

# INCOME TAX WITHHOLDING RATES

*Changes made vide Finance Act, 2021 & latest notifications are identified in RED.*

## Section 37A Tax on Capital Gains on sale of Securities

Holding Period (months)	Tax year 2015	Tax year 2016	Tax year 2017	Tax year 2018, 2019, 2020 and 2021		Tax Year 2022 and onwards
				Acq. Before 01-7-16	Acq. After 01-7-16	
Less than 12	12.5%	15%	15%	15%	15%	12.5%
12 to 24	10%	12.5%	12.5%	12.5%		
More than 24 and security acquired after 01.07.13	0%	7.5%	7.5%	7.5%		
security/shares acquired before 01.07.13	0%	0%	0%	0%	0%	0%
Future commodity contracts entered into by members of PMX	0%	0%	5%	5%	5%	5%

## Section 37-Tax on Capital Gains on sale of immovable properties

Amount of gain	Rate of tax
Up to 5,000,000	3.5%
5000,001-10,000,000	7.5%
10,000,001-15,000,000	10%
Above 15,000,000	15%

Note:

- 1 – 100% Gain on sale of immovable property is exempt if holding period exceeds 4 years.
- 2 – 75% Gain on sale of immovable property is exempt if holding period exceed three years but does not exceed 4 years.
- 3 – 50% Gain on sale of immovable property is exempt if holding period exceed 2 years but does not exceed 3 years.
- 4 – 25% Gain on sale of immovable property is exempt if holding period exceed 1 year but does not exceed 2 years.
- 5 – 0% Gain on sale of immovable property is exempt if holding period does not exceed 1 year.

## Section 113 minimum tax

Person(s)	Tax as %age of annual turnover
a. Oil Marketing companies, SNGPL and SSGCL (annual turnover exceeds Rs. 1 billion)	0.75%
b. PIA	

c. Poultry industry including poultry breeding, broiler production, egg production and poultry feed production	
a. Oil refineries b. Motorcycle dealer (Sales Tax Registered)	0.50%
a. Distributors of pharmaceutical products, FMCG and cigarettes b. Petroleum agents and distributors (Sales Tax Registered) c. Rice mills and dealers; d. Teir-1 Retailers of FMCG (Integrated with FBR's software for real time reporting) e. Persons turnover from supplies through e commerce including running online market place. f. Persons engaged in trading of used vehicles; and g. Flour mills.	0.25%
In all other cases	1.25%

### Section 101A Gain on disposal of assets outside Pakistan

Person acquiring asset from Non-resident Company	10% of the FMV of the asset
Resident Company from Non-resident	Higher of 20% of FMV less cost of acquisition; or 10% of FMV of the asset. (Note: the credit for tax deducted as above will be available)

### Section 148 Imports

Description	Rate
Persons importing goods classified in Part I of the Twelfth Schedule	1% of the import value as increased by customs-duty, sales tax and federal excise duty
Manufacturers covered under SRO 1125(I)/2011 dated December 31, 2011 (as it stood on June 28, 2019)	
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	
Persons importing goods classified in Part II of the Twelfth Schedule	2% of the import value as increased by customs-duty, sales tax and federal excise duty
Persons importing goods classified in Part III of the Twelfth Schedule	5.5% of the import value as increased by customs-duty, sales tax and federal excise duty
Persons importing finished pharmaceutical that are not manufactured in Pakistan, as certified by DRAP	4%

### Section 148 Imports of Mobile Phones

Sr. No.	C & F Value of mobile phone (in US Dollar)	Tax (in Rs.)	
		In condition Heading 8517.1219	In CKD/SKD condition under PCT Heading 8517.1211
1	Up to 30 except smart phones	70	0
2	Exceeding 30 and up to 100 and smart phones up to 100	100	0

3	Exceeding 100 and up to 200	930		0
4	Exceeding 200 and up to 350	970		0
5	Exceeding 350 and up to 500	3,000		5,000
6	Exceeding 500	5,200		11,500

### Section 149 Salary

*(Where salary income exceeds 75% of the taxable income)*

Up to 600,000	0%
600,001-1,200,000	5% of the amount above 600,000
1,200,001-1,800,000	30,000+10% of the amount above 1,200,000
1,800,001-2,500,000	90,000 + 15% of the amount above 1,800,000
2,500,001-3,500,000	195,000 + 17.5% of the amount above 2,500,000
3,500,001-5,000,000	370,000 + 20% of the amount above 3,500,000
5,000,001-8,000,000	670,000 +22.5% of the amount above 5,000,000
8,000,001-12,000,000	1,345,000+25% of the amount above 8,000,000
12,000,001-30,000,000	2,345,000+27.5% of the amount above 12,000,000
30,000,001-50,000,000	7,295,000+30% of the amount above 30,000,000
50,000,001-75,000,000	13,295,000+32.5% of the amount above 50,000,000
Above 75,000,000	21,420,000+35% of the amount above 75,000,000

