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FEDERAL BUDGET 2021-22

Income Tax Rate Card

Tax Year 2022

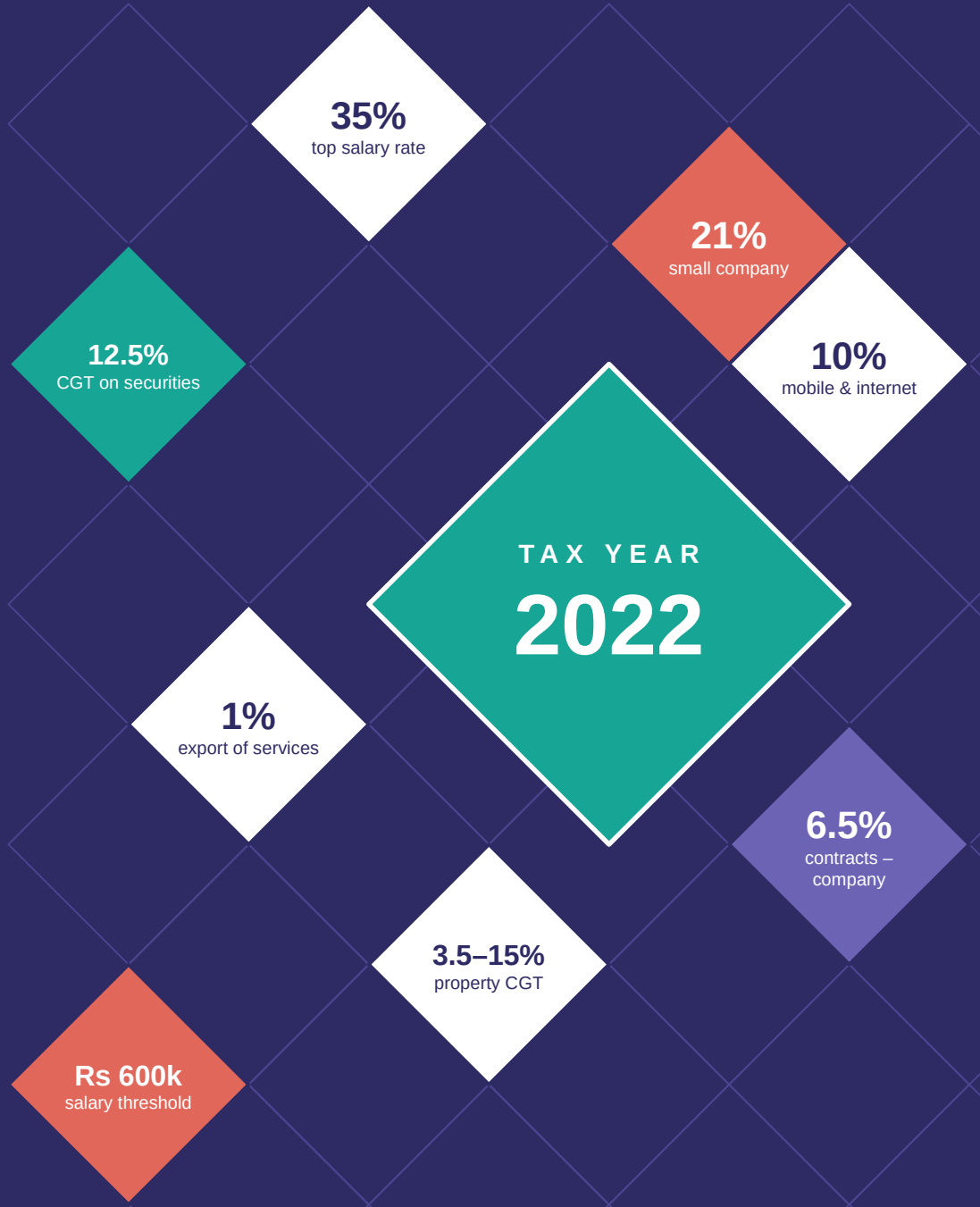
As per Finance Act, 2021 · 1 July 2021 – 30 June 2022

Composed & Researched by Khuram Shahzad, Corporate Consultant

Rs 8.49 tn
Budget outlay

Rs 5.83 tn
FBR target

4.8%
GDP growth target



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PREAMBLE

Economy at a glance & foreword

3.94%

Real GDP growth FY21 (target 2.1%)

US$ 1,543

Per-capita income FY21 (+13.4%)

Rs 47.7 tn

GDP at current prices FY21

Rs 5.83 tn

FBR target FY22

FY2020-21 brought a V-shaped recovery from the pandemic. Provisional real GDP growth was 3.94% against a 2.1% target, led by large-scale manufacturing (9.3% in July–March) and services (4.4%). Per-capita income rose 13.4% to US$1,543, and FBR collections were on course for the revised Rs 4.69 trillion target. The FY2021-22 budget (outlay about Rs 8.49 trillion, with Rs 900 billion for federal development) targeted 4.8% growth and set FBR's target at Rs 5,829 billion.

