FEDERAL BUDGET 2019-20

Income Tax Rate Card

Tax Year 2020

As per Finance Act, 2019 · 1 July 2019 – 30 June 2020

Composed & Researched by Khuram Shahzad, Corporate Consultant

Rs 7.02 tn
Budget outlay

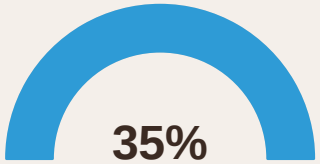
Rs 5.56 tn
FBR target

2.4%
GDP growth target

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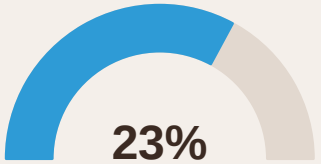
KEY RATES AT A GLANCE



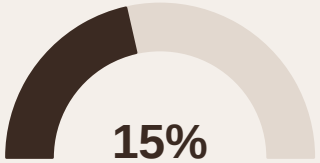
top salary rate



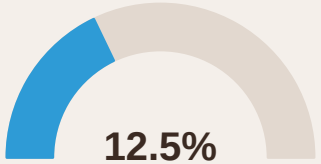
corporate rate



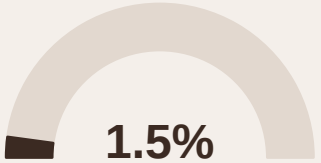
small company



securities CGT



mobile & internet



minimum tax

Gauges show each rate against the 35% top rate.

PREAMBLE

Economy at a glance & foreword

3.29%

Real GDP growth FY19 (target 6.2%)

US$ 1,516

Per-capita income FY19 (from $1,652)

US$ 291 bn

Size of the economy FY19

Rs 5.56 tn

FBR target FY20

FY2018-19 was a year of stabilisation. Growth slowed to a provisional 3.29% against a 6.2% target, as agriculture (0.85%) and industry (1.4%) weakened. The rupee's fall cut per-capita income to about US$1,516 and the economy to about US$291 billion, but the current account deficit began to narrow. The FY2019-20 budget, with an outlay of Rs 7,022 billion, was built around an IMF programme: it targeted 2.4% growth, a Rs 5,555 billion FBR target (25% higher) and a cut in the primary deficit to 0.6% of GDP.

The Finance Act, 2019 reshapes income tax for Tax Year 2020: lower exemption thresholds for individuals, the Active Taxpayers' List in place of filer and non-filer rates, higher minimum tax, new capital gains rules for property and a freeze of the corporate rate at 29%. This booklet sets out the rates, checked against the Act, the Tax Card 2020 and the FBR Withholding Tax Rates Card.

With best regards,

Khuram Shahzad
Corporate Consultant
Taxationist Corporate Consultants, Islamabad

Sources: Pakistan Economic Survey 2018-19 (Finance Division, 10 June 2019); Federal Budget 2019-20 (11 June 2019).

CONTENTS

Table of contents

Preamble – economy at a glance 2

01 Salient Features 4

- Individuals & companies 5
- Capital gains & investment 6
- Withholding & compliance 7

02 Income Tax Rates 8

- Salaried individuals 9
- Non-salaried individuals & AOPs 10
- Companies – corporate, super tax & ACT 11
- Minimum tax (s.113) & profit on debt (s.7B) 12
- Dividend & profit on debt 13
- Capital gains on securities 14
- Capital gains on immovable property 15

03 Withholding Tax Rates 16

- Imports (s.148) 17
- Salary, dividend & profit on debt (s.149–151) 18
- Payments to non-residents (s.152, 152A) 19
- Goods, services, contracts & royalty (s.153, 153B) 20
- Exports, rent, prizes & pension (s.154–156B) 21

04 Advance Tax & Collection 22

- Banking transactions & stock exchange 23
- Motor vehicles – registration (s.231B(1), (3)) 24
- Motor vehicles – transfer (s.231B(2)) 25
- Commission, transport & CNG (s.233–234A) 26
- Private motor vehicles (s.234) 27
- Electricity, telephone & auctions (s.235–236A) 28
- Immovable property (s.236C, s.236K) 29
- Distributors, retailers & dealers (s.236G–236Q) 30
- Travel, functions, insurance & others (s.236B–236Y) 31
- General notes & disclaimer 32

About Taxationist Corporate Consultants 33

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01

Salient Features

The key income tax changes made by the Finance Act, 2019 for Tax Year 2020, in brief

- Individuals & companies
- Capital gains & investment
- Withholding & compliance

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SALIENT FEATURES

Individuals & companies

Salaried threshold halved

Exempt band cut from Rs 1.2m to Rs 600,000. Twelve slabs from 5% to 35%; the top rate applies above Rs 75 million.

Non-salaried & AOPs

Exempt up to Rs 400,000. Eight slabs from 5% to 35%; the 35% rate applies above Rs 6 million.

Corporate rate frozen at 29%

Scheduled cuts stopped at 29%. Small companies 23%. Banks 35% plus 4% super tax; super tax for others nil from TY2020.

Active Taxpayers' List

Filer / non-filer rates replaced by the ATL. New Tenth Schedule (s.100BA): rates generally rise 100% for persons not on the list.

Minimum tax raised

General rate up from 1.25% to 1.5% of turnover. Sector rates 0.75%, 0.3% and 0.25% (incl. dealers of sugar, cement, edible oil).

Fresh graduates credit (s.64C)

Employers get a credit equal to the lower of 5% of taxable income or salary paid to graduates who qualified after 1 July 2017.