### Rate of tax for individual (non-salaried) and AOP's

0-400,000	0%
400,001-600,000	5% of the amount above 400,000
600,001-1,200,000	10,000 + 10% of the amount above 600,000
1,200,001-2,400,000	70,000 + 15% of the amount above 1,200,000
2,400,001-3,000,000	250,000 + 20% of the amount above 2,400,000
3,000,001-4,000,000	370,000 + 25% of the amount above 3,000,000
4,000,001-6,000,000	620,000 + 30% of the amount above 4,000,000
Above 6,000,000	1,220,000+35% of the amount above 6,000,000

### Rate of tax for Companies:

2019 and onwards	29%
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### Rate of tax for small companies:

Sr. No	Tax year	Rate of tax
1	2019	24%
2	2020	23%
3	2021	22%
4	2022	21%
5	2023 and onwards	20%

**Rate of Super tax:**

	Banking Company	Person, other than Banking Company, having income equal to or exceeding Rs. 500 million
2018	4%	3%
2019	4%	2%
2020	4 %	0%
2021 <b>and onwards</b>	4%	0%

**Section 150 (Dividend)**

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%
Dividend from a company where no tax is payable by such company, due to exemption of income or carry forward of business losses under Part VIII of Chapter III or claim of tax credits under Part X of Chapter III	25%
Mutual funds, <b>Real Estate Investment Trust</b> , and all other cases	15%

**Section 151 Profit on Debt****15%****Section 7B (charging section for individual & AOP)**

If profit on debt does not exceed Rs.5,000,000	15%
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*Profit on debt exceeding **Rs. 5,000,000** has been excluded from Section 7B and to be taxed income under normal tax regime.*

**Section 150A & 5AA (return on investment in Sukuks)**

<b>Amount</b>	<b>Sukuk-Holder</b>	
	<b>Company</b>	<b>Individual &amp; AOP</b>
Return is less than 1 million	25%	10%
Return above Rs. 1 million	25%	12.5%

**Section 152 Payment to Non-resident**

Royalty or Fee for technical services paid to non-resident	15.00%
Payment for construction/advertisement contracts	7.00%
Fee for offshore digital services	5.00%
Insurance premium or reinsurance premium	5.00%
Advertisement services relaying from outside Pakistan	10%
Capital Gains SCRA, <b>FCVA, NRVA</b>	10%
Amount other than above	20.00%
Payment to PE of a non-resident company for sale of goods	4.00%
Payment to PE of a non-resident non-company for sale of goods	4.50%
For services as listed below*	3.00%
Payment to PE of a non-resident company for services other than as listed below*	8.00%
Payment to PE of a non-resident persons other than company for services other than as listed below*	10.00%

Payment to PE of a non-resident person for contracts	7.00%
Payment to PE of a non-resident sportsperson	10.00%

\* 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, 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, **oilfield services**.

### Section 153 Payment for goods, toll manufacturing and services

For sale of rice, cotton seed or edible oils	1.50%
For sale of other goods including toll manufacturing services by company	4.00%
<b>For payment to distributors, dealers, sub-dealers, wholesalers and retailers of fast-moving consumer goods, fertilizer, electronics excluding mobile phones, sugar, cement, and edible oil if appearing on ATL issued under STA, 1990, ITO, 2001. Tier-1 Retailers integrated with FBR's software for real time reporting.</b>	0.25%
For sale of other goods including toll manufacturing services by persons other than company	4.50%
For services as listed below*	3.00%
For other service provided by Companies	8.00%
For other service provided by non-Companies	10.00%
For advertisement services of print and electronic media by a company	1.50%
For advertisement services of print and electronic media by a non-company	1.50%
Exporter making payment for stitching, dying, printing, embroidery, washing, weaving and sizing	1.00%
For execution of contracts by Companies	<b>6.50%</b>
For execution of contracts by non-Companies	<b>7.00%</b>
For Payments to sportsperson	10.00%

\* 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 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**.