The Finance Act, 2021 carries these measures into the Income Tax Ordinance, 2001 for Tax Year 2022: a new regime for small and medium enterprises, a 21% small company rate, a flat 12.5% tax on gains from securities, tax credits for IT exports and start-ups, and the repeal of 13 withholding provisions. This booklet sets out the rates, checked against the Act and the FBR Withholding Tax Rates Card updated to 30 June 2021.

With best regards,

Khuram Shahzad
Corporate Consultant
Taxationist Corporate Consultants, Islamabad

Sources: Pakistan Economic Survey 2020-21 (Finance Division, 10 June 2021); Federal Budget 2021-22 (11 June 2021).

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01 Salient Features

The key income tax changes made by the Finance Act, 2021 for Tax Year 2022, in brief

Individuals, companies & SMEs

Capital gains & investment

Withholding & advance tax

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SALIENT FEATURES

Individuals, companies & SMEs

Salaried slabs unchanged

Income up to Rs 600,000 is exempt. Twelve slabs run 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 rates

Small companies 21% (down from 22%). Other companies 29%. Banks 35% plus 4% super tax under s.4B.

SME regime (new s.100E)

Manufacturers with turnover up to Rs 250m: 7.5% or 15% of taxable income, or opt for final tax at 0.25% or 0.5% of turnover.

Minimum tax restructured

Division IX now has four bands: 0.25%, 0.5%, 0.75% and 1.25% of turnover. The 1.25% rate is the general rate.

Tax credits (s.65F & 64D)

100% credit for IT exports to 30 June 2025, PSEB start-ups and Sindh coal mining. POS machines: credit up to Rs 150,000 each.

SALIENT FEATURES

Capital gains & investment

Securities CGT 12.5%

A flat 12.5% applies from TY2022 to listed securities acquired on or after 1 July 2013, whatever the holding period (was 15%).

Property CGT by gain size

Gain on immovable property is taxed as a separate block at 3.5% to 15%. The taxable share falls to nil after four years.

Profit on debt 15%

Withholding under s.151 set at 15% (30% non-ATL). Profit on debt taxed under s.7B at a flat 15% (Division IIIA).

Sukuk returns (new s.151(1A))

Return on sukuk taxed at 25% for companies, and 12.5% or 10% for individuals and AOPs above or below Rs 1 million.

Dividends

REITs join mutual funds in the 15% category. Dividend in specie is now taxed under s.150 and s.236S is repealed.

Overseas investors

Capital gains on debt instruments through NRVA / FCVA taxed at 10%. FCVA property sellers: s.236C tax is final.

SALIENT FEATURES

Withholding & advance tax

13 provisions repealed

Includes s.231A cash withdrawals, s.231AA and s.236P banking transactions, s.236B and s.236L air tickets, s.234A CNG and s.236Y cards.

Contracts & services

Contract rates cut to 6.5% (companies) and 7% (others). The 3% services list adds oilfield, telecom, collateral and travel services.

Export of services (s.154A)

New s.154A: 1% of export proceeds of services, IT (where s.65F credit is not available), royalties and foreign contracts.

Mobile & internet

s.236 advance tax on mobile, internet and prepaid cards cut from 12.5% to 10% for TY2022 and 8% thereafter.

Vehicles sold before registration

New s.231B(2A): Rs 50,000 to Rs 200,000 on a locally made car sold on before its first registration.

Distributors & retailers

s.236G / 236H widened to pharma, poultry feed, edible oil, auto parts, chemicals and more. Retailers 0.5%.