SALIENT FEATURES

Capital gains & investment

Property CGT reintroduced

Gains taxed as a separate block at 5% to 20% by size. Open plots exempt after 8 years; constructed property after 4 years.

75% taxable within window

Gain is fully taxed within one year and 75% taxable after that, until the exemption period is reached.

s.236C / s.236K

Seller's advance tax not collected after five years (was three). Buyer's tax under s.236K cut to 1% of FMV; thresholds removed.

Profit on debt raised

s.7B: 15% up to Rs 5m, 17.5% to Rs 25m, 20% to Rs 36m. Withholding 15% (10% where profit is up to Rs 500,000).

Dividend – new 25% rate

25% where the paying company pays no tax due to exemption, losses or credits. Mutual funds and others 15%; IPPs 7.5%.

Securities CGT

Unchanged at 15% for securities acquired after 1 July 2016. Earlier acquisitions: 15%, 12.5% or 7.5% by holding period.

SALIENT FEATURES

Withholding & compliance

Royalty to residents (s.153B)

New withholding of 15% on royalty paid to resident persons (Division IIIB, Part III).

Import rates restructured

Nine categories from 1% to 6% of import value. Tax on imports becomes minimum tax instead of final.

Final to minimum tax

Withholding on imports (s.148), profit on debt (s.151), commission (s.233) and CNG stations (s.234A) made minimum tax.

Rent slabs extended

Individuals' and AOPs' rent slabs now rise to 35% on rent above Rs 8 million (s.155 and Division VIA).

Sugar, cement & edible oil

Payments to their dealers and sub-dealers on both ATLs: withholding and minimum tax at 0.25%.

Foreign remittances

Protection of foreign remittances under s.111(4) limited to Rs 5 million per year (was Rs 10 million).

02

Income Tax Rates

First Schedule, Part I – salaried and non-salaried slabs, companies, super tax, minimum tax, profit on debt, dividends and capital gains

Salaried	Non-salaried & AOPs	Companies & super tax
Minimum tax & s.7B	Dividend & profit on debt	Capital gains

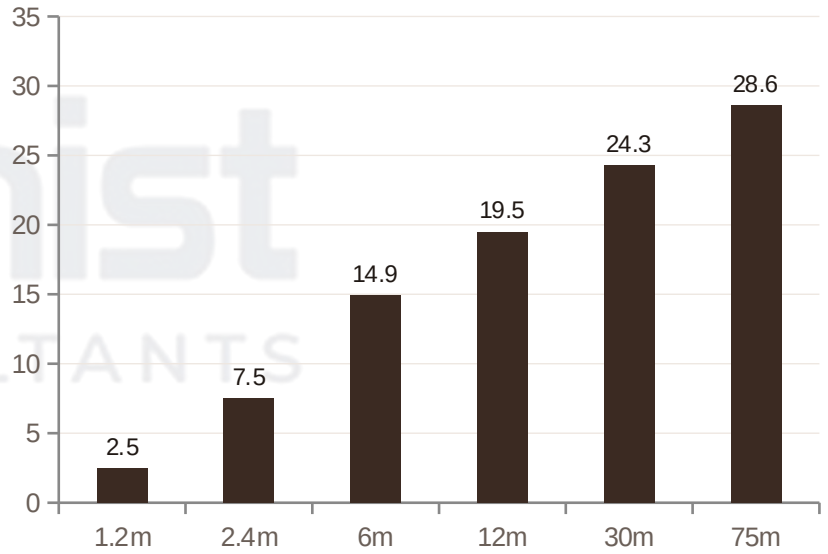
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PART I · DIVISION I · CLAUSE (2) (SUBSTITUTED BY FA 2019)

Salaried individuals

#	Taxable income (Rs)	Rate of tax
1	Up to 600,000	0%
2	600,001 – 1,200,000	5% of amount exceeding 600,000
3	1,200,001 – 1,800,000	30,000 + 10% of amount exceeding 1,200,000
4	1,800,001 – 2,500,000	90,000 + 15% of amount exceeding 1,800,000
5	2,500,001 – 3,500,000	195,000 + 17.5% of amount exceeding 2,500,000
6	3,500,001 – 5,000,000	370,000 + 20% of amount exceeding 3,500,000
7	5,000,001 – 8,000,000	670,000 + 22.5% of amount exceeding 5,000,000
8	8,000,001 – 12,000,000	1,345,000 + 25% of amount exceeding 8,000,000
9	12,000,001 – 30,000,000	2,345,000 + 27.5% of amount exceeding 12,000,000
10	30,000,001 – 50,000,000	7,295,000 + 30% of amount exceeding 30,000,000
11	50,000,001 – 75,000,000	13,295,000 + 32.5% of amount exceeding 50,000,000
12	Above 75,000,000	21,420,000 + 35% of amount exceeding 75,000,000