### Section 154 Exports

Upon realization of foreign exchange proceeds from export of goods	1.00%
Upon realization of foreign exchange proceeds from commission	5.00%

**Section 154A Payment for Export of Services**

Exports of computer software or IT services or IT enabled services in case tax credit under section 65F is not available	1%
Services or technical services rendered outside Pakistan or exported from Pakistan	
Royalty, commission, or fees derived by a resident company from a foreign enterprise	
Construction contracts executed outside Pakistan	
Other services rendered outside Pakistan as notified by the Board from time to time	

**Section 155 Rent**

For Individuals and AOPs where annual rent is less than or equal to Rs. 300,000	0.00%
For Individuals and AOPs where annual rent is more than 300,000 but less than 600,000	5% of the amount above 300,000
For Individuals and AOPs where annual rent is more than 600,000 but less than 2,000,000	15,000 + 10% of the amount above 600,000
For Individuals and AOPs where annual rent exceeds 2,000,000	155,000 + 25% of the amount above 2,000,000
For Companies	15 %

**Section 156 Prizes and Winnings**

Winnings from prize bond or cross word puzzle	15.00%
Winnings from raffle, lottery, prize on quiz prize offered for sale promotion	20.00%

**Section 156-A Petroleum Products**

Petroleum Products	12.00%
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**Section 231-B Purchase of Car/Jeep**

Engine capacity upto 850CC	7,500
Engine capacity more than 851CC and less than 1,000CC	15,000
Engine capacity more than 1,001CC and less than 1,300CC	25,000
Engine capacity more than 1,301CC and less than 1,600CC	50,000
Engine capacity more than 1,601CC and less than 1,800CC	75,000
Engine capacity more than 1,801CC and less than 2,000CC	100,000
Engine capacity more than 2,001CC and less than 2,500CC	150,000
Engine capacity more than 2,501CC and less than 3,000CC	200,000
Engine capacity more than 3,000CC	250,000
<b>Advance tax on transfer of private motor car/jeep</b>	
Engine capacity upto 850CC	-
Engine capacity more than 851CC and less than 1,000CC	5,000
Engine capacity more than 1,001CC and less than 1,300CC	7,500
Engine capacity more than 1,301CC and less than 1,600CC	12,500
Engine capacity more than 1,601CC and less than 1,800CC	18,750
Engine capacity more than 1,801CC and less than 2,000CC	25,000

Engine capacity more than 2,001CC and less than 2,500CC	37,500
Engine capacity more than 2,501CC and less than 3,000CC	50,000
Engine capacity more than 3,000CC	62,500
<b>Locally manufactured motor vehicle sold prior to registration</b>	
Engine capacity up to 1000CC	50,000
Engine capacity more than 1001 CC and less than 2000CC	100,000
Engine capacity more than 2001CC	200,000

### Section 233

In case commission is paid to advertising agent	10.00%
In case commission is paid to life insurance agent receiving annual commission of less than 500,000	8.00%
In all other cases	12.00%

### Section 234

For goods transport vehicle	Rs. 2.5/kg
For goods transport vehicle of 8120 KG or more and after ten years in Pakistan	Rs. 1,200/Annum
Passenger transport vehicle plying for hire (four or more but less than ten passengers)	50/seat/annum
Passenger transport vehicle plying for hire (ten or more but less than twenty passengers)	100/seat/annum
Passenger transport vehicle plying for hire (more than twenty passengers)	300/seat/annum
For Private motor cars with engine capacity of upto 1000CC	800
For Private motor cars with engine capacity of 1001-1199CC	1,500
For Private motor cars with engine capacity of 1200-1299CC	1,750
For Private motor cars with engine capacity of 1300-1499CC	2,500
For Private motor cars with engine capacity of 1500-1599CC	3,750
For Private motor cars with engine capacity of 1600-1999CC	4,500
For Private motor cars with engine capacity of 2000CC and above	10,000
<b>For Lumpsum collection on private motor cars:</b>	
For Private motor cars with engine capacity of upto 1000CC	10,000
For Private motor cars with engine capacity of 1001-1199CC	18,000
For Private motor cars with engine capacity of 1200-1299CC	20,000
For Private motor cars with engine capacity of 1300-1499CC	30,000
For Private motor cars with engine capacity of 1500-1599CC	45,000
For Private motor cars with engine capacity of 1600-1999CC	60,000
For Private motor cars with engine capacity of 2000CC and above	120,000

### Section 235 Advance Tax on Electricity Bill

<b>Gross amount of Bill</b>	<b>Tax</b>
<b>For Commercial &amp; Industrial Consumers</b>	

Up to Rs. 500	0
Exceeds Rs. 500 but does not exceed Rs. 20,000	10% of the amount
Exceeds Rs. 20,000 – Commercial Consumers	Rs. 1950 plus 12% of the amount exceeding 20,000
Industrial Consumers	Rs. 1950 plus 5% of the amount exceeding 20,000
<b>For Domestic Consumers (not appearing on Active Taxpayer List)</b>	
Less than Rs. 25,000	0
Rs. 25,000 or more	7.5%

