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CORPORATE CONSULTANTS

FEDERAL BUDGET 2022-23

Income Tax Rate Card

Tax Year 2023

As per Finance Act, 2022 · 1 July 2022 – 30 June 2023

Composed & Researched by Khuram Shahzad, Corporate Consultant

2023



Rs 9.5 tn
Budget outlay

Rs 7.47 tn
FBR target

5%
GDP growth target

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PREAMBLE

Economy at a glance & foreword

5.97%

Real GDP growth FY22

US$ 1,798

Per-capita income FY22 (from $1,676)

US$ 383 bn

Size of the economy FY22

Rs 7.47 tn

FBR target FY23

FY2021-22 saw a strong post-pandemic rebound: real GDP grew 5.97%, the economy reached US$383 billion and per-capita income rose to US$1,798. But growth was import-led, and a current account deficit of nearly US$14 billion in ten months put pressure on reserves. The FY2022-23 budget (about Rs 9.5 trillion outlay) targeted 5% growth, 11.5% inflation and a fiscal deficit of 4.9% of GDP.

The Finance Act, 2022 carries these measures into the Income Tax Ordinance, 2001 for Tax Year 2023: a higher Rs 600,000 exemption threshold, new super tax under s.4C, deemed income on immovable property under s.7E, and holding-period based capital gains on securities and property. This booklet sets out every rate, checked against the Act and the FBR Withholding Tax Rates Card updated to 30 June 2022.

With best regards,

Khuram Shahzad
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Taxationist Corporate Consultants, Islamabad

Sources: Pakistan Economic Survey 2021-22 (Finance Division, 9 June 2022); Federal Budget 2022-23 (10 June 2022).

CONTENTS

Table of contents

Preamble – economy at a glance 2

01 Salient Features 4

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

02 Income Tax Rates 8

- Salaried individuals 9
- Non-salaried individuals & AOPs 10
- Companies – corporate, minimum & ACT 11
- Super tax (s.4C) 12
- Deemed income (s.7E) & retailers (s.99A) 13
- Dividend & profit on debt 14
- Capital gains on securities 15
- Capital gains on immovable property 16

03 Withholding Tax Rates 17

- Imports (s.148) 18
- Salary, dividend & profit on debt (s.149–151) 19
- Payments to non-residents (s.152) 20
- Goods, services & contracts (s.153) 21
- Exports, rent, prizes & petroleum (s.154–156A) 22

04 Advance Tax & Collection 23

- Motor vehicle registration (s.231B(1), (3)) 24
- Vehicle transfer & sale before registration (s.231B(2), (2A)) 25
- Commission & motor vehicle tax (s.233, s.234) 26
- Private motor vehicles (s.234) 27
- Electricity, telephone & auctions (s.235–236A) 28
- Immovable property (s.236C, s.236K) 29
- Foreign content, distributors & cards (s.236CA–236Y) 30
- General notes & disclaimer 31

About Taxationist Corporate Consultants 32

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01

Salient Features

The key income tax changes made by the Finance Act, 2022 for Tax Year 2023, in brief

Individuals & companies

Capital gains & property

Withholding & compliance

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SALIENT FEATURES

Individuals & companies

Salaried threshold raised

Exempt band raised to Rs 600,000 (from Rs 400,000). Seven slabs from 2.5% to 35%; the top rate applies above Rs 12m.

Non-salaried & AOPs

Eight slabs from 5% to 35%; the 35% top rate applies above Rs 6m.

Super tax (s.4C, new)

1% to 4% of income above Rs 150m for TY2022 onwards. 10% above Rs 300m for 15 sectors in TY2022 and for banks in TY2023.

Corporate rates

Small companies 20%, banking companies 39% and other companies 29%. Minimum tax carry forward cut to three years.

Deemed income (s.7E, new)

Resident persons taxed at 20% on deemed income of 5% of the FMV of immovable property – effectively 1% – subject to exclusions.