Effective salary tax (%) by taxable income



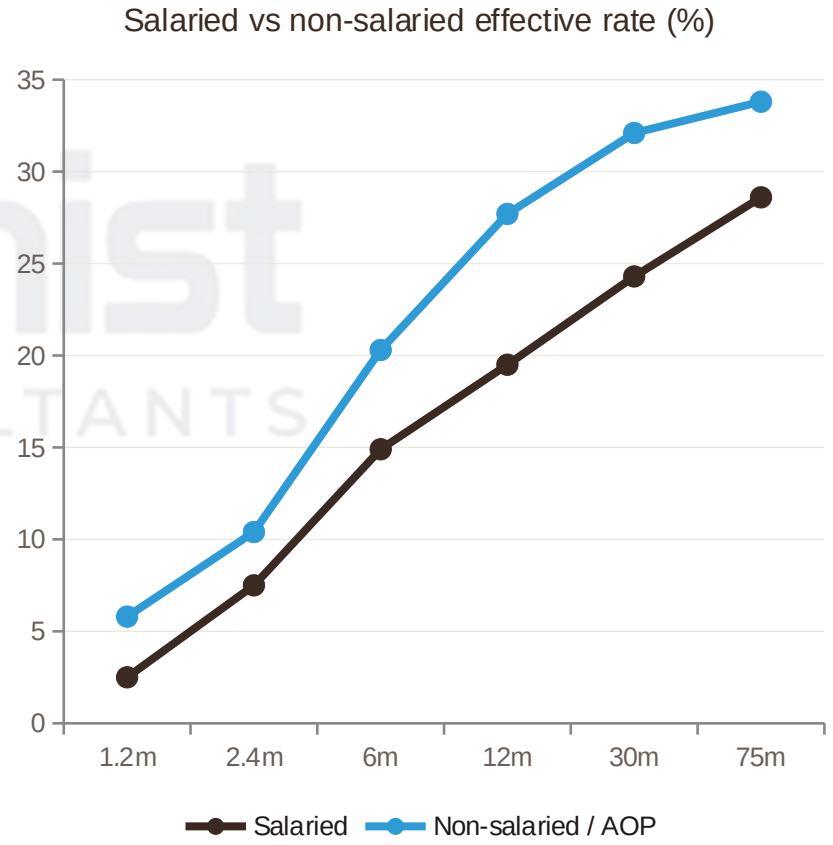
Who it covers
Individuals whose salary exceeds 75% of taxable income. Employers deduct monthly under s.149.

PART I · DIVISION I · CLAUSE (1) (SUBSTITUTED BY FA 2019)

Non-salaried individuals & AOPs

#	Taxable income (Rs)	Rate of tax
1	Up to 400,000	0%
2	400,001 – 600,000	5% of amount exceeding 400,000
3	600,001 – 1,200,000	10,000 + 10% of amount exceeding 600,000
4	1,200,001 – 2,400,000	70,000 + 15% of amount exceeding 1,200,000
5	2,400,001 – 3,000,000	250,000 + 20% of amount exceeding 2,400,000
6	3,000,001 – 4,000,000	370,000 + 25% of amount exceeding 3,000,000
7	4,000,001 – 6,000,000	620,000 + 30% of amount exceeding 4,000,000
8	Above 6,000,000	1,220,000 + 35% of amount exceeding 6,000,000

Applies to individuals with business, property or other income, salaried individuals whose salary is 75% or less of taxable income, and associations of persons.



PART I · DIVISION II · SECTIONS 4B & 113C

Companies – corporate, super & alternate tax

29%
Companies (other than banking & small)
Div II

35%
Banking companies
Div II

23%
Small companies
Div II, s.2(59A)

17%
Alternate Corporate Tax on accounting profit
s.113C

4%
Super tax – banking companies
s.4B, Div IIA

Item	Rate / treatment	Reference
Tax payable by a company	Higher of normal tax, minimum tax on turnover (s.113) and ACT (s.113C)	s.113, s.113C
Corporate rate (FA 2019)	29% for tax year 2019 and onwards – the scheduled reductions below 29% were withdrawn	Div II, Part I
Super tax – other than banking companies	0% for tax year 2020 (2% for TY2019 on income of Rs 500m or more)	s.4B, Div IIA
Small company rate path	24% (TY2019), 23% (TY2020), 22% (TY2021), 21% (TY2022), 20% (TY2023 onwards)	Div II, Part I
Payments to non-residents (s.6)	15% of royalty or fee for technical services; 5% on fee for offshore digital services	Div IV, Part I

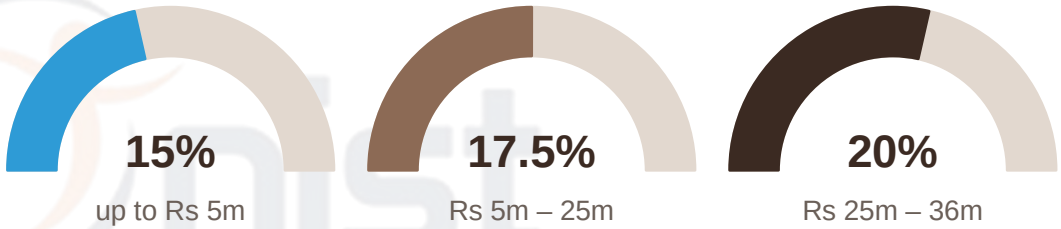
PART I · DIVISIONS IX & IIIA · SECTIONS 113 & 7B

Minimum tax on turnover & profit on debt

Minimum tax on turnover – Division IX (FA 2019)	Rate
OMCs, oil refineries, SSGC & SNGPL (turnover above Rs 1bn); PIA; poultry industry; dealers & distributors of fertilizer	0.75%
Distributors of pharma, FMCG & cigarettes; petroleum agents & distributors (sales tax registered); rice & flour mills and dealers	0.25%
Dealers & sub-dealers of sugar, cement & edible oil on both ATLs (clause 24D, Part II, Second Schedule)	0.25%
Motorcycle dealers registered under the Sales Tax Act, 1990	0.3%
In all other cases (raised from 1.25%)	1.5%

Excess minimum tax is carried forward for adjustment against tax of following years as allowed by s.113. Tax deducted on services under s.153(1)(b) is minimum tax.

