

**ASIF ASSOCIATES**  
**Chartered Accountants**

**TAX CARD FOR THE TAX  
YEAR 2023**

**With effect from July 01, 2022**



**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, Sales Tax Act 1990 and Provincial Sales Taxes 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, 2022.

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, Sales Tax Act 1990 and Provincial Sales Tax Acts.

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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<b>FOR SALARIED INDIVIDUALS</b>	
<b>Taxable Income (Rupees)</b>	<b>Rate of Tax</b>
0 to 600,000	0%
600,001 to 1,200,000	2.5% of amount exceeding Rs. 600,000
1,200,001 to 2,400,000	Rs.15,000+12.5% of amount exceeding Rs.1,200,000
2,400,001 to 3,600,000	Rs.165,000+20% of amount exceeding Rs.2,400,000
3,600,001 to 6,000,000	Rs.405,000 + 25% of amount exceeding Rs.3,600,000
6,000,001 to 12,000,000	Rs.1,005,000 + 32.5% of amount exceeding Rs.6,000,000
Where Taxable Income exceeds Rs.12,000,000	Rs.2,955,000+35% of amount exceeding Rs.12,000,000

\*Salaried Individual means income of individual under the head "Salary" exceeds 75% of his taxable income.  
 -payment for directorship fee or fee for attending board meeting, will be taxed @ 20%

<b>FOR NON-SALARIED INDIVIDUALS / ASSOCIATION OF PERSONS (AOP)</b>	
<b>Taxable Income (Rupees)</b>	<b>Rate of Tax</b>
0 to 600,000	0%
600,001 to 800,000	5% of amount exceeding Rs. 600,000
800,001 to 1,200,000	Rs.10,000+12.5% of amount exceeding Rs.800,000
1,200,001 to 2,400,000	Rs.60,000+17.5% of amount exceeding Rs.1,200,000
2,400,001 to 3,000,000	Rs.270,000 + 22.5% of amount exceeding Rs.2,400,000
3,000,001 to 4,000,000	Rs.405,000 + 27.5% of amount exceeding Rs.3,000,000
4,000,001 to 6,000,000	Rs.680,000 + 32.5% of amount exceeding Rs.4,000,000
Where Taxable Income exceeds Rs.6,000,000	Rs.1,330,000+35% of amount exceeding Rs.6,000,000

## ALLOWANCES AND TAX CREDITS

SECTIONS	PARTICULARS	CONCESSION	MAXIMUM LIMIT
60	Zakat	Straight Income Deduction	N/A
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
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 D	Tax credit for Point of Sale Machine	Tax Credit	Lower of; -amount actually invested in purchase of point of sale machine -rupees one hundred and fifty thousand per machine
65F	Tax Credit to certain persons	100% Tax Credit	Available to following persons  (a) persons engaged in coal mining projects in Sindh supplying coal exclusively to power generation projects  (b) a startup as defined in clause (62A) of section 2 for the tax year in which the startup is certified by the Pakistan Software Export Board and the next following two tax years.

<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>	
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\*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.

<b>TAX RATES FOR THE COMPANIES</b>		
<b>COMPANY</b>	<b>RATE FOR THE TAX YEAR</b>	
	<b>2022</b>	<b>2023</b>
Banking Company	35%	39%
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, Paid-up Capital up to Rs. 50 million and number of Employees up to 250	21%	20%

#### **RATES OF SUPER TAX**

<b>Sr. No</b>	<b>Person</b>	<b>Tax year</b>	<b>Tax year</b>	<b>Tax year</b>
		<b>2019</b>	<b>2020</b>	<b>2021 and 2022</b>
1	Banking Company*	4%	4%	4%
2	Other Than Banking company having income equal or more than Rs. 500 M	2%	0%	0%

#### **SUPER TAX ON HIGH EARNING PERSONS**

<b>Sr. No</b>	<b>Particulars</b>	<b>Rate of Tax</b>
1	Where the income does not exceed Rs. 150 million	0% of the income
2	Where the income exceeds Rs. 150 million but doesn't exceed Rs. 200 million	1% of the income
3	Where the income exceeds Rs. 200 million but doesn't exceed Rs. 250 million	2% of the income
4	Where the income exceeds Rs. 250 million but doesn't exceed Rs. 300 million	3% of the income
5	Where the income exceeds Rs. 300 million*	4% of the income

### **\*PROVISO**

Provided for tax year 2022 for persons engaged in business of airlines, automobiles, beverages, cement, chemicals, cigarette and tobacco, fertilizer, iron and steel, LNG terminal, oil marketing, oil refining, petroleum and gas exploration and production, pharmaceuticals, sugar and textiles the rate of tax shall be 10% where income exceeds Rs. 300 million.