Retailers via electricity bills

New fixed tax under s.99A collected with commercial electricity bills from retailers other than Tier-1: Rs 3,000 to Rs 10,000 a month.

SALIENT FEATURES

Capital gains & property

Securities by holding period

Listed securities acquired from 1 July 2022: 15% falling to 0% after six years. Earlier acquisitions: flat 12.5%.

Property by holding period

Gains on immovable property taxed 15% in year one, falling to nil after six years (plots), four years (constructed) or two years (flats).

Property advance tax doubled

s.236C and s.236K raised from 1% to 2%. Non-ATL buyers pay 7% (increase of 250%); non-ATL sellers 4%.

Mutual fund CGT

Funds deduct 10% (12.5% for stock funds where dividends are below gains); companies 25% on other funds; nil after six years.

Vehicle registration tax

Fixed amounts from Rs 10,000 (up to 850cc) to Rs 500,000 (above 3,000cc); 3% of value where engine capacity is not applicable and value is Rs 5m+.

Cards abroad (s.236Y, new)

1% advance tax (2% non-ATL) on amounts remitted abroad through credit, debit or prepaid cards.

SALIENT FEATURES

Withholding & compliance

Non-resident fees

New s.152(1DC) and (1DD): 10% on fees paid to money transfer operators by exchange companies and to card networks by banks.

IT exports 0.25%

Export proceeds of software, IT and IT-enabled services by PSEB-registered persons taxed at 0.25%; other services 1%.

Services list widened

REIT management and NCCPL services added to the specified-services list taxed at 3% under s.153(1)(b).

Commercial importers

Commercial importers of Part II, Twelfth Schedule goods taxed at 3.5% on import value.

Dispute resolution (s.134A)

Alternative Dispute Resolution re-designed with committee decisions binding on the Commissioner once the taxpayer withdraws the appeal.

Foreign TV content

s.236CA: Rs 1m per episode of foreign drama, Rs 3m per single play and Rs 100,000 per second for advertisements with foreign actors.

02

Income Tax Rates

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

Salaried	Non-salaried & AOPs	Companies
Super tax	Deemed income & retailers	Capital gains

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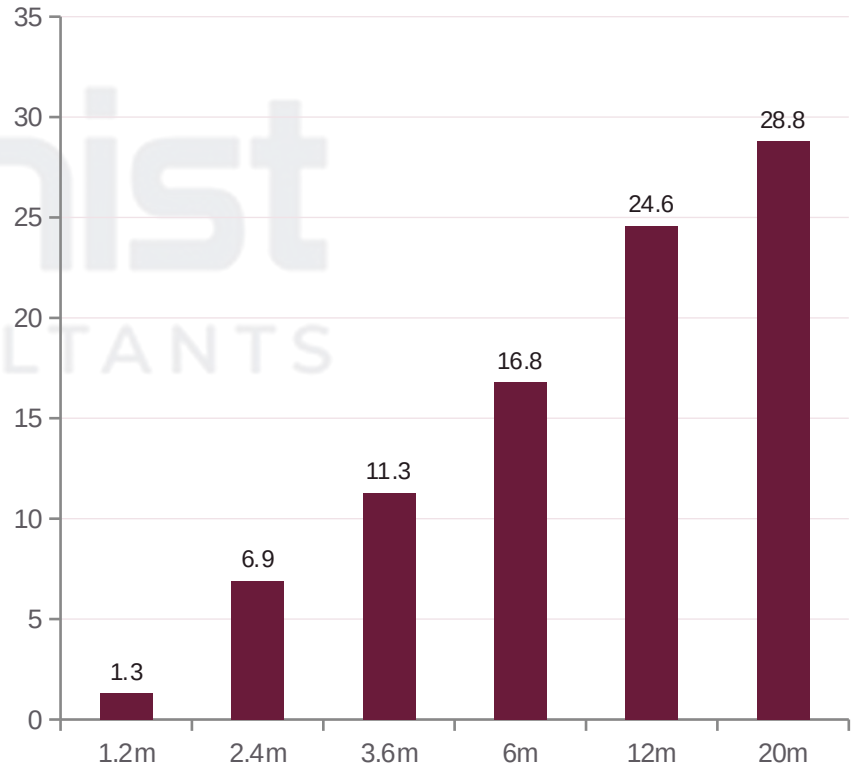
PART I · DIVISION I · CLAUSE (2)