### Section 236 Telephone Subscribers and Internet

For Mobile phone and/or internet subscribers	10% for Tax Year 2020 and 8% onwards.
For other subscribers where monthly bill is more than 1,000	10% of amount above 1,000

### Section 236-A Auction Sales

Advance tax at the time of sale by auction of immovable property	5.00%
Advance tax at the time of sale by auction of other than immovable property	10.00%

### Section 236-C Sale of Property

Advance tax at the time of sale or transfer of immovable property	1.00%
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### Section 236-G Distributors

Advance tax on sale to distributors, dealers or wholesalers (fertilizers) appearing on ATL under ITO, 2001 and STA, 1990	0.25%
Advance tax on sale to distributors, dealers or wholesalers (fertilizers)-others	0.70%
Advance tax on sale to distributors, dealers or wholesalers (other than fertilizers)	0.10%

### Section 236-H Retailers

Advance tax on sale to retailers	0.5%
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### Section 236-I Educational Fees

Advance tax on educational fees	5.00%
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### Section 236-K Purchase of Property

Advance tax on purchase of property	1% of the fair market value
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### Section 236-Q Equipment Rental

Advance tax on payment to resident for use of machinery and equipment	10.00%
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### Rules for persons not appearing in the Active Taxpayers' List

Where tax is required to be deducted or collected from persons not appearing in the active tax payers' list, the rate of tax required to be deducted or collected shall be increased by 100% of the normal rate.

However, 100% extra would not be applicable in following cases:

149	Salary
152(1)	Royalty & fee for technical services
152(1A)(a)(b)	Construction & related contracts (NR)



152(1A)© & (1AAA)	Advertisement services payment (NR)
152(1AA)	Insurance & reinsurance premium
152(1C)	Off shore digital services (NR)
152(1D)	Capital gain – SCRA
152(2)	General payments except profit on debit covered under clause 5A and clause 5AA Part II, Second Schedule
154	Exports & indenting commission
156B	Withdrawal from pension fund
235	Electricity consumption
236	Telephone and internet users
236I	Educational institution
236Q	Payments to residents for use of machinery

**100% extra is applicable in following cases:**

Section	Nature of Provision
148	Imports
150	Dividend
150A	Return on Sukuks
151	Profit on debt
152(2)	In case of payments covered under clause 5A and clause 5AA, Part II, Second Schedule
152(2A)(a), (b), (c)	Goods, Services & Contract of PE
152A	Foreign produced commercials (NR)
153	Supplies, services & contracts
154A	Export of Services
155	Rent from Immovable Property
156	Prizes & winnings
156A	Petroleum Products
231B	Private Motor vehicles purchase, transfer & registration
233	Commission
234	Tax on Motor Vehicles
236A	Sale by auction
236C	Sale of immovable property
236G	Sale to distributors, dealers and wholesalers
236H	Sales to retailers
236K	Purchase of immovable property

# SALES TAX WITHHOLDING RATES

*Changes made vide latest notifications are identified in RED*

## FEDERAL

### The Eleventh Schedule

Withholding Agent	Supplier Category	Rate or extent of deduction
Federal and provincial government departments, Autonomous bodies and Public sector organizations	Active Taxpayers	1/5 <sup>th</sup> of the Sales Tax as Shown on invoice
Companies as defined in the Income Tax Ordinance, 2001 (XLIX of 2001)		
Federal and provincial government departments, Autonomous bodies and Public sector organizations	Active Taxpayers registered as a wholesaler, dealer or distributor	1/10 <sup>th</sup> of Sales Tax as shown on invoice
Companies as defined in the Income Tax Ordinance, 2001 (XLIX of 2001)		
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
Companies as defined in the Income Tax Ordinance, 2001 (XLIX of 2001)	Persons other than active taxpayers	5% of gross value of supplies
Registered persons as recipient of advertisement services	Person providing advertisement services	Whole of sales tax applicable
Registered persons purchasing cane molasses.	Persons other than active taxpayers	Whole of sales tax applicable
Registered persons manufacturing lead batteries	Persons supplying any kind of lead under chapter 78 (specified PCT Headings) or scrap batteries under chapter 85 (specified PCT headings)	75% of the sales tax applicable
Online Market Place	Persons other than active taxpayers	2% of the gross value of supplies (effective from date notified by FBR)

### Exemptions

- Supplies made by active taxpayer as defined in STA 1990 to registered person except for advertisement services.
- Electrical energy
- Natural Gas
- Petroleum products as supplied by petroleum production and exploration companies, oil refineries, oil marketing companies and dealer of motor spirit and high-speed diesel.
- Vegetable ghee and cooking oil

- Telecommunication services
- Goods specified in 3rd Sch of ST Act, 1990
- Supplies made by commercial importers who paid VAT at time of import.
- Supply of sand, stone, gravel/crush and clay to low-cost housing schemes sponsored or approved by Naya Pakistan Housing and Development Authority.