Provided further that in case of banking companies for tax year 2023, the rate of tax shall be 10% where the income exceeds Rs. 300 million.

### **RATES FOR FILING OF APPEALS:**

Authority	INDIVIDUAL / AOP		COMPANY	
	Appeal against assessment Order	Other order	Appeal against assessment Order	Other order
<b>Filing of Appeal before CIR(Appeals)</b>				
Appeal Fee	2,500	1,000	5,000	5,000
<b>Filing of Appeal before ATIR</b>				
Appeal Fee	2,500	2,500	5,000	5,000

SMALL & MEDIUM ENTERPRISES (Option under NTR)		
Category	Turnover	Rates
Category-1	Where annual business turnover does not exceed Rupees 100 million	7.5% of taxable Income
Category-2	Where annual turnover exceeds Rupees 100 Million but does not exceed Rupees 250 million	15% of taxable Income

SMALL & MEDIUM ENTERPRISES (Option under FTR)		
Category	Turnover	Rates
Category-1	Where annual business turnover does not exceed Rupees 100 million	0.25% of gross turnover
Category-2	Where annual turnover exceeds Rupees 100 Million but does not Rupees 250 million	0.5% of gross turnover

### **Proviso**

- 1). It is applicable on manufacturer only whose turnover in a tax year does not exceed Rs. 250 million and does not apply on traders / service providers etc. Traders and service providers can avail the benefit of small company only.
- 2). Tax deductible U/S 153(1)(a) shall not be minimum tax where the payments are received on sale or supply of goods by SMEs.
- 3). The provision of S-113 shall not be applicable to SMEs.

# WITHHOLDING OF TAX ON PAYMENTS

<b>U/S 148</b>	<b>ADVANCE TAX ON IMPORT STAGE</b>		
	<b>Persons</b>	<b>Filer</b>	<b>Non-Filer</b>
	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%, 3.5% in case of Commercial Importer	4%, 7% in case of Commercial Importer
	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%
In case of importers of CKD kits of electric vehicles for small cars or SUVs with 50 kwh battery or below and LCVs with 150 kwh battery or below shall be	1%	1%	

\*Provided tax collected U/S 148 shall be minimum tax on the income of every person arising from import of edible oil, packing material, paper and paper board or plastic.

<b>U/S 150</b>	<b>DIVIDEND</b>	
	<b>Description</b>	<b>Rate</b>
<b>1</b>	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.	7.50%
<b>2</b>	Mutual Funds and all other cases	15%
<b>3</b>	From Company having no tax is payable due to exemption or carried forward of business losses or claim of tax credits.	25%

<b>U/S 151(IA)</b>	<b>RETURN ON INVESTMENT IN SUKUKS</b>		
	<b>Description</b>	<b>Individual /AOPs</b>	<b>Company</b>
<b>1</b>	If return is less than Rs. 1 million.	10%	25%
<b>2</b>	If return is above Rs. 1 million.	12.50%	25%

<b>PROFIT ON DEBT</b>			
<b>U/S 151- WHT Section</b>		<b>Filers</b>	<b>Non-filers</b>
	Gross Amount	15%	30%
<b>U/S 7B- Charging section</b>	(Separate Block of Income for Individuals & AOPs up to Rs. 5,000,000/- and above Rs. 5,000,000/- will be taxable under Normal Tax Regime) 15%		