Profit on debt of individuals & AOPs – s.7B



Rates raised by FA 2019
Previously 10%, 12.5% and 15%. Final tax for individuals and AOPs on profit on debt up to Rs 36 million (Division IIIA); amounts above Rs 36 million are taxed at normal slab rates. Companies are taxed at the corporate rate.

PART I · DIVISIONS III & IA, IB · SECTIONS 150 & 151

Dividend & profit on debt

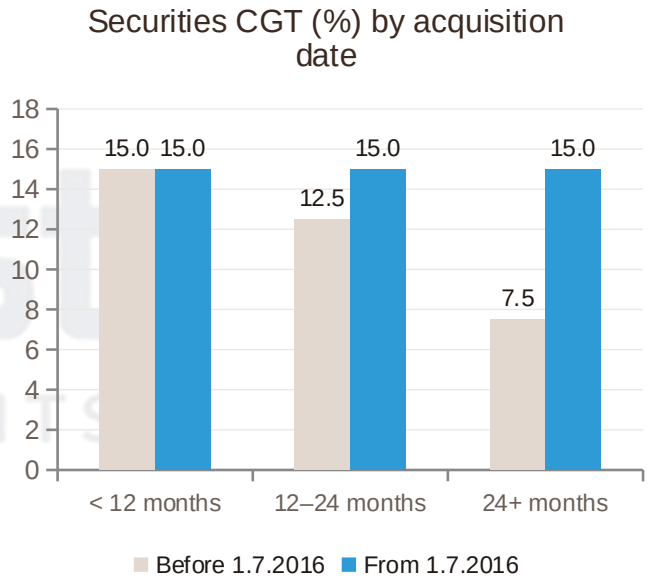
Nature of income	ATL	Non-ATL	Reference
Dividend (s.5 / s.150) – Division III substituted by FA 2019			
Dividend from IPPs where dividend is a pass-through item	7.5%	15%	Div III
Mutual funds and cases other than IPPs and the 25% category	15%	30%	Div III
Company paying no tax (exemption, carried-forward losses or tax credits) – new	25%	50%	Div III
Dividend in specie (s.236S) – IPPs / others	7.5% / 15%	15% / 30%	Div XXVI, Part IV
Return on sukuk (s.150A)			
Sukuk-holder is a company	15%	30%	Div IB, Part III
Individual / AOP – return above Rs 1m / up to Rs 1m	12.5% / 10%	25% / 20%	Div IB, Part III
Profit on debt (s.151) – now minimum tax			
Profit on debt under s.151(1)(a)–(d) – up to Rs 500,000	10%	20%	Div IA, Part III
Profit on debt under s.151(1)(a)–(d) – above Rs 500,000 (raised from 10%)	15%	30%	Div IA, Part III

Non-ATL rates reflect rule 1 of the Tenth Schedule (100% increase) inserted by FA 2019. Sukuk company rate of 15% applied until FA 2020 raised it to 25%.

PART I · DIVISION VII · SECTION 37A

Capital gains on securities

Holding period (TY2018, 2019 & 2020)	Acquired before 1 July 2016	Acquired on / after 1 July 2016
Less than 12 months	15%	15%
12 months or more but less than 24 months	12.5%	15%
24 months or more (acquired on or after 1 July 2013)	7.5%	15%
Security acquired before 1 July 2013	0%	0%
Future commodity contracts by PMEX members	5%	5%



How it is collected
Table substituted by FA 2019. Gains on listed securities are computed and collected by NCCPL under s.100B and the Eighth Schedule. The reduced-rate proviso for collective investment applies only to mutual funds, collective investment schemes and REIT schemes.

PART I · DIVISION VIII · SECTION 37(1A), (3A) & (3B)

Capital gains on immovable property

Step 1 – taxable gain by holding period	Open plot	Constructed
Does not exceed 1 year	100%	100%
Exceeds 1 year but not 4 years	75%	75%
Exceeds 4 years but not 8 years	75%	0%
Exceeds 8 years	0%	0%

Step 2 – rate on the gain (Division VIII, FA 2019)	Rate
Gain does not exceed Rs 5 million	5%
Exceeds Rs 5m but not Rs 10m	10%
Exceeds Rs 10m but not Rs 15m	15%
Exceeds Rs 15 million	20%

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Illustration & concessions

A plot bought for Rs 20m is sold for Rs 28m after three years: taxable gain Rs 8m × 75% = Rs 6m, in the Rs 5m – 10m band, so tax is 10% = Rs 600,000. No CGT for dependants of shaheeds and of persons who die in service on first sale as original allottee; rates halved for serving or ex-servicemen and Government employees as original allottees.

03 Withholding Tax Rates

Deduction at source on imports, salary, dividends, profit on debt, non-residents, supplies, services, contracts, royalty, exports, rent and prizes

Imports	Salary & dividends	Non-residents
Goods & services	Exports & rent	Prizes & pension

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SECTION 148 · PART II, FIRST SCHEDULE (SUBSTITUTED BY FA 2019)

Imports

Section	Nature of payment / transaction	ATL	Non-ATL	Reference
148	Remeltable steel & DRI (own use), potassic fertilizers, urea, SRO 1125 manufacturers, gold, cotton, LNG	1%	2%	Part II, S.No. 1
148	Persons importing pulses	2%	4%	Part II, S.No. 2
148	Commercial importers of items covered under SRO 1125(I)/2011	3%	6%	Part II, S.No. 3
148	Persons importing coal / finished pharmaceuticals not made in Pakistan	4%	8%	Part II, S.No. 4–5
148	Ship breakers on import of ships	4.5%	9%	Part II, S.No. 6
148	Industrial undertakings / companies not covered above	5.5%	11%	Part II, S.No. 7–8
148	Persons not covered above (incl. other commercial importers)	6%	12%	Part II, S.No. 9
148	Mobile phones – CBU / CKD-SKD: fixed amount per set by C&F value	Rs 70 – 5,200 / Rs 0 – 11,500	Double	Part II, proviso

Collected by Customs on import value as increased by customs duty, sales tax and FED; minimum tax from TY2020. Provisos for plastic raw material (1.75% industrial / 4.5% commercial) continue per the FBR card.