02

Income Tax Rates

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

- Salaried
- Non-salaried & AOPs
- Companies & super tax
- SMEs & minimum tax
- Dividend & profit on debt
- Capital gains

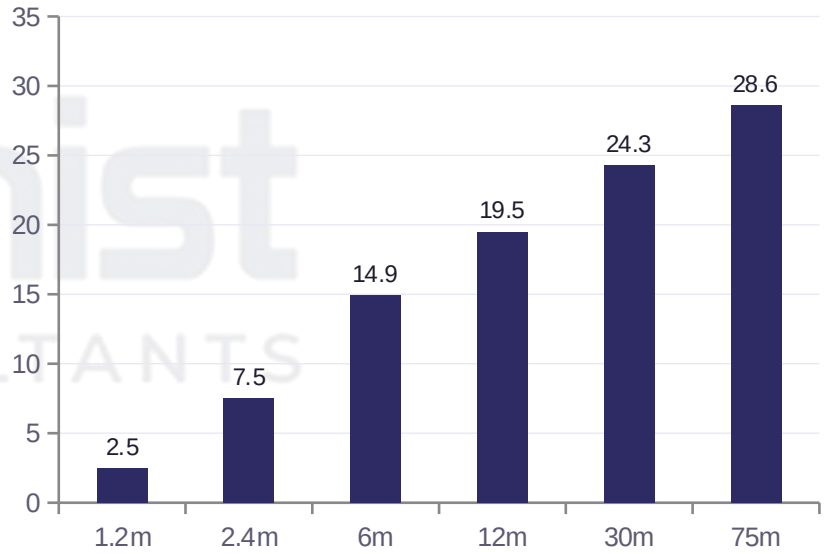
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PART I · DIVISION I · CLAUSE (1A)

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



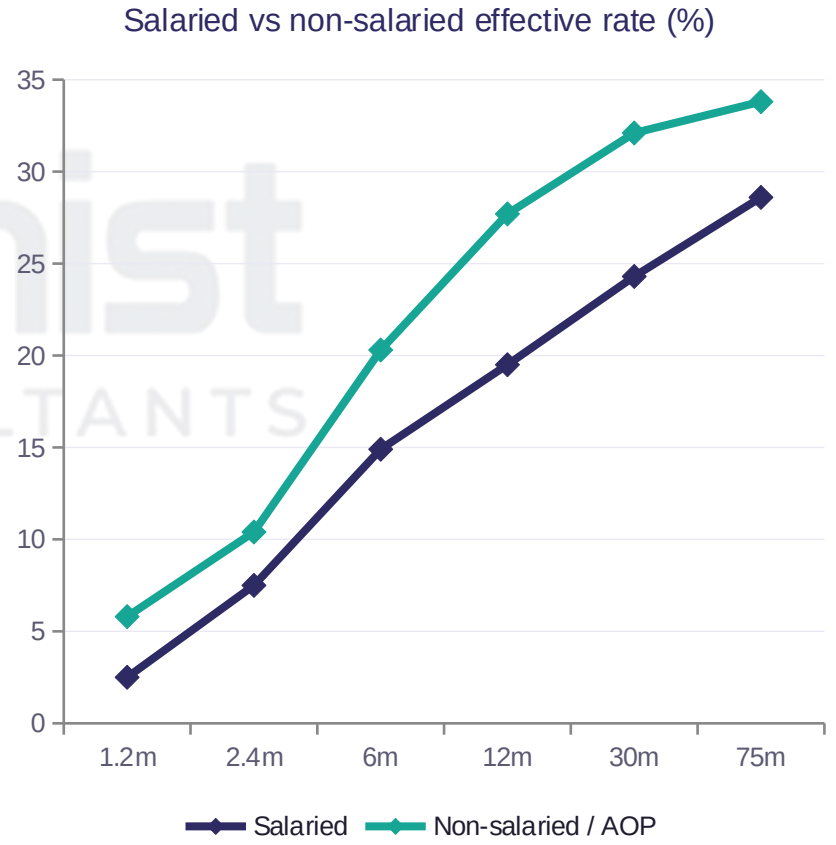
Who it covers
Individuals whose salary exceeds 75% of taxable income. Employers deduct monthly under s.149.