<b>U/S 152</b>	<b>PAYMENTS TO NON-RESIDENTS</b>	
	Royalty or fee for Technical services rendered by non-residents. 152(1)	15%
	Any other case 152(1)	10%
	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%
	Advertisement Services to non- resident media person relying outside Pakistan 152(1AAA)	10%
	Capital gain arising on the disposal of debt instruments and government securities maintaining under Foreign Currency Value Account (FCVA) or a non-resident Pakistani Rupee Value Account (NRVA) of a non-resident individual holding Pakistan Origin Card (POC) or National ID Card for Overseas Pakistanis (NICOP) or Computerized National ID Card (CNIC). 152(1DA)	10%
	Sports Person	10%
Any other	20%	

<b>PAYMENTS TO PERMANENT ESTABLISHMENTS OF NON-RESIDENTS – 152 (2A)</b>	<b>Company</b>		<b>Others</b>	
	<b>Filer</b>	<b>Non- Filer</b>	<b>Filer</b>	<b>Non- Filer</b>
Supply/Sale of Goods by PE of Non-residents	4%	8%	4.5%	9%
Services rendered/provided by PE of Non-residents	8%	16%	10%	20%
Execution of Contracts by PE of Non-residents	7%	14%	7%	14%

<b>U/S 101A</b>	<b>GAIN ON DISPOSAL OF ASSETS OUTSIDE PAKISTAN</b>	
	<b>Description</b>	<b>Rate of Tax</b>
	Any gain from the disposal or alienation outside Pakistan of an asset located in Pakistan of a non-resident company shall be Pakistan source.	Higher of: 1) 20% of FMV less cost of acquisition of asset 2) 10% of FMV of asset

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

Sr. No.	Description	2023		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
In case of payment for sale of gold and silver and articles	1%	2%	31, Part II of Second Schedule	
Distributors, Dealers & Sub-dealers of wholesaler & retailer of FMCGs, fertilizers, Sugar, Cement, steel and edible oil as recipient of payment.	0.25%	0.50%	24C, Part II of Second Schedule (If appearing in ATL for Sales Tax and Income Tax)	
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 enabled services as defined in section 2, tracking services, advertising services (other than by print or electronic media), share registrar services, engineering services including architectural services, warehousing services, services rendered by asset management companies, data services provided under license issued by the Pakistan Telecommunication Authority, telecommunication infrastructure (tower) 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, oilfield services, telecommunication services, collateral management services, travel and tour services, REIT management services, services rendered by National Clearing Company of Pakistan Limited.	3%	6%	Section 153(1)(b), Part III Division III
	A) Others: -In case of company - In case of other taxpayers	8% 10%	16% 20%	

	B) Advertising payment to Electronic & Print Media: - Company - Any other Person	1.5% 1.5%	3% 3%	
3	Execution of contracts: -In case of company -In case of other taxpayers -In case of sportspersons	6.5% 7% 10%	13% 14% 20%	Section 153(1)(c), Part III Division III
4	Following services rendered to exporter: stitching, dying, printing, embroidery, washing, sizing and weaving.	1%	2%	Section 153(2) Part III Division IV

EXPORTS		
U/S 154	Sale of goods to an exporter under inland back-to-back LC or any other Arrangement like SPO. 154 (3)	1%
	Indenting Commission	
	Export of Goods	

EXPORT OF SERVICES		
U/S 154A	a) export proceeds of computer software or IT services or IT enabled services by persons registered with PSEB	0.25% of proceeds
	b) any other case	1% of proceeds

TAX ON RENTAL INCOME			
U/S 155	<b>Gross Rentals (Rupees)</b>	<b>Rate</b>	
	0 to 300,000	0%	
	300,001 to 600,000	5% of amount exceeding Rs. 300,000/-	
	600,001 to 2,000,000	Rs. 15,000/- + 10% of exceeding Rs. 600,000/-	
	Exceeding Rs.2,000,000	Rs. 155,000/- + 25% of exceeding Rs. 2,000,000/-	
	<b>DEDUCTION AT SOURCE AGAINST RENT U/S 155 (COMPANIES):</b>	<b>Filer</b>	<b>Non-Filer</b>
	On gross amount of rent.	15%	15%

TAX ON DEEMED RENTAL INCOME		
U/S 7E	<b>Conditions for deemed rental income</b>	<b>Rate</b>
	Person having more than one immovable property valuing above Rs. 25 million shall be deemed to have received rental income equal to 5% of FMV-With effect from tax year 2022	20% of deemed rental income