Salaried individuals

#	Taxable income (Rs)	Rate of tax
1	Up to 600,000	0%
2	600,001 – 1,200,000	2.5% of amount exceeding 600,000
3	1,200,001 – 2,400,000	15,000 + 12.5% of amount exceeding 1,200,000
4	2,400,001 – 3,600,000	165,000 + 20% of amount exceeding 2,400,000
5	3,600,001 – 6,000,000	405,000 + 25% of amount exceeding 3,600,000
6	6,000,001 – 12,000,000	1,005,000 + 32.5% of amount exceeding 6,000,000
7	Above 12,000,000	2,955,000 + 35% of amount exceeding 12,000,000

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

Effective salary tax (%) by taxable income



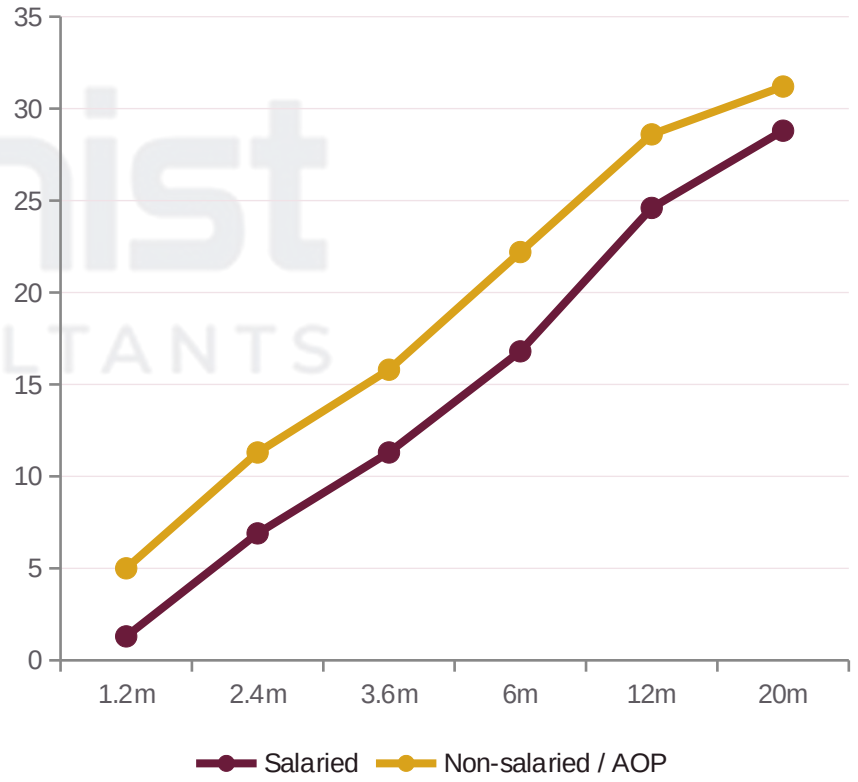
PART I · DIVISION I · CLAUSE (1)

Non-salaried individuals & AOPs

#	Taxable income (Rs)	Rate of tax
1	Up to 600,000	0%
2	600,001 – 800,000	5% of amount exceeding 600,000
3	800,001 – 1,200,000	10,000 + 12.5% of amount exceeding 800,000
4	1,200,001 – 2,400,000	60,000 + 17.5% of amount exceeding 1,200,000
5	2,400,001 – 3,000,000	270,000 + 22.5% of amount exceeding 2,400,000
6	3,000,001 – 4,000,000	405,000 + 27.5% of amount exceeding 3,000,000
7	4,000,001 – 6,000,000	680,000 + 32.5% of amount exceeding 4,000,000
8	Above 6,000,000	1,330,000 + 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.

