12,000 per person NIL

**Advance tax on banking transaction otherwise through cash**

**Section 236P**

Particulars	Filer	Non-filer
If Banking Transactions exceeds Rs. 50,000 in a day	-	0.6%

**Payment to a resident person for right to use machinery and equipment**

**Section 236Q**

Particular	Tax Rate
Amount for use or right to use of equipment	10%

**Collection of advance tax on education related expenses remitted abroad**

**Section 236R**

Particular	Tax Rate
The amount of education related expenses remitted abroad	5%

*\*Note: Withholding Tax (WHT) collected/deducted under various heads / sections of the Income Tax Ordinance, 2001 (ITO) is to be deposited u/s 160 of ITO read with rule 43(b) and 44(2) of Income Tax Rules 2002. Stating NTN or CNIC is mandatory for every person whose tax is deducted.*

*A person responsible for collecting or deducting tax under the Ordinance shall furnish a monthly statement within FIFTEEN days of the end of each month to the Commissioner.*

**Collection of tax by Pakistan Mercantile Exchange Limited (PMEX)**

**Section 236T**

Particular	Tax Rate
Amount of Sale or purchase of future commodity contract	0.05%

*\* The tax collected under this section shall be treated as an adjustable.*