PART I · DIVISION I · CLAUSE (1)

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, 113 & 113C

Companies – corporate, super, minimum & alternate tax

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

35%
Banking companies
Div II

21%
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
Super tax – other than banking companies	0% for tax year 2020 onwards (2% for TY2019 on income of Rs 500m or more)	s.4B, Div IIA
Super tax on high earners (s.4C)	Inserted later by FA 2022 with effect from TY2022: 1%–4% above Rs 150m; 10% above Rs 300m for 15 specified sectors	Div IIB (FA 2022)
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
AOPs	Same slabs as non-salaried individuals	Div I, clause (1)

SECTION 100E · FOURTEENTH SCHEDULE (NEW) · DIVISION IX

Small & medium enterprises and minimum tax

SME regime – choose normal or final tax

Category 1
Turnover up to Rs 100m

7.5% of taxable income

0.25% of turnover (FTR)

Category 2
Rs 100m – Rs 250m

15% of taxable income

0.5% of turnover (FTR)

SME: a manufacturer (s.153(7)) with business turnover up to Rs 250m. The FTR option is irrevocable for three tax years.

Minimum tax on turnover – Division IX	Rate
OMCs, SSGC & SNGPL (turnover above Rs 1bn); PIA; poultry industry	0.75%
Oil refineries; motorcycle dealers registered for sales tax	0.5%
Distributors of pharma, FMCG & cigarettes; petroleum agents; rice mills & dealers; Tier-1 FMCG retailers; e-commerce; used-vehicle dealers; flour mills	0.25%
In all other cases	1.25%

Minimum tax and ACT do not apply to builders and developers opting for s.100D. Excess minimum tax is carried forward for adjustment as allowed by s.113.

PART I · DIVISIONS III & IIIA · PART III, DIVISIONS I, IA & IB

Dividend & profit on debt

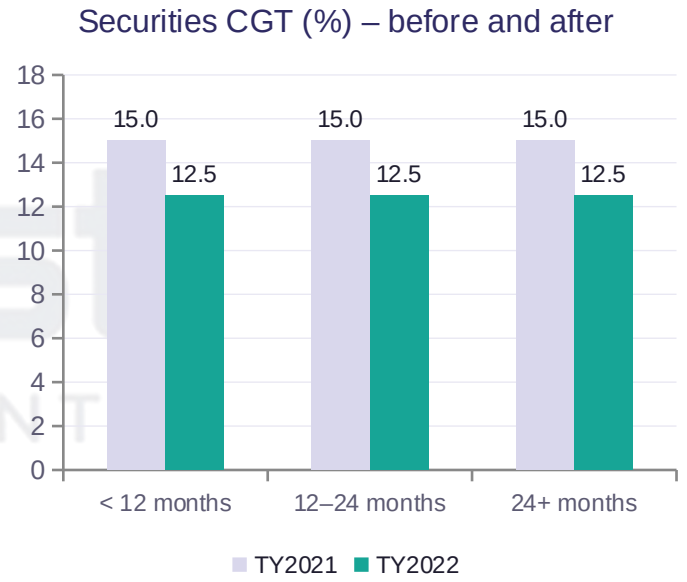
Nature of income	ATL	Non-ATL	Reference
Dividend (s.5 / s.150), including dividend in specie			
Dividend from IPPs where dividend is a pass-through item	7.5%	15%	Div III
Mutual funds and REITs (REITs added by FA 2021)	15%	30%	Div III
Company paying no tax (exemption, carried-forward losses or tax credits)	25%	50%	Div III
Any other case	15%	30%	Div III
Profit on debt (s.7B / s.151)			
Profit on debt under s.151(1)(a)–(d) – single rate after FA 2021	15%	30%	Div IA, Part III
Profit on debt of individuals taxed under s.7B (final)	15%	–	Div IIIA
Return on sukuk – company	25%	50%	Div IB
Return on sukuk – individual / AOP, return above Rs 1m / up to Rs 1m	12.5% / 10%	25% / 20%	Div IB

Non-ATL rates reflect rule 1 of the Tenth Schedule (100% increase). s.236S (dividend in specie) repealed; such dividends are now covered by s.150. Rates per FBR Withholding Tax Rates Card updated to 30 June 2021.

PART I · DIVISION VII · SECTION 37A

Capital gains on securities

Holding period	TY2018–2021 (acquired after 1.7.2016)	TY2022 & onwards
Less than 12 months	15%	12.5%
12 months or more but less than 24 months	15%	12.5%
24 months or more (acquired on or after 1 July 2013)	15%	12.5%
Security acquired before 1 July 2013	0%	0%
Future commodity contracts by PMEX members	5%	5%



How it is collected

Gains on listed securities are computed and collected by NCCPL under s.100B and the Eighth Schedule. Debt securities held by companies are taxed at the corporate rate. Non-resident gains through SCRA / NRVA / FCVA on debt instruments and government securities: 10% under s.152(1D) / (1DA).