SECTIONS 149, 150, 150A & 151

Salary, dividend & profit on debt

Section	Nature of payment / transaction	ATL	Non-ATL	Reference
Salary – s.149 (Tenth Schedule does not apply)				
149	Employer deducts monthly at Division I, clause (2) slab rates (5% – 35%)	Slab rates	Same	Div I, Part I
149(3)	Directorship fee or fee for attending board meetings	20%	20%	s.149(3)
Dividend – s.150 and sukuk – s.150A				
150	IPPs / mutual funds & others / company paying no tax	7.5% / 15% / 25%	15% / 30% / 50%	Div I, Part III
150A	Sukuk – company / individual & AOP above Rs 1m / up to Rs 1m	15% / 12.5% / 10%	30% / 25% / 20%	Div IB, Part III
Profit on debt – s.151 (minimum tax from TY2020)				
151(1)(a)	National savings schemes & post office savings accounts	10% / 15%	20% / 30%	Div IA, Part III
151(1)(b)	Bank & financial institution accounts or deposits	10% / 15%	20% / 30%	Div IA, Part III
151(1)(c)–(d)	Government securities; bonds, certificates, debentures & other instruments	10% / 15%	20% / 30%	Div IA, Part III

Profit on debt: lower rate where the profit paid is up to Rs 500,000; higher rate above Rs 500,000.

SECTIONS 152 & 152A · DIVISIONS II & IV

Payments to non-residents

Section	Nature of payment / transaction	ATL	Non-ATL	Reference
152(1)	Royalty and fee for technical services	15%	30%	Div IV, Part I
152(1A)	Contracts / construction, assembly or installation projects; TV satellite advertising	7%	7%	Div II, Part III
152(1AA)	Insurance or re-insurance premium	5%	10%	Div II, Part III
152(1AAA)	Advertisement services relaying from outside Pakistan	10%	10%	Div II, Part III
152A	Foreign-produced commercials for TV or other media	20%	20%	s.152A
152(1C)	Fee for offshore digital services	5%	5%	Div IV, Part I
152(1D)	Capital gains on debt instruments & government securities via SCRA	10%	10%	Div II, Part III
152(2)	Payments to non-residents not otherwise specified	20%	40%	Div II, Part III
152(2A)(a)	PE of non-resident – sale of goods: company / others	4% / 4.5%	4% / 4.5%	Div II, Part III
152(2A)(b)	PE – services: specified services / company / others	3% / 8% / 10%	6% / 16% / 20%	Div II, Part III
152(2A)(c)	PE – contracts: sportspersons / others	10% / 7%	20% / 14%	Div II, Part III

Non-ATL increase per FBR clarification UO 20157 (4.9.2019): applies to s.152(1), (1AA), (2), (2A)(b) and (2A)(c). Treaty relief is subject to s.107.

SECTIONS 153 & 153B · DIVISIONS III & IIIB, PART III

Payments for goods, services, contracts & royalty

Section	Nature of payment / transaction	ATL	Non-ATL	Reference
Sale of goods – s.153(1)(a) (no deduction below Rs 75,000 a year)				
153(1)(a)	Rice, cotton seed or edible oils / distributors of pharma, cigarettes & large import houses	1.5% / 1%	3% / 2%	Div III; cl. 45A, Part IV
153(1)(a)	Dealers & sub-dealers of sugar, cement and edible oil (both ATLs)	0.25%	0.5%	cl. 24C, Part II
153(1)(a)	Supplies by distributors of FMCG / other goods – company / others	2% / 4% · 2.5% / 4.5%	4% / 8% · 5% / 9%	Div III, Part III
Rendering of services – s.153(1)(b) (no deduction below Rs 30,000 a year)				
153(1)(b)	Specified services (transport, IT, courier, security, engineering, etc.)	3%	6%	Div III, Part III
153(1)(b)	Electronic & print media advertising / other services – company / others	1.5% / 8% / 10%	3% / 16% / 20%	Div III, Part III
Contracts – s.153(1)(c), exporters – s.153(2) and royalty – s.153B				
153(1)(c)	Contracts – sportspersons / company / any other case	10% / 7% / 7.5%	20% / 14% / 15%	Div III, Part III
153(2)	Stitching, dyeing, printing, embroidery, washing etc. services to exporters	1%	2%	Div III, Part III
153B	Royalty paid to a resident person (new – FA 2019)	15%	30%	Div IIIB, Part III

SECTIONS 154, 155, 156, 156A & 156B

Exports, rent, prizes, petroleum & pension

Section	Nature of payment / transaction	ATL	Non-ATL	Reference
154(1)	Export proceeds realised (final)	1%	1%	Div IV, Part III
154(2)	Commission of indenting agents and export buying houses	5%	5%	Div IV, Part III
154(3)–(3C)	Inland back-to-back LC, EPZ, DTRE cases and clearance of exported goods	1%	1%	Div IV, Part III
155	Rent of immovable property – company	15%	15%	Div V, Part III
156	Prize bond or cross-word puzzle / raffle, lottery, quiz or sales promotion	15% / 20%	30% / 40%	Div VI, Part III
156A	Commission to petrol pump operators on petroleum products	12%	24%	Div VIA, Part III
156B	Withdrawal of balance from an approved pension fund	Average rate of preceding 3 years	Same	s.156B