Salaried vs non-salaried effective rate (%)



PART I · DIVISION II, IX & SECTION 113C

Companies – corporate, minimum & alternate tax

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

39%
Banking companies
Div II

20%
Small companies
Div II, s.2(59A)

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

1.25%
Minimum tax on turnover (general rate)
s.113, Div IX

Item	Rate / treatment	Reference
Tax payable by a company	Higher of normal tax, minimum tax on turnover and ACT; excess minimum tax carried forward 3 years (was 5)	s.113, s.113C
Minimum tax – oil marketing companies	Moved to the 0.5% reduced-rate category (Div IX, S. No. 2)	Div IX, Part I
Super tax (s.4C)	Payable in addition by persons with income above Rs 150m – see next page	Div IIB
Payments to non-residents (s.6)	15% of royalty or fee for technical services; 10% in any other case	Div IV, Part I
AOPs	Same slabs as non-salaried individuals	Div I, clause (1)

PART I · DIVISION IIB · SECTION 4C (NEW)

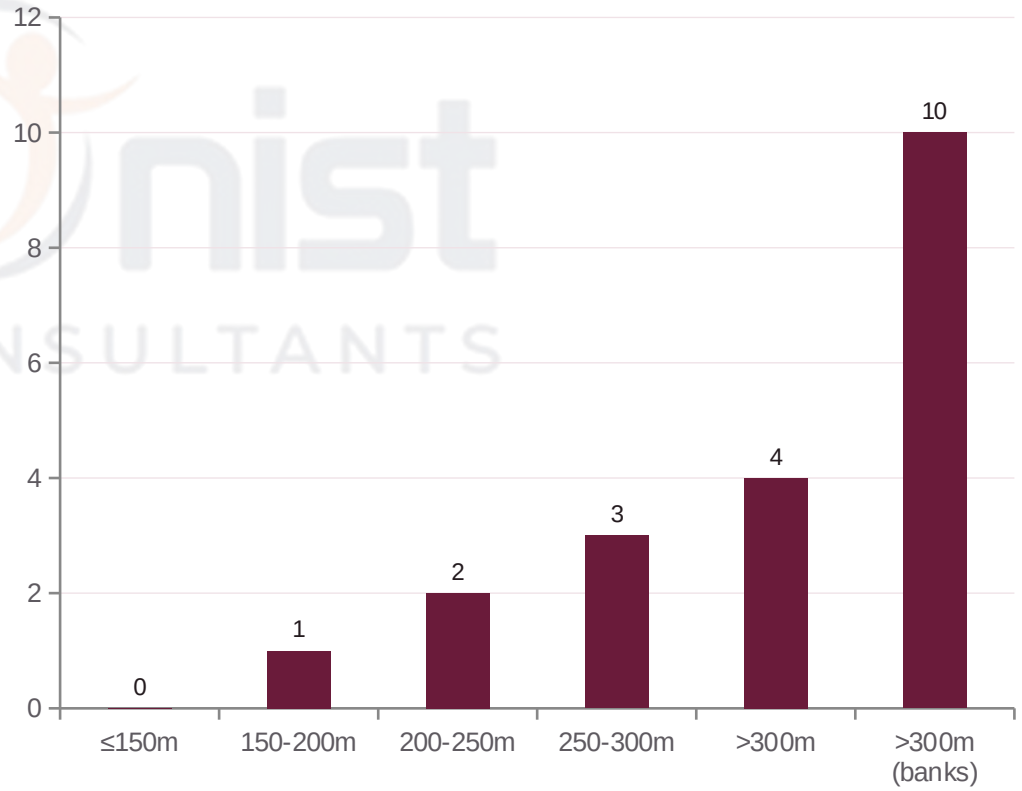
Super tax on high-earning persons

#	Income under s.4C (Rs)	Rate (FA 2022)
1	Up to 150 million	0%
2	150m – 200m	1%
3	200m – 250m	2%
4	250m – 300m	3%
5	Above 300 million	4%

Sector rate – 10% above Rs 300m

TY2022: airlines, automobiles, beverages, cement, chemicals, cigarettes & tobacco, fertilizer, iron & steel, LNG terminals, OMCs, oil refining, E&P, pharmaceuticals, sugar and textiles. TY2023: banking companies. FA 2023 later substituted TY2023 rates of up to 10% above Rs 500m.