### PUNJAB

Withholding Agent	Rate	Amount
Offices and departments of Federal Government	100%	S/Tax
Provincial government and local government, public sector projects	100%	S/Tax
Autonomous Bodies	100%	S/Tax
Public sector organization	100%	S/Tax
Organizations funded by budget of Fed/Prov. Government	100%	S/Tax
Recipient of advertisement services registered with PRA or FBR	100%	S/Tax
Company resident in Punjab	100%	S/Tax
Company having place of business in Punjab	100%	S/Tax
PRA registered persons receiving services from unregistered persons	100%	S/Tax

#### Exemptions

- Telecommunication
- Banking companies
- Courier Companies
- Insurance companies (other than re-insurance)
- Active Companies (Except Advertisement service providers)

### SINDH

Withholding Agent	Rate	Amount
Offices and departments of Federal Government	20%	S/Tax
provincial government and local or district government	20%	S/Tax
Autonomous Bodies	20%	S/Tax
Public sector organization	20%	S/Tax
Organizations funded by budget of fed/prov. government	20%	S/Tax
Company as defined in Sindh Sales tax Act, 2011	20%	S/Tax
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)	100%	S/Tax
SRB-registered persons or insurers receiving or procuring the services provided or rendered by insurance agents or insurance brokers	100%	S/Tax
Persons or passengers using the services of a cab aggregator in relation to the services provided or rendered by the owners or drivers of the motor vehicles using the services of the cab aggregators	100%	S/Tax
Withholding agent receiving taxable services from SRB registered persons where the amount of sales tax is not indicated on the invoice	100%	S/Tax
SRB registered persons receiving services from unregistered persons (use tax fraction formula)	100%	S/Tax
Persons receiving or procuring such of the services of contractors and construction as are liable to reduced rate	100%	S/Tax

**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

**KHYBER PAKHTUNKHWA**

Withholding agent	Nature of services	Rate of tax withholding
<ul style="list-style-type: none"> <li>• All Federal Government Departments and offices and The Departments and Offices of the Ministry of Defense.</li> <li>• All Departments and Offices of the KPK and other provincial Government including District Government Departments</li> <li>• Environment Department of the KPK Government and All Divisional Engineers of the Departments or Irrigation, Public Health Engineering and Communication &amp; Works including the Local and District Government Departments.</li> <li>• All public sector organizations, institutes, corporations, universities bodies, boards, projects, ventures entities, enterprises, Institutions authorities of the Federal, Provincial, District or Local Government including special purpose institutions</li> <li>• Companies as defined under sub-section (12) of section 2 of the Act including those located in the jurisdiction of or registered with any other tax authority for the purposes of payment of sales tax in respect of goods or services rendered or provided in the province of Khyber Pakhtunkhwa.</li> </ul>	<ul style="list-style-type: none"> <li>• Advertisement services</li> <li>• Services provided by un-registered persons or inactive/non-active persons</li> <li>• Services provided or rendered to Federal or Provincial Government Departments or public sector institutions, organizations, entities, and projects etc.</li> <li>• Services provided in the province of Khyber Pakhtunkhwa by persons from outside the province if such persons are not registered with the Authority.</li> <li>• Services liable to tax under the Act at reduce rate (less than the standard rate of 15%).</li> </ul>	100%
	<ul style="list-style-type: none"> <li>• all other cases not covered above</li> </ul>	50%

**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.

## BALUCHISTAN

Withholding Agent	Rate	Amount
Offices and departments of Federal Government (Registered including FBR)	20%	S/Tax
provincial government and local or district government (Registered including FBR)	20%	S/Tax
Autonomous Bodies (Registered including FBR)	20%	S/Tax
Public sector organization (Registered including FBR)	20%	S/Tax
Organizations funded by budget of fed/prov government (Registered including FBR)	20%	S/Tax
Company (Registered including FBR)	20%	S/Tax
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%	S/Tax

### **Proviso**

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

### **Exemptions**

- Telecommunication
  - Banking companies
  - Financial institutions, Insurance companies (other than re-insurance)
  - Port operator
  - Airport operator
  - Terminal operator
  - Airport ground services
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