	<b>PRIZES AND WINNINGS</b>	<b>Filer</b>	<b>Non-Filer</b>
<b>U/S 156</b>	Prize on Prize Bond & crossword puzzle U/S 156	15%	30%
	Winnings from a raffle, lottery, prize on winning a quiz, prize offered by a company for promotion of sales	20%	20%

	<b>COMMISSION ON PETROLEUM PRODUCTS</b>	
<b>U/S 156 (A)</b>	Filers	12%
	Non-filers	24%

# ADVANCE TAX

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

<b>PURCHASE / REGISTRATION [Section 231B (1)]</b>		
<b>Engine Capacity</b>	<b>Filer</b>	<b>Non-Filer</b>
Up to 850cc	10,000	30,000
851cc to 1000cc	20,000	60,000
1001cc to 1300cc	25,000	75,000
1301cc to 1600cc	50,000	150,000
1601cc to 1800cc	150,000	450,000
1801cc to 2000cc	200,000	600,000
2001cc to 2500cc	300,000	900,000
2501cc to 3000cc	400,000	1,200,000
3000cc and above	500,000	1,500,000

### **PROVISO**

Provided that in cases where engine capacity is not applicable and the value of vehicle is Rs. 5 Million or more, the rate of tax collectible shall be 3% of the import value as increased by Custom Duty, Sales Tax and FED in case of imported vehicle or invoice value in case of locally manufactured or assembled vehicles.

<b>TRANSFER [Section 231B (2)]</b>		
<b>Engine Capacity</b>	<b>Filer</b>	<b>Non-Filer</b>
Up to 850cc	-	-
851cc to 1000cc	5,000	15,000
1001cc to 1300cc	7,500	22,500
1301cc to 1600cc	12,500	37,500
1601cc to 1800cc	18,750	56,250
1801cc to 2000cc	25,000	75,000
2001cc to 2500cc	37,500	112,500
2501cc to 3000cc	50,000	150,000
3000cc and above	62,500	187,500

### **PROVISO**

Provided that in cases where engine capacity is not applicable and the value of vehicle is Rs. 5 Million or more, the rate of tax collectible shall be Rs. 20,000/-.

Provided further that the rate of tax to be collected under this clause shall be reduced by 10% each year from the date of first registration in Pakistan.

**Locally manufactured motor vehicle has been sold prior to registration by the Person who originally purchased it from the local manufacturer [Section 231B (2A)]**

Engine Capacity	Filer	Non-Filer
Up to 1000cc	50,000	150,000
1001cc to 2000cc	100,000	300,000
2001cc and above	200,000	600,000

**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%

**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	Non-Air Conditioned	Air Conditioned
4 ≥ But < 10 Persons	Rs. 500 per seat per annum	Rs. 1,000 per seat per annum
10 ≥ But < 20 Persons	Rs. 1,500 per seat per annum	Rs. 2,000 per seat per annum
20 ≥ Persons	Rs. 2,500 per seat per annum	Rs. 4,000 per seat per annum

**OTHER MOTOR VEHICLES U/S 234**

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

<b>ELECTRICITY CONSUMPTION [Section 99A, 235, 235(1A) &amp; Division IV Part IV First Schedule]</b>		<b>Filer</b>	<b>Non-Filer</b>
Domestic	Monthly bill up to Rs. 25,000	0%	0%
	Monthly bill exceeding Rs. 25,000	0%	7.50%
Commercial	up to Rs. 500	Rs. 0	
	exceeds Rs. 500 but does not exceed Rs. 20,000	10% of the amount	
	exceeds Rs.20,000	Rs. 1950 plus 12% of the amount exceeding Rs. 20,000	
Industrial	up to Rs. 500	Rs. 0	
	exceeds Rs. 500 but does not exceed Rs. 20,000	10% of the amount	
	exceeds Rs.20,000	Rs. 1950 plus 5% of the amount exceeding Rs. 20,000	
Retailers and Service Providers	Where the monthly bill does not exceed does not exceed Rs. 30,000	Rs. 3,000	
	Where the monthly bill exceeds Rs. 30,000 but does not exceed Rs. 50,000	Rs. 5,000	
	Where the monthly bill exceeds Rs. 50,000 but does not exceed Rs. 100,000	Rs. 10,000	
	Retailers and service providers as notified by the Board through ITGO	Upto Rs. 200,000	