PART I · DIVISION VIII · SECTION 37(1A)

Capital gains on immovable property

Step 1 – taxable share of gain by holding period	Taxable gain
Does not exceed 1 year	100%
Exceeds 1 year but not 2 years	75%
Exceeds 2 years but not 3 years	50%
Exceeds 3 years but not 4 years	25%
Exceeds 4 years	0%

Step 2 – rate on the taxable gain (Division VIII)	Rate
Gain does not exceed Rs 5 million	3.5%
Exceeds Rs 5m but not Rs 10m	7.5%
Exceeds Rs 10m but not Rs 15m	10%
Exceeds Rs 15 million	15%

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Concessions

No CGT for dependants of shaheeds and of persons who die in service of the Armed Forces or the Federal or Provincial Governments, on first sale as original allottee. Rates halved for serving or ex-servicemen and Government employees as original allottees. No CGT on a self-occupied house up to 500 sq. yards or flat up to 4,000 sq. ft., once, subject to conditions.

03

Withholding Tax Rates

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

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

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SECTION 148 · PART II, FIRST SCHEDULE

Imports

Section	Nature of payment / transaction	ATL	Non-ATL	Reference
148	Goods in Part I, Twelfth Schedule	1%	2%	Part II
148	Manufacturers covered under SRO 1125(I)/2011 importing items in that SRO	1%	2%	Part II
148	Goods in Part II, Twelfth Schedule	2%	4%	Part II
148	Goods in Part III, Twelfth Schedule	5.5%	11%	Part II
148	CKD kits of electric vehicles – small cars / SUVs ≤ 50 kWh, LCVs ≤ 150 kWh (FA 2021)	1%	2%	Part II, proviso (c)
148	Finished pharmaceutical products not made in Pakistan (DRAP certified)	4%	8%	Part II, proviso (b)
148	Mobile phones – CBU, PCT 8517.1219: fixed amount per set by C&F value	Rs 70 – 5,200	Rs 140 – 10,400	Part II, proviso
148	Mobile phones – CKD / SKD, PCT 8517.1211: fixed amount per set by C&F value	Rs 0 – 11,500	Rs 0 – 23,000	Part II, proviso

Collected by Customs on import value as increased by customs duty, sales tax and FED. Mobile phone amounts rise with C&F value: up to US$30, 100, 200, 350, 500 and above US$500.

SECTIONS 149, 150 & 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 (1A) 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				
150	IPPs where dividend is a pass-through item	7.5%	15%	Div I, Part III
150	Mutual funds, REITs and other cases	15%	30%	Div I, Part III
150	Company paying no tax due to exemption, losses or credits	25%	50%	Div I, Part III
Profit on debt – s.151				
151(1)(a)–(d)	National savings, bank deposits, government securities, bonds & debentures	15%	30%	Div IA, Part III
151(1A)	Sukuk – company	25%	50%	Div IB, Part III
151(1A)	Sukuk – individual / AOP, return above Rs 1m / up to Rs 1m	12.5% / 10%	25% / 20%	Div IB, Part III

SECTION 152 · 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 by non-residents relaying from outside Pakistan	10%	10%	Div II, Part III
152(1BA)	Foreign-produced commercials for TV or other media (final)	20%	20%	s.152(1BA)
152(1C)	Fee for offshore digital services	5%	5%	Div IV, Part I
152(1D)/(1DA)	Capital gains on debt instruments & government securities via SCRA / FCVA / NRVA	10%	10%	Div II, Part III
152(1DB)	Return on sukuk – company / individual & AOP above Rs 1m / up to Rs 1m (new)	25% / 12.5% / 10%	Same	Div IB, 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%	8% / 9%	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

FBR clarification (UO 20157 of 4.9.2019): non-ATL increase applies to s.152(1), (1AA), (2), (2A)(b) and (2A)(c); the card applies it to (2A)(a) too. Treaty relief is subject to s.107.