Super tax rate (%) by income band – TY2023



SECTIONS 7E & 99A · DIVISION VIIIC, PART I & DIVISION IV, PART IV (NEW)

Deemed income on property & retailers' fixed tax

Deemed income – s.7E

5% of FMV deemed income

× 20% tax rate

= 1% of FMV effectively

Applies to resident persons on capital assets in Pakistan held on the last day of the tax year. Excluded: one capital asset owned, self-owned business premises, self-occupied residence and agricultural land of farmers, assets acquired in the year, and others specified.

Retailers via electricity bills – s.99A / 235(1A)

Monthly commercial electricity bill	Fixed tax
Up to Rs 30,000	Rs 3,000
Rs 30,001 – 50,000	Rs 5,000
Rs 50,001 – 100,000	Rs 10,000
Retailers & service providers notified by FBR	Up to Rs 200,000

Final tax for retailers other than Tier-1 and specified service providers; not collected where sales tax has been paid under s.3(9) of the Sales Tax Act. Collected in addition to s.235 tax.

PART I · DIVISIONS III & IA, PART III

Dividend & profit on debt

Nature of income	ATL	Non-ATL	Reference
Dividend (s.5 / s.150)			
Dividend from IPPs where dividend is a pass-through item	7.5%	15%	Div III
Mutual funds, REITs and other cases	15%	30%	Div III
Dividend received by a REIT scheme from an SPV	0%	0%	Div III
Dividend received by others from an SPV (REIT Regulations, 2015)	35%	70%	Div III
Company paying no tax (exemption, carried-forward losses or tax credits)	25%	50%	Div III
Profit on debt (s.7B / s.151)			
Profit on debt under s.151(1)(a)–(d); final for individuals under s.7B up to Rs 5m	15%	30%	Div IA, 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). Rates as per the FBR Withholding Tax Rates Card updated to 30 June 2022.

PART I · DIVISION VII · SECTION 37A

Capital gains on securities

Securities acquired on or after 1 July 2022 – holding period	Rate
Does not exceed 1 year	15%
Exceeds 1 year but not 2 years	12.5%
Exceeds 2 years but not 3 years	10%
Exceeds 3 years but not 4 years	7.5%
Exceeds 4 years but not 5 years	5%
Exceeds 5 years but not 6 years	2.5%
Exceeds 6 years	0%

Other cases	Rate
Securities acquired on or before 30 June 2022 (any holding period)	12.5%
Future commodity contracts by PMEX members	5%
Debt securities held by companies	Corporate rate

CGT deducted by mutual funds / REITs	Stock funds	Other funds
Individuals & AOPs	10%	10%
Companies	10%	25%

Stock funds deduct 12.5% where dividend receipts are less than capital gains. No CGT is deducted where the units are held for more than six years.

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

Capital gains on immovable property

Holding period	Open plots	Constructed property	Flats
Does not exceed 1 year	15%	15%	15%
Exceeds 1 year but not 2 years	12.5%	10%	7.5%
Exceeds 2 years but not 3 years	10%	7.5%	0%
Exceeds 3 years but not 4 years	7.5%	5%	0%
Exceeds 4 years but not 5 years	5%	0%	0%
Exceeds 5 years but not 6 years	2.5%	0%	0%
Exceeds 6 years	0%	0%	0%

New regime from Finance Act, 2022
Gain is taxed as a separate block at these rates according to the type of property; the earlier rule exempting gains after four years no longer applies. Deemed income under s.7E is in addition for property not excluded.