<b>TELEPHONE USERS [Section 236 &amp; Division V Part IV First Schedule]</b>	<b>Rate</b>
Landline bills exceeding Rs. 1,000	10%
In case of subscriber of internet, mobile telephone and pre-paid internet or telephone card	10% for tax year 2022 and 8% onwards

<b>SALE BY AUCTION U/S 236A</b>	<b>Filer</b>	<b>Non-Filer</b>
Sale of immovable property	5%	10%
Sale of Goods other than immovable property	10%	20%

<b>SALE/TRANSFER OF IMMOVABLE PROPERTY U/s 236C</b>	<b>Rate</b>
Filers	2%
Non-filers	5%

<b>TV PLAYS AND ADVERTISEMENTS U/s 236CA</b>	<b>Rate</b>
Foreign-produced TV drama serial or play	Rs. 1,000,000/- per episode
Foreign-produced TV play (Single episode)	Rs. 3,000,000/-
Advertisement starring foreign actor	Rs. 100,000/- per second

<b>ADVANCE TAX ON SALE TO DISTRIBUTOR, DEALER U/S 236G</b>	<b>Filer</b>	<b>Non-filer</b>
Fertilizers*	0.70%	1.40%
Other than fertilizer	0.10%	0.20%

\*The Rate of advance tax on sale to distributors, dealers or wholesalers shall be 0.25%, if they are already appearing on both the Active Taxpayers' Lists issued under the provisions of the Sales Tax Act, 1990 and the Income Tax Ordinance, 2001 (XLIX of 2001).

<b>ADVANCE TAX ON SALES TO RETAILERS U/S 236H</b>	<b>Filer</b>	<b>Non-filer</b>
Pharmaceuticals, poultry and animal feed, edible oil and ghee, battery, tyres, varnishes, chemicals, cosmetics, IT equipment, electronics, sugar, cement, iron and steel products, motorcycles, pesticides, cigarettes, glass, textile, beverages, paint or foam	0.50%	1.00%

<b>ADVANCE TAX ON PURCHASE OF IMMOVABLE PROPERTY U/S 236K</b>	<b>Filer</b>	<b>Non-Filer</b>
Value of Property	2% of FMV	5% of FMV

<b>ADVANCE TAX ON AMOUNT REMITTED ABROAD THROUGH CREDIT, DEBIT OR PREPAID CARDS U/S 236Y</b>	<b>Rate</b>
On amount remitted abroad	1%

<b>Omitted Sections</b>	<b>Description</b>
<b>236I</b>	Advance tax by educational institutions
<b>236Q</b>	Payment to resident person for right to use machinery and equipment
<b>60(C)</b>	Profit on debt for construction of house
<b>62</b>	Investment in shares and insurance
<b>62A</b>	Tax credit for investment in health insurance

<b>RATES OF MINIMUM TAX U/S 113</b>	
<b>Narration Section</b>	<b>Rates</b>
Sui Southern Gas Company Limited and Sui Northern Gas Pipelines Limited (for the cases where annual turnover exceeds rupees one billion.)	0.75%
Pakistan International Airlines Corporation	0.75%
Poultry industry including poultry breeding, broiler production, egg production and poultry feed production	0.75%
Oil refineries and oil marketing companies	0.5%
Motorcycle dealers registered under the Sales Tax Act, 1990	0.5%
Distributors of pharmaceutical products, fast moving consumer goods and cigarettes	0.25%
Petroleum agents and distributors who are registered under the Sales Tax Act, 1990	0.25%
Rice mills and dealers	0.25%
Tier-1 retailers of fast moving consumer goods who are integrated with Board or its computerized system for real time reporting of sales and receipts	0.25%
Person's turnover from supplies through e-commerce including from running an online marketplace as defined in clause (38B) of section 2	0.25%
Persons engaged in the sale and purchase of used vehicles	0.25%
Flour mills	0.25%
In all other cases	1.25%

\*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 100D.