SECTION 153 · DIVISION III, PART III

Payments for goods, services & contracts

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)	Sale of rice, cotton seed oil or edible oils; supplies to Utility Stores by non-companies	1.5%	3%	Div III, Part III
153(1)(a)	Sale of goods – company / any other case	4% / 4.5%	8% / 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, oilfield, telecom, travel & tour, etc.)	3%	6%	Div III, Part III
153(1)(b)	Electronic and print media for advertising services	1.5%	3%	Div III, Part III
153(1)(b)	Other services – company / any other case	8% / 10%	16% / 20%	Div III, Part III
Contracts – s.153(1)(c) and services to exporters – s.153(2)				
153(1)(c)	Contracts – sportspersons	10%	20%	Div III, Part III
153(1)(c)	Contracts – company / any other case (cut from 7% / 7.5% by FA 2021)	6.5% / 7%	13% / 14%	Div III, Part III
153(2)	Stitching, dyeing, printing, embroidery, washing etc. services to exporters	1%	2%	Div III, Part III

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

Exports, rent, prizes & petroleum

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)	Indirect exports, EPZ, DTRE cases and clearance of exported goods	1%	1%	Div IV, Part III
154A	Export of services, IT (no s.65F credit), royalties & foreign contracts (new)	1%	1%	Div IVA, Part III
155	Rent of immovable property – company	15%	15%	Div V, Part III
156	Prize bond or cross-word puzzle	15%	30%	Div VI, Part III
156	Raffle, lottery, quiz or prize on sale promotion	20%	40%	Div VI, Part III
156A	Commission to petrol pump operators on petroleum products	12%	24%	Div VIA, Part III

Rent – individuals & AOPs (s.155, FA 2021 table)	Rate of tax
Gross rent up to Rs 300,000	Nil
Rs 300,001 – 600,000	5% of amount exceeding Rs 300,000
Rs 600,001 – 2,000,000	Rs 15,000 + 10% of amount exceeding Rs 600,000
Above Rs 2,000,000	Rs 155,000 + 25% of amount exceeding Rs 2,000,000

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

04

Advance Tax & Collection

Part IV, First Schedule – motor vehicles, commission, utilities, auctions, property, distributors, retailers and education

- Motor vehicles
- Commission & transport
- Utilities & auctions
- Immovable property
- Distributors & retailers
- Repealed provisions

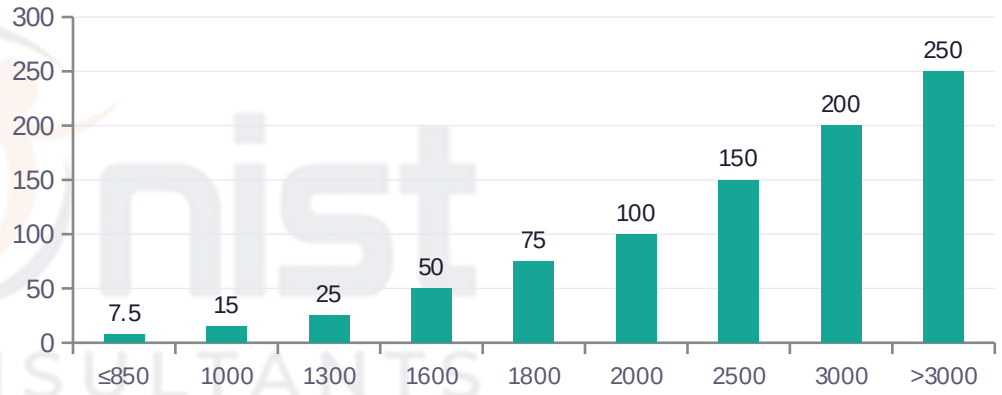
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SECTION 231B(1), (1A), (2A) & (3) · DIVISION VII, PART IV

Motor vehicle registration & sale before registration

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



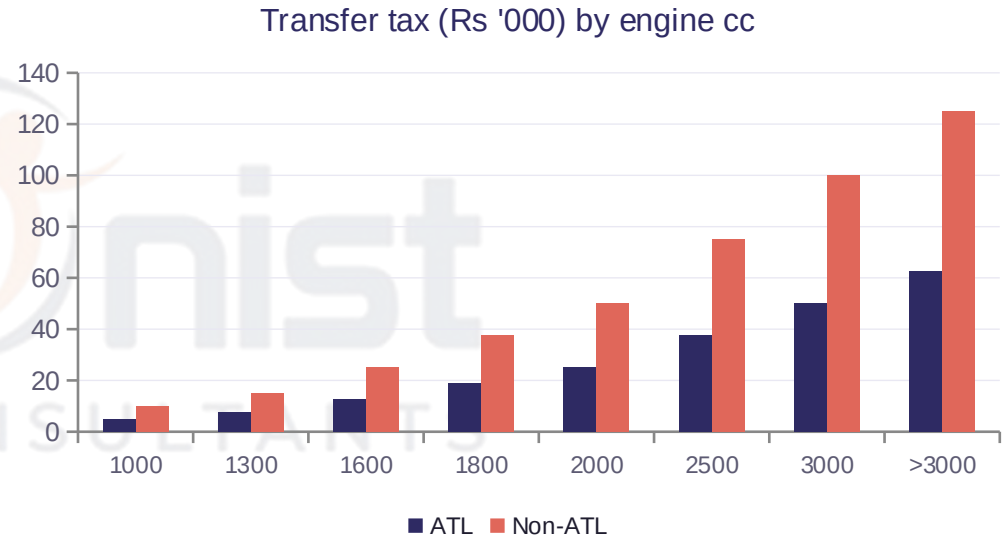
s.231B(2A) – sale before first registration (new)	ATL	Non-ATL
Up to 1,000cc	Rs 50,000	Rs 100,000
1,001cc – 2,000cc	Rs 100,000	Rs 200,000
2,001cc and above	Rs 200,000	Rs 400,000

