

PROPOSED TAX CARD

Tax Year 2007

For Client and Staff
1100

<u>TAX RATES FOR IND. OTHER THAN SALARIED PERSON & AOP</u>			<u>TAX RATES FOR SALARIED CLASS</u>			<u>RATES FOR DEDUCTION OF TAX AT SOURCE</u>	
						<u>Particulars</u>	<u>Rate</u>
<u>Income group</u>			<u>Income group</u>				
	<u>Tax Rate</u>			<u>Tax Rate</u>			
Up to Rs. 100,000	0%		Up to Rs. 150,000	0%		- Other dividend income	10%
Rs. 100,001 to Rs. 110,000	0.5%		Rs. 150,001 to Rs. 200,000	0.25%		- Dividend income in case received by public Companies or Insurance Companies	5%
Rs. 110,001 to Rs. 125,000	1.0%		Rs. 200,001 to Rs. 250,000	0.50%		- Raffle lottery or crossword puzzle, Sales promotion schemes	20%
Rs. 125,001 to Rs. 150,000	2.0%		Rs. 250,001 to Rs. 300,000	0.75%		- Yield on a National Saving Deposit Certificate, including a Defence Saving Certificate, under the National Saving Scheme.	
Rs. 150,001 to Rs. 175,000	3.0%		Rs. 300,001 to Rs. 350,000	1.50%		- Interest on an account or deposits with banks / financial institutions	10%
Rs. 175,001 to Rs. 200,000	4.0%		Rs. 350,001 to Rs. 400,000	2.50%			10%
Rs. 200,001 to Rs. 300,000	5.0%		Rs. 400,001 to Rs. 500,000	3.50%		- Profit on any security issued by the Federal Government, a Provincial Government or a local authority to any person other than a financial institution.	20%
Rs. 300,001 to Rs. 400,000	7.5%		Rs. 500,001 to Rs. 600,000	4.50%		- Profit on any bond, certificate, debenture, security or instrument of any kind (not a loan agreement between a borrower and a banking company or a development finance institution) by a banking company, financial institution, finance society or a company as defined in the 2001 Ordinance, other than to a financial institution.	10%
Rs. 400,001 to Rs. 500,000	10.0%		Rs. 600,001 to Rs. 850,000	6.00%		- Tax rate for the small companies	20%
Rs. 500,001 to Rs. 600,000	12.5%		Rs. 850,001 to Rs. 950,000	7.50%		- Rent	5%
Rs. 600,001 to Rs. 800,000	15.0%		Rs. 950,001 to Rs. 1,050,000	9.00%		- Brokerage & Commission	10%
Rs. 800,001 to Rs. 1,000,000	17.5%		Rs. 1,050,001 to Rs. 1,200,000	10.00%		- On Export of Raw Cotton and Cotton Yarn	1.5%
Rs. 1,000,001 to Rs. 1,300,000	21.0%		Rs. 1,200,001 to Rs. 1,500,000	11.00%		- Brokerage & Commission-for Travel and Insurance Agents	10%
Rs. 1,300,001 to Rs. 2,000,000	25.0%		Rs. 1,500,001 to Rs. 1,700,000	12.50%		- On Contracts of all types	6%
			Rs. 1,700,001 to Rs. 2,000,000	14.0%		- Telephone Bills/Prepaid payphone Cards	10%
			Rs. 2,000,001 to Rs. 3,150,000	15.0%		- Cash withdrawal from Bank	0.2%
			Rs. 3,150,001 to Rs. 3,700,000	16.0%		- Supply of Rice, Cotton and Cotton seed	1.5%
			Rs. 3,700,001 to Rs. 4,450,000	17.5%		- Edible oils	1%
			Rs. 4,450,001 to Rs. 8,400,000	18.5%		- Other supplies	3.5%
			Rs. 8,400,001 to above	20.0%		- Imports other than following	6%
						- Tractors	2%
						- DAP Phosphate	2%
						- Plant and Machinery	0%
						- Services rendered:	
						- Transport Services	2%
						- Other Services	6%
						- Import of edible oi	
						- Payments to non-residents for execution of:	
						- Turnkey Contract	6%
						- Contract, Sub-Contract for the design, Construction or supply of plant & equipment:	
						- Under a hydel power project or a transmission line project	6%
						- Under any other power project	6%
						- Any other contract:	6%
						- Advertisement by the Private TV Channels	6%
						- Petroleum Products	10%
						- Royalties / Fee for technical services	15%
						- On payment other than salary, dividend, supplies, services, execution of contracts, property, prize money, winning from raffles, lottery or cross word puzzles.	
						- On purchase of Cars	30%
						- Other rates	6%
						- On Sale and purchase of shares	0.01%

TAX RATES FOR SMALL COMPANIES

A new concept of small company has been given by this Finance Bill. The tax rate for these companies is 20% of the taxable income.

	<u>COMPANIES</u>				
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Banking Company	47%	44%	41%	38%	35%
Public Company other than a banking company	35%	35%	35%	35%	35%
Private Company other than a banking company	43%	41%	39%	37%	35%

OR
Minimum tax under section 113 @0.5% of the turnover whichever is higher

RATE OF TAX ON SHIPPING OR AIR TRANSPORT

The rate of tax imposed under section 7 shall be:

- In the case of shipping 8% of the gross amount received or receivable;
- In the case of air transport 3% of the gross amount received or receivable;

RATES OF APPEAL FEE

<u>Stage</u>	<u>Appeal Fee</u>
Commissioner (Appeals) /Addl. Commissioner	- Rs. 1,000 or 10% of tax levied whichever is less - Where no tax is payable - Rs. 1,000/- for companies - Rs. 200/- for other cases
Income Tax Appellate Tribunal.	- Rs. 2,500/- or 10% of the tax levied whichever is less. - Where no tax is levied Rs. 2,000/- for Companies and Rs. 500/- for others