Rent – individuals & AOPs (s.155; slabs 6–8 added by FA 2019)	Rate of tax
Up to Rs 200,000	Nil
Rs 200,001 – 600,000	5% of amount exceeding Rs 200,000
Rs 600,001 – 1,000,000	Rs 20,000 + 10% of amount exceeding Rs 600,000
Rs 1,000,001 – 2,000,000	Rs 60,000 + 15% of amount exceeding Rs 1m
Rs 2,000,001 – 4,000,000	Rs 210,000 + 20% of amount exceeding Rs 2m
Rs 4,000,001 – 6,000,000	Rs 610,000 + 25% of amount exceeding Rs 4m
Rs 6,000,001 – 8,000,000	Rs 1,110,000 + 30% of amount exceeding Rs 6m
Above Rs 8,000,000	Rs 1,710,000 + 35% of amount exceeding Rs 8m

Tenth Schedule does not apply to s.154 and s.155 – same rate for non-ATL.

04 Advance Tax & Collection

Part IV, First Schedule – banking and stock exchange, motor vehicles, commission, utilities, auctions, property, distributors, travel and others

Banking & stock exchange	Motor vehicles	Commission & transport
Utilities & auctions	Immovable property	Distributors & others

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SECTIONS 231A, 231AA, 236P, 233A & 233AA

Banking transactions & stock exchange

Section	Nature of payment / transaction	ATL	Non-ATL	Reference
231A	Cash withdrawal from a bank exceeding Rs 50,000 in a day	–	0.6%	Div VI, Part IV
231A	Cash withdrawal by SBP-licensed exchange companies (subject to conditions)	0.15%	0.15%	cl. 28B, Part II
231AA	Cash sale of bank instruments (DD, PO, CDR, STDR, RTC etc.) / cash-based transfers above Rs 25,000 a day	–	0.6%	Div VIA, Part IV
236P	Banking instruments and transfers by cheque / clearing / online above Rs 50,000 a day	–	0.6%	Div XXI, Part IV
233A	Stock exchange – on purchase / sale value of shares (in lieu of tax on commission)	0.02%	0.02%	Div IIA, Part IV
233AA	NCCPL – carryover trade, margin financing, margin trading or securities lending	10%	10%	Div IIB, Part IV

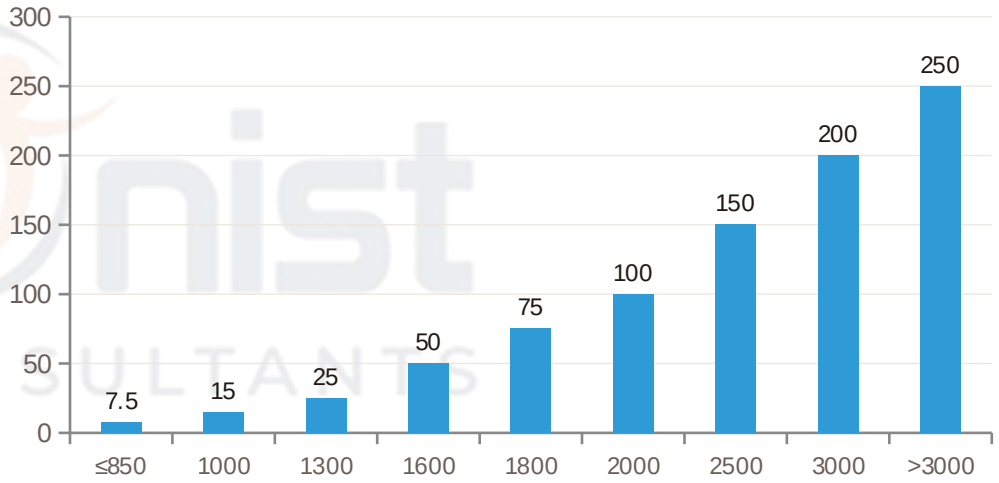
Banking-transaction taxes apply only to persons not on the Active Taxpayers' List. FA 2019 replaced the term 'non-filer' with 'person not appearing in the active taxpayers' list' in s.231A, 231AA, 236P and 236U.

SECTION 231B(1), (1A) & (3) · DIVISION VII, PART IV

Motor vehicle registration & sale by manufacturer

Engine capacity – s.231B(1) & (3)	ATL	Non-ATL
Up to 850cc	Rs 7,500	Rs 15,000
851cc – 1,000cc	Rs 15,000	Rs 30,000
1,001cc – 1,300cc	Rs 25,000	Rs 50,000
1,301cc – 1,600cc	Rs 50,000	Rs 100,000
1,601cc – 1,800cc	Rs 75,000	Rs 150,000
1,801cc – 2,000cc	Rs 100,000	Rs 200,000
2,001cc – 2,500cc	Rs 150,000	Rs 300,000
2,501cc – 3,000cc	Rs 200,000	Rs 400,000
Above 3,000cc	Rs 250,000	Rs 500,000