s.231B(1A): 4% of the value of a motor vehicle leased to a person not on the ATL. s.231B(3) applies to sale by a manufacturer at the time of sale.

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 motor vehicle registering authority at the time of transfer. Per the Tax Card 2021-22, no tax is collected after five years from the date of first registration.

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

Commission & tax on motor vehicles

Section	Nature of payment / transaction	ATL	Non-ATL	Reference
233	Advertising agents	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

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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

From TY2022, s.233 also covers payers that are individuals or AOPs with turnover of Rs 100 million or more (FA 2021), besides governments and companies.

SECTION 234 · DIVISION III, PART IV

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, 236 & 236A · DIVISIONS IV, V & VIII, PART IV

Electricity, telephone & auctions

Electricity – commercial & industrial (s.235)	Tax
Monthly bill up to Rs 500	Rs 0
Rs 501 – 20,000	10% of the bill
Above Rs 20,000 – commercial	Rs 1,950 + 12% of excess over Rs 20,000
Above Rs 20,000 – industrial	Rs 1,950 + 5% of excess over Rs 20,000
Domestic, non-ATL: bill below Rs 25,000	0%
Domestic, non-ATL: bill Rs 25,000 or more	7.5% of the bill

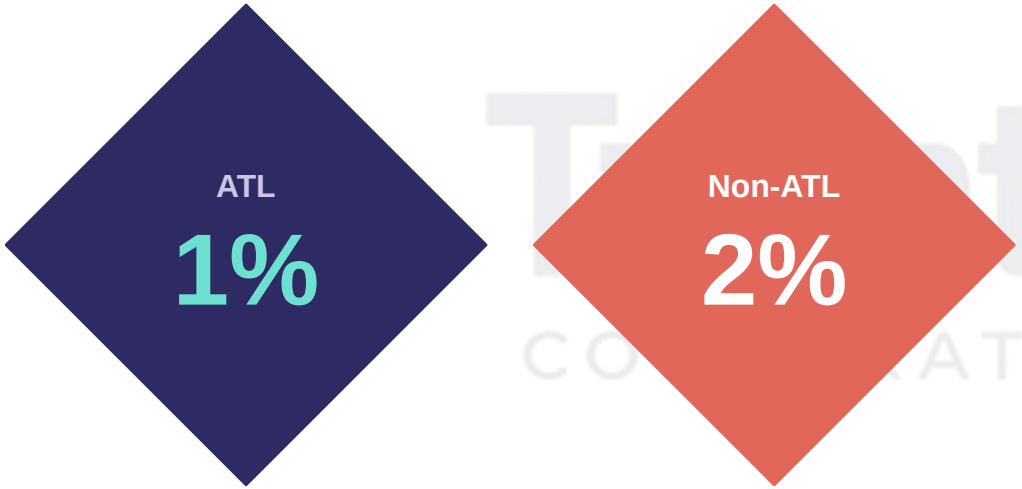
Section	Nature	Rate
236	Telephone (other than mobile) – bill above Rs 1,000	10%
236	Internet, mobile, prepaid cards & electronic units	10% (8% from TY2023)
236A	Public auction of property / goods (other than immovable) – ATL / non-ATL	10% / 20%
236A	Auction of immovable property – ATL / non-ATL	5% / 10%

FA 2021 moved domestic electricity into s.235 (s.235A repealed); ATL domestic consumers are excluded. s.236 rates are not enhanced for non-ATL status (Tenth Schedule does not apply).