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, R.1 10th Sch.
148	Goods in Part II, Twelfth Schedule	2%	4%	Part II
148	Goods in Part II, Twelfth Schedule – commercial importer (FA 2022)	3.5%	7%	Part II
148	Goods in Part III, Twelfth Schedule	5.5%	11%	Part II
148	Manufacturers covered under SRO 1125(I)/2011 [proviso 1(a)]	1%	2%	Part II
148	Pharmaceutical products [proviso 1(b)]	4%	8%	Part II
148	CKD kits for electric vehicles [proviso 1(c)]	1%	2%	Part II
148	Mobile phones PCT 8517.1219 – fixed amount per set by value band	Rs 70 – 11,500	Rs 140 – 23,000	Part II, proviso 2
148	Mobile phones PCT 8517.1211 – fixed amount per set by value band	Rs 0 – 5,200	Rs 0 – 10,400	Part II, proviso 2

Collected by Customs on import value as increased by customs duty, sales tax and FED. FA 2022 raised mobile-phone amounts for sets above US$350 (Rs 5,000 / Rs 3,000) and above US$500 (Rs 11,500 / Rs 5,200).

SECTIONS 149, 150 & 151

Salary, dividend & profit on debt

Section	Nature of payment / transaction	ATL	Non-ATL	Reference
Salary – s.149				
149	Employer deducts monthly at Division I, clause (2) slab rates (2.5% – 35%)	Slab rates	Same	Div I, Part I
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	REIT scheme from SPV / others from SPV	0% / 35%	0% / 70%	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	Profit on debt under clauses (a)–(d) of s.151(1)	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%	15%	Div IV, Part I
152(1A)	Contracts / construction, assembly or installation projects	7%	7%	Div II, Part III
152(1AA)	Insurance or re-insurance premium	5%	5%	Div II, Part III
152(1AAA)	Advertisement services to non-resident media persons	10%	10%	Div II, Part III
152(1BA)	Payments specified in sub-section (1BA)	20%	20%	s.152(1BA)
152(1C)	Fee for offshore digital services	10%	10%	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	25% / 12.5% / 10%	Same	Div IB, Part III
152(1DC)/(1DD)	Fees to money transfer operators; card network & payment gateway fees (FA 2022)	10%	10%	Div IV, Part I
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

Non-resident rates under s.152(1)–(1DD) are not enhanced for ATL status. Treaty relief is subject to s.107 and exemption certificates under s.152(5A).

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)				
153(1)(a)	Sale of rice, cotton seed or edible oils	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)				
153(1)(b)	Specified services (transport, freight, IT, REIT management, NCCPL, 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	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(3)–(3C)	Indirect exports, export houses, EPZ / DTRE cases	1%	1%	Div IV, Part III
154A	Export of software, IT / ITeS by PSEB-registered persons (FA 2022)	0.25%	0.25%	Div IVA, Part III
154A	Export of services – any other case	1%	1%	Div IVA, Part III
155	Rent of immovable property – company	15%	30%	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)	Rate of tax (ATL)
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

Non-ATL individuals & AOPs: rates increased by 100%.

04

Advance Tax & Collection

Part IV, First Schedule – motor vehicles, commission, utilities, auctions, property, foreign content, distributors and card payments

Motor vehicles	Commission & transport	Utilities & auctions
Property	Distributors & retailers	Cards & foreign content