\*\* Minimum tax in excess of normal tax shall be carried forward for three years.

<b>RATE OF TAX ON CAPITAL GAINS</b>				
<b>Rate of tax on Disposal of Immovable Property U/S 37</b>				
<b>Serial No.</b>	<b>Holding Period</b>	<b>Rate of Tax</b>		
		<b>Open Plots</b>	<b>Constructed Property</b>	<b>Flats</b>
1	Up to one year	15%	15%	15%
2	1> But ≤2	12.5%	10%	7.5%
3	2> But ≤3	10%	7.5%	0%
4	3> But ≤4	7.5%	5%	0%
5	4> But ≤5	5%	0%	0%
6	5> But ≤6	2.5%	0%	0%
7	Greater than 6 years	0%	0%	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.

<b>CAPITAL GAIN ON DISPOSAL OF SECURITIES: U/S 37A</b>	
<b>Holding Period</b>	<b>Rate of Tax for Tax Year 2023 and onwards</b>
Where the holding period does not exceed one year	15%
Where the holding period exceeds one year but does not exceed two years	12.5%
Where the holding period exceeds two years but does not exceed three years	10%
Where the holding period exceeds three years but does not exceed four years	7.5%
Where the holding period exceeds four years but does not exceed five years	5%
Where the holding period exceeds five years but does not exceed six years	2.5%
Where the holding period exceeds six years	0%
Future commodity contracts entered into by members of PMEX	5%

### **PROVISO**

Provided that for securities except future commodity contracts entered into by members of PMEX:

- The reduced rate on capital gain shall apply where the securities are acquired on or before the 30<sup>th</sup> day of June, 2022.
- The rate of 12.5% shall apply on capital gain arising on disposal where the securities are acquired on or before the 30<sup>th</sup> day of June, 2022 irrespective of holding period.

# SALE TAX ACT, 1990

<b>3rd SCHEDULE ITEMS</b>			
Sr.	DESCRIPTION	Sr.	DESCRIPTION
1	Fruit juices and vegetable juices	17	Shoe polish and shoe cream
2	Ice Cream.	17	Shoe polish and shoe cream
3	Aerated waters or beverages.	18	Cement sold in retail packing
4	Syrups and squashes.	19	Mineral/bottled water
5	Cigarettes	20	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.
6	Toilet soap	21	Household gas appliances, including cooking range, ovens, geysers and gas heaters.
7	Detergents	22	Foam or spring mattresses and other foam products for household use.
8	Shampoo	23	Paints, distempers, enamels, pigments, colors, varnishes, gums, resins, dyes, glazes, thinners, blacks, cellulose lacquers and polishes sold in retail packing
9	Toothpaste	24	Lubricating oils, brake fluids, transmission fluid, and other vehicular fluids sold in retail packing.
10	Shaving cream	25	Storage batteries excluding those sold to automotive manufacturers or assemblers
11	Perfumery and cosmetics	26	Tyres and tubes excluding those sold to automotive manufacturers or assemblers
12	Tea	27	Motorcycles
13	Powder drinks	28	Auto rickshaws
14	Milky drinks	29	Biscuits in retail packing with brand name
15	Toilet paper and tissue paper	30	Tiles
16	Spices sold in retail packing bearing brand names and trade marks	31	Auto-parts, in retail packing, excluding those sold to automotive manufacturers or assemblers

## ELEVENTH SCHEDULE-WHT OF SALES TAX UNDER SALES TAX ACT 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)	Active Taxpayer	1/5 <sup>th</sup> 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) excluding companies exporting surgical instruments	Active Taxpayer registered as a wholesaler, dealer or distributor	1/10 <sup>th</sup> 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
7.	Registered persons manufacturing lead batteries	Persons supplying reclaimed lead or scrap batteries	75% of the sales tax applicable
8.	Online market place	Persons other than Active Taxpayers	1% of gross value of supplies: Provided that the provisions of this entry shall be effective from the date as notified by the Board.