Advance tax (Rs '000) by engine cc – ATL

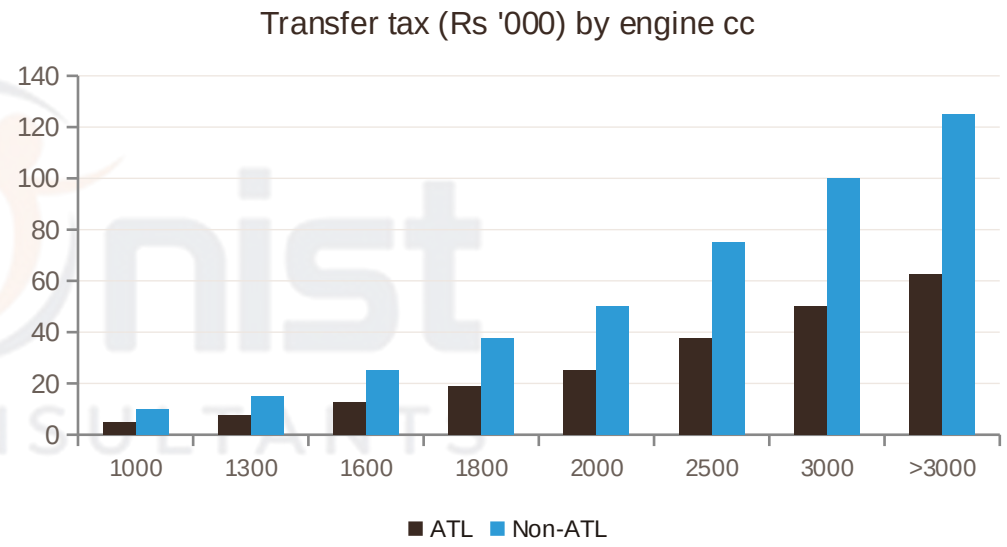


New table & leasing
FA 2019 substituted the tables for s.231B(1), (2) and (3). s.231B(1A): 4% of the value of a vehicle leased to a person not on the ATL. The s.227C ban on non-filers buying vehicles was removed.

SECTION 231B(2) · DIVISION VII, PART IV

Transfer of registration or ownership

Engine capacity – s.231B(2) transfer	ATL	Non-ATL
Up to 850cc	Nil	Nil
851cc – 1,000cc	Rs 5,000	Rs 10,000
1,001cc – 1,300cc	Rs 7,500	Rs 15,000
1,301cc – 1,600cc	Rs 12,500	Rs 25,000
1,601cc – 1,800cc	Rs 18,750	Rs 37,500
1,801cc – 2,000cc	Rs 25,000	Rs 50,000
2,001cc – 2,500cc	Rs 37,500	Rs 75,000
2,501cc – 3,000cc	Rs 50,000	Rs 100,000
Above 3,000cc	Rs 62,500	Rs 125,000



Collection
Collected by the registering authority at the time of transfer. Per the Tax Card 2020, no tax is collected after five years from the date of first registration.

SECTIONS 233, 234 & 234A · DIVISIONS II, III & V, PART IV

Commission, transport vehicles & CNG

Section	Nature of payment / transaction	ATL	Non-ATL	Reference
233	Advertising agents (Division II substituted by FA 2019)	10%	20%	Div II, Part IV
233	Life insurance agents – commission below Rs 0.5m per annum	8%	16%	Div II, Part IV
233	Persons not covered above (brokerage & commission)	12%	24%	Div II, Part IV
234	Goods transport vehicles – per kg of laden weight	Rs 2.50	Rs 5.00	Div III, Part IV
234	Goods transport of 8,120 kg or more, after 10 years from first registration	Rs 1,200 p.a.	Rs 2,400 p.a.	Div III, Part IV
234A	CNG stations – on the amount of gas bill (now minimum tax)	4%	8%	Div V, Part IV

Passenger transport plying for hire – per seat per annum (s.234)	ATL	Non-ATL
4 to 9 persons	Rs 50	Rs 100
10 to 19 persons	Rs 100	Rs 200
20 persons or more	Rs 300	Rs 600

FA 2019 made tax under s.233 (commission) and s.234A (CNG) minimum tax instead of final tax.

SECTION 234 · DIVISION III, PART IV (TABLES SUBSTITUTED BY FA 2019)

Private motor vehicles – annual & lump sum

Engine capacity	Annual – ATL	Annual – Non-ATL	Lump sum – ATL	Lump sum – Non-ATL
Up to 1,000cc	Rs 800	Rs 1,600	Rs 10,000	Rs 20,000
1,001cc – 1,199cc	Rs 1,500	Rs 3,000	Rs 18,000	Rs 36,000
1,200cc – 1,299cc	Rs 1,750	Rs 3,500	Rs 20,000	Rs 40,000
1,300cc – 1,499cc	Rs 2,500	Rs 5,000	Rs 30,000	Rs 60,000
1,500cc – 1,599cc	Rs 3,750	Rs 7,500	Rs 45,000	Rs 90,000
1,600cc – 1,999cc	Rs 4,500	Rs 9,000	Rs 60,000	Rs 120,000
2,000cc and above	Rs 10,000	Rs 20,000	Rs 120,000	Rs 240,000

Collected with the token tax (annual) or in lump sum by the motor vehicle registering authority. Adjustable advance tax.