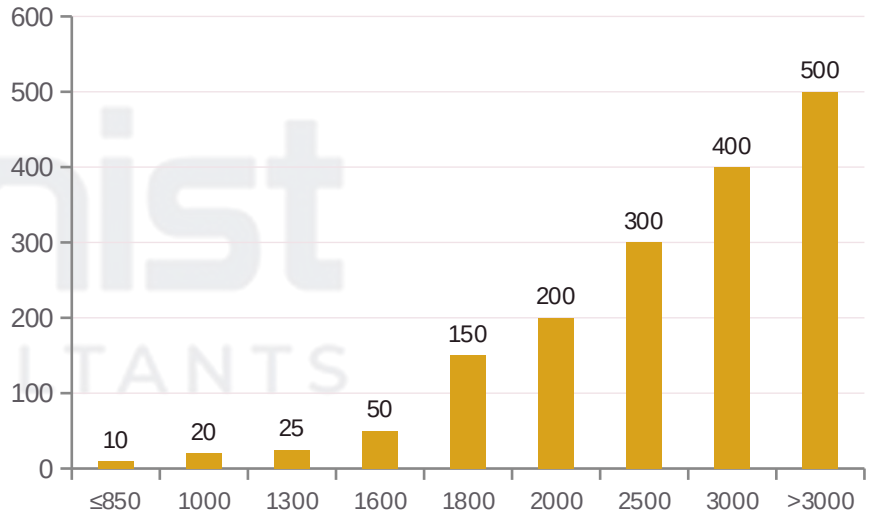
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SECTION 231B(1) & (3) · DIVISION VII, PART IV

Motor vehicle registration & sale by manufacturer

Engine capacity	ATL	Non-ATL
Up to 850cc	Rs 10,000	Rs 30,000
851cc – 1,000cc	Rs 20,000	Rs 60,000
1,001cc – 1,300cc	Rs 25,000	Rs 75,000
1,301cc – 1,600cc	Rs 50,000	Rs 150,000
1,601cc – 1,800cc	Rs 150,000	Rs 450,000
1,801cc – 2,000cc	Rs 200,000	Rs 600,000
2,001cc – 2,500cc	Rs 300,000	Rs 900,000
2,501cc – 3,000cc	Rs 400,000	Rs 1,200,000
Above 3,000cc	Rs 500,000	Rs 1,500,000
Engine capacity n/a, value Rs 5m or more	3% of value	9% of value

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



FA 2022 fixed new amounts for every engine size. Motor vehicle now includes cars, jeeps, pick-ups, SUVs, vans and trucks (s.231B(7)).

Non-ATL: increased by 200% (Tenth Schedule). Collected by the registering authority or the manufacturer at the time of sale.

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

Transfer of vehicles & sale before registration

Engine capacity – s.231B(2) transfer	ATL	Non-ATL
Up to 850cc	Nil	Nil
851cc – 1,000cc	Rs 5,000	Rs 15,000
1,001cc – 1,300cc	Rs 7,500	Rs 22,500
1,301cc – 1,600cc	Rs 12,500	Rs 37,500
1,601cc – 1,800cc	Rs 18,750	Rs 56,250
1,801cc – 2,000cc	Rs 25,000	Rs 75,000
2,001cc – 2,500cc	Rs 37,500	Rs 112,500
2,501cc – 3,000cc	Rs 50,000	Rs 150,000
Above 3,000cc	Rs 62,500	Rs 187,500

s.231B(2A) – sale before first registration	ATL	Non-ATL
Up to 1,000cc	Rs 100,000	Rs 300,000
1,001cc – 2,000cc	Rs 200,000	Rs 600,000
2,001cc and above	Rs 400,000	Rs 1,200,000

Transfer notes (FA 2022)

Where engine capacity is not applicable and value is Rs 5 million or more, tax under s.231B(2) is Rs 20,000. Tax reduces by 10% a year from first registration in Pakistan.

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 2.50	Div III, Part IV
234	Goods transport above 8,120 kg laden weight, after 10 years of registration	Rs 1,200 p.a.	Rs 1,200 p.a.	Div III, Part IV

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Passenger transport – per seat per annum (s.234)	Non-AC	AC
4 or more persons but less than 10	Rs 200	Rs 375
10 or more persons but less than 20	Rs 500	Rs 750
20 persons or more	Rs 1,000	Rs 1,500

Rates per FBR card, as reduced by the Tax Laws (Second Amendment) Ordinance, 2022 to 30 June 2023. FA 2022 had set Rs 500/1,000, Rs 1,500/2,000 and Rs 2,500/4,000. No non-ATL increase.