**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;
- viii) Supplies made by an Active Taxpayer as defined in the Sales Tax Act, 1990 to another registered person 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 OF SALES TAX ON SERVICES**

## **PUNJAB**

### **WITHHOLDING AGENTS:**

<b>Description</b>	<b>Rate</b>
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 registered with PRA or FBR	
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:**

<b>Description</b>	<b>Rate</b>
Departments of Federal Government, Provincial & Local Government	100% of Sales Tax will be withheld.
Public Sector Organizations & Autonomous Bodies	
Recipient of advertisement services registered with KPRA or FBR	
KPRA registered persons receiving services from unregistered or Inactive persons	
KPRA registered persons receiving services liable to tax @ reduce rate	
Withholding Agent in all other Cases	50% of Sales Tax will be withheld.

### **EXEMPTION**

The telecommunication services (excluding such services as are provided or received by telecom companies to or from each other) shall not be liable to withholding.

## 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 SRB 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 formula)	
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)	

### PROVISO

Provided that a person shall be treated as withholding agent if a person resident in Sindh or person has a place of business in Sindh.

### EXEMPTIONS

- Telecommunication
- Banking Companies
- Financial institutions, Insurance Companies in relation to its services of life insurance (Other than Re-insurance)
- Port Operator
- Airport 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.
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**PROVISO**

Provided that a person shall be treated as withholding agent if a person resident in Baluchistan or a person has a place of business in Baluchistan.

**EXEMPTIONS**

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

<b>Input Tax Credit Not Allowed-General</b>				
<b>Sr. No.</b>	<b>Description</b>	<b>PRA</b>	<b>SRB</b>	<b>FBR</b>
1	Capital goods (Plant, machinery, equipment and others) not exclusively used in rendering or providing of services*	Disallowed	Disallowed	Allowed
2	Goods or services in respect of which sales tax has not been deposited by the respective service provider	Disallowed	Disallowed	Disallowed
3	Extra tax on goods under Sales Tax Act, 1990	Disallowed	Disallowed	Disallowed
4	Further tax and value addition tax under Sales Tax Act, 1990	Disallowed	Disallowed	Allowed
5	Utility bill not in the name of tax payer unless evidence of consumption is produced subject to fulfilment of other conditions	Disallowed	Disallowed	Disallowed
6	Goods or services acquired before the commencement of Act	Disallowed	Disallowed	N/A
7	Any services below 15% in PRA, less than the standard rate in SRB, KPK and BRA or fixed rate or rate not based on value of service**	Disallowed	Disallowed	Allowed
8	Discrepancy by CREST or input tax not verifiable in supply chain	Allowed	Allowed	Disallowed
9	Fake invoices or purchases from blacklisted or suspended persons	Disallowed	Disallowed	Disallowed
10	Purchases made by person who fails to furnish required information	Allowed	Allowed	Disallowed
11	Goods or services in respect of which tax adjustment is barred under federal or provincial sales tax law	Disallowed	Disallowed	Disallowed
12	Vehicles, food, beverages, garments, fabrics, consumption on entertainment, gift and give aways	Disallowed	Disallowed	Disallowed
13	Supply of electricity / gas to residential colonies of employees	Allowed	Disallowed	Disallowed
14	Telecommunication services to residential colonies of employees	Allowed	Disallowed	Allowed
15	Building material, cement, bricks, mild steel, paints, office equipment, machines etc. directly used in taxable activity	Disallowed	Disallowed	Disallowed
16	Crockery, cutlery, utensils etc. unless directly used in taxable activity	Allowed	Disallowed	Disallowed
17	Wires, cables, electrical and sanitary fittings, electrical and gas appliances unless directly related to taxable activity	Allowed	Disallowed	Disallowed
18	Debit credit note	90 days	180 days	180 days

\*Input tax on fixed assets used directly for providing of services is allowed in twelve equal monthly instalments in case of Sindh. Full amount allowed in case of FBR / PRA in the month of purchase.

**\*\*In Sindh sales tax rate on telecommunication services is 19.5% but input is allowed to the extent of 17% only. Similarly, sales tax paid on other taxable goods and services in excess of 13% is not allowed in Sindh.**

**DISCLAIMER:**

We have prepared this Tax card by using provisions of Income Tax Ordinance, 2001, Sales Tax Act 1990 updated to the effect of Finance Act, 2022 & 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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