SECTIONS 235, 235A, 235B, 236 & 236A · PART IV

Electricity, telephone & auctions

Commercial & industrial electricity bill (s.235)	Tax
Up to Rs 400	Rs 0
Rs 401 – 600 / 601 – 800 / 801 – 1,000	Rs 80 / 100 / 160
Rs 1,001 – 1,500 / 1,501 – 3,000	Rs 300 / 350
Rs 3,001 – 4,500 / 4,501 – 6,000	Rs 450 / 500
Rs 6,001 – 10,000 / 10,001 – 15,000	Rs 650 / 1,000
Rs 15,001 – 20,000	Rs 1,500
Above Rs 20,000	12% commercial / 5% industrial
Domestic (s.235A): bill Rs 75,000 or more	7.5% of the bill

Section	Nature	Rate
235B	Steel melters, re-rollers & composite units – electricity consumed	Re 1 per unit
236	Telephone (other than mobile) – bill above Rs 1,000	10%
236	Internet, mobile, prepaid cards & electronic units	12.5%
236A	Public auction or tender of property / goods, incl. lease – ATL / non-ATL	10% / 20%

The FBR card shows single rates for s.235, 235A and s.236 (no non-ATL increase). Tax under s.236A on auction is final per the Tax Card 2020.

SECTIONS 236C & 236K · DIVISIONS X & XVIII, PART IV

Sale & purchase of immovable property

s.236C – seller (gross consideration)

ATL	Non-ATL
1%	2%

Not collected where the property was held for more than five years (FA 2019)

s.236K – buyer / allottee (fair market value)

ATL	Non-ATL
1%	2%

Reduced to 1% of FMV by FA 2019; value thresholds removed

Both are adjustable advance taxes collected by the registering, recording or attesting authority, including housing authorities and co-operative societies. The s.227C restriction on non-filers buying property above Rs 5 million was omitted by FA 2019.

SECTIONS 236G – 236Q · PART IV

Distributors, retailers, education & dealers

Section	Nature of payment / transaction	ATL	Non-ATL	Reference
236G	Sales to distributors, dealers & wholesalers – fertilizer / others (Div XIV substituted)	0.7% / 0.1%	1.4% / 0.2%	Div XIV, Part IV
236H	Sales to retailers – electronics / others (Div XV substituted)	1% / 0.5%	2% / 1%	Div XV, Part IV
236HA	Sale of certain petroleum products – on ex-depot sale price	0.5%	1%	Div XVA, Part IV
236I	Educational institutions – fee above Rs 200,000 a year	5%	5%	Div XVI, Part IV
236Q	Rent or right to use machinery & industrial, commercial or scientific equipment	10%	10%	Div XXIII, Part IV

s.236J – dealers, commission agents & arhatis (per annum)	Amount
Group or Class A	Rs 100,000
Group or Class B	Rs 75,000
Group or Class C / any other category	Rs 50,000

s.236J is collected by market committees from dealers, commission agents and arhatis at the time of issuing or renewing licences (Division XVII substituted by FA 2019).

SECTIONS 236B, 236D, 236L, 236R, 236U – 236Y · PART IV

Travel, functions, insurance & others

Section	Nature of payment / transaction	ATL	Non-ATL	Reference
236B	Purchase of domestic air ticket	5%	5%	Div XI, Part IV
236D	Functions & gatherings – bill (major cities / other cities)	5% or Rs 20,000 / Rs 10,000	Same	Div XI, Part IV
236L	International air ticket – first / executive class; other except economy	Rs 16,000; Rs 12,000	Same	Div XX, Part IV
236R	Education-related expenses remitted abroad	5%	5%	Div XXII, Part IV
236U	Insurance premium – general / life above Rs 0.3m a year (non-ATL only)	–	4% / 1%	Div XXV, Part IV
236V	Extraction of minerals – on value of minerals extracted	–	5%	Div XXVI, Part IV
236X	Tobacco – collected with cess by Pakistan Tobacco Board	5%	5%	s.236X
236Y	Remittances abroad through credit, debit or prepaid cards	1%	2%	Div XXVII, Part IV

s.236D: 5% of the bill or the fixed amount per function, whichever is higher. s.236W (gift of immovable property) omitted by FA 2019. Many of these provisions were later repealed by the Finance Acts 2020 and 2021.

GENERAL NOTES

ATL status, nature of tax & disclaimer

Active Taxpayers' List

From TY2020 rates are linked to the ATL on the date of payment. Otherwise rule 1 of the new Tenth Schedule raises the rate by 100%. Per the FBR card it does not apply to s.149, 154, 155, 233AA, 236 and 236Q, and applies to s.152 only for the sub-sections shown.

Final, minimum or adjustable

Exports under s.154, dividends, profit on debt under s.7B, prizes and petroleum commission are final. From TY2020 imports, profit on debt (s.151), commission (s.233) and CNG (s.234A) are minimum tax; most other Part IV collections are adjustable.

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Statutory references

Divisions refer to the First Schedule to the Income Tax Ordinance, 2001 as amended by the Finance Act, 2019, read with the Second and Tenth Schedules. The Ordinance as it stood for TY2020 governs.

Disclaimer

Prepared from the Finance Act, 2019, the Tax Card 2020 (Asif Associates) and the FBR Withholding Tax Rates Card as a ready reference. The Ordinance prevails in case of conflict. Please seek professional advice before acting.

ABOUT US

Taxationist Corporate Consultants

Taxationist Corporate Consultants is an Islamabad-based professional services firm that puts clients first. We give ethical, practical advice across taxation, corporate law, finance and litigation, with a focus on compliance and sustainable growth.

Our team handles tax registrations, returns and wealth statements, withholding compliance, audits and appeals before FBR and SRB; company incorporation and regulatory filings with SECP, PEC, PESB, EOBI, PESSI, chambers and AEDB; and onsite or offsite bookkeeping, payroll and financial statements.

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