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% of excess
236	Internet, mobile, prepaid cards & electronic units	15%
236A	Public auction of property / goods (other than immovable) – ATL / non-ATL	10% / 20%
236A	Auction of immovable property – ATL / non-ATL	5% / 10%

Retailers' fixed tax under s.235(1A) / s.99A is shown on the deemed-income page. Commercial and industrial electricity rates are not enhanced for non-ATL status.

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

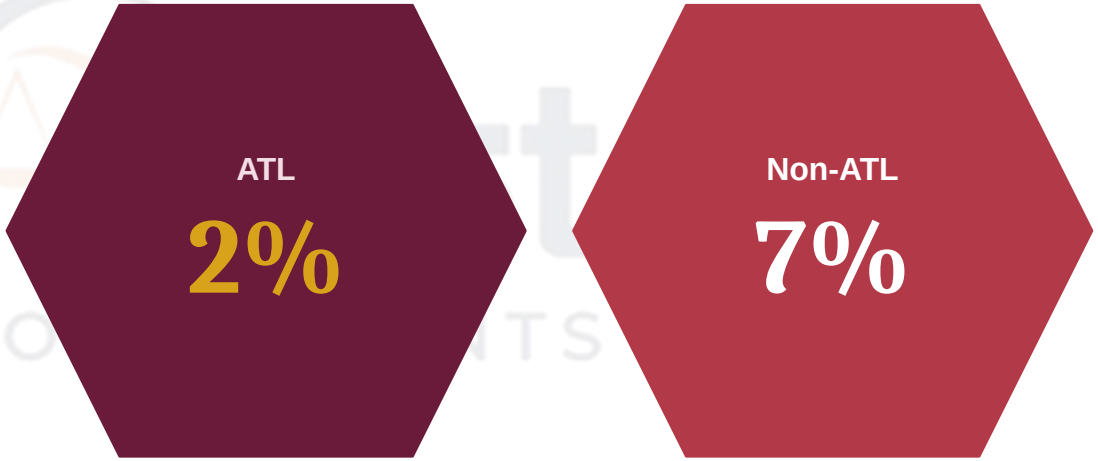
Sale & purchase of immovable property

s.236C – seller (gross consideration)



Raised from 1% by FA 2022; 100% increase for non-ATL

s.236K – buyer (fair market value)



Raised from 1% by FA 2022; 250% increase for non-ATL

s.236C(3) – the earlier exclusion for property held for more than four years – was omitted by FA 2022. Overseas Pakistanis holding NICOP / POC may be treated at filer rates subject to conditions.

SECTIONS 236CA – 236Y · PART IV

Foreign content, distributors, retailers & cards

Section	Nature of payment / transaction	ATL	Non-ATL	Reference
236CA	Foreign TV drama serial / play – per episode	Rs 1,000,000	Rs 2,000,000	Div XA, Part IV
236CA	Foreign TV play – single episode	Rs 3,000,000	Rs 6,000,000	Div XA, Part IV
236CA	Advertisement starring a foreign actor – per second	Rs 100,000	Rs 200,000	Div XA, Part IV
236G	Sales to distributors, dealers & wholesalers – fertilizer (recipient on IT & ST ATL)	0.25%	0.7%	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	0.5%	1%	Div XV, Part IV
236Y	Remittances abroad through credit, debit or prepaid cards (new)	1%	2%	Div XXVII, Part IV

s.236CA amounts per Finance Act, 2022 (Division XA); non-ATL increased by 100%. Divisions XVI and XXIII (s.236I and s.236Q) omitted by FA 2022.

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 the Tenth Schedule generally doubles the rate, with 200% for s.231B and 250% for s.236K (7%).

Final, minimum or adjustable

Exports under s.154, dividends, profit on debt under s.7B, prizes, petroleum commission and the retailers' tax under s.99A are final. Withholding on goods, services and contracts is largely minimum; most 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, 2022, read with the Tenth Schedule. Later amendments (e.g. Finance Act, 2023 super tax rates) are noted where relevant.

Disclaimer

Prepared from the Finance Act, 2022 and the FBR Withholding Tax Rates Card (updated to 30 June 2022) 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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