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

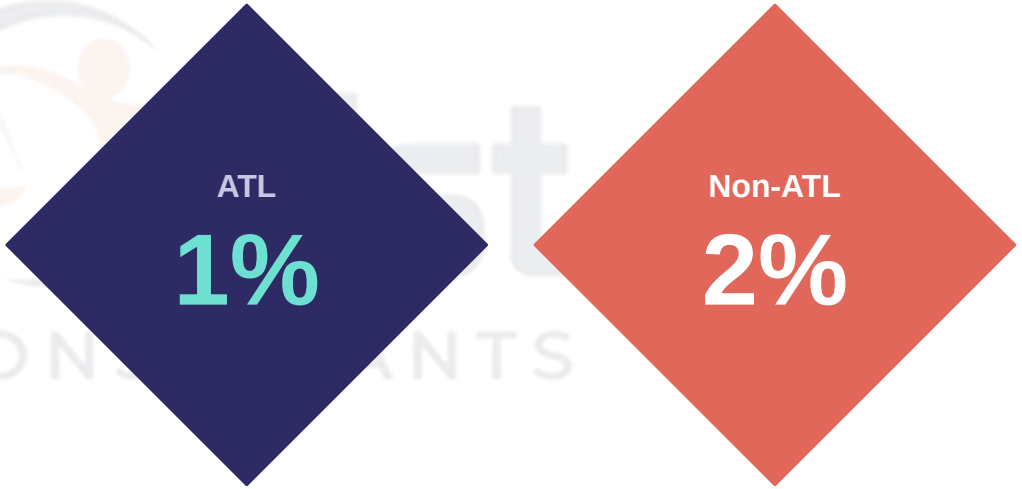
Sale & purchase of immovable property

s.236C – seller (gross consideration)



Not applicable where the property is held for more than four years

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



Also on instalments for purchase or allotment (s.236K(3))

FA 2021: s.236C now covers public and private real estate projects, joint ventures and private concerns. For non-resident POC / NICOP holders who bought through FCVA / NRVA, s.236C tax is final in lieu of CGT.

SECTIONS 236G – 236Q · PART IV

Distributors, retailers, education & equipment

Section	Nature of payment / transaction	ATL	Non-ATL	Reference
236G	Sales to distributors, dealers & wholesalers – fertilizer	0.7%	1.4%	Div XIV, Part IV
236G	Fertilizer – recipient on both income tax and sales tax ATLs (FA 2021 proviso)	0.25%	–	Div XIV, Part IV
236G	Sales to distributors, dealers & wholesalers – other than fertilizer	0.1%	0.2%	Div XIV, Part IV
236H	Sales to retailers (sectors widened by FA 2021)	0.5%	1%	Div XV, Part IV
236I	Educational institutions – fee above Rs 200,000 a year (non-ATL payers only)	–	5%	Div XVI, Part IV
236Q	Rent or right to use machinery and industrial, commercial or scientific equipment	10%	10%	Div XXIII, Part IV

Repealed by the Finance Act, 2021

231A cash withdrawal	231AA bank transactions	233A stock exchange	233AA NCCPL	234A CNG stations
235A domestic electricity	236B air tickets	236HA petroleum products	236L international tickets	236P banking transactions
236S dividend in specie	236V mineral extraction	236Y cards used abroad		

GENERAL NOTES

ATL status, nature of tax & disclaimer

Active Taxpayers' List

ATL rates apply to persons on the ATL on the date of payment. Otherwise rule 1 of the Tenth Schedule increases the rate by 100%. It does not apply to s.149, 154, 155, 236 and 236Q, and applies to s.152 only for the sub-sections shown.

Final, minimum or adjustable

Exports under s.154 and s.154A, dividends, profit on debt under s.7B, prizes and petroleum commission are final. Withholding on goods, services and contracts is largely minimum; most Part IV collections are adjustable.

Statutory references

Divisions refer to the First Schedule to the Income Tax Ordinance, 2001 as amended by the Finance Act, 2021, read with the Tenth and Fourteenth Schedules. Later changes for TY2022 (super tax under s.4C by FA 2022) are noted.

Disclaimer

Prepared from the Finance Act, 2021, the FBR Withholding Tax Rates Card (updated to 30 June 2021) and the Tax Card 2021-22 as a ready reference. The Ordinance prevails in case of conflict. Please seek professional advice before acting.

CORPORATE CONSULTANTS

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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