Taxationist
CORPORATE CONSULTANTS

BUDGET 2025-26

# Income Tax Rate Card

## Tax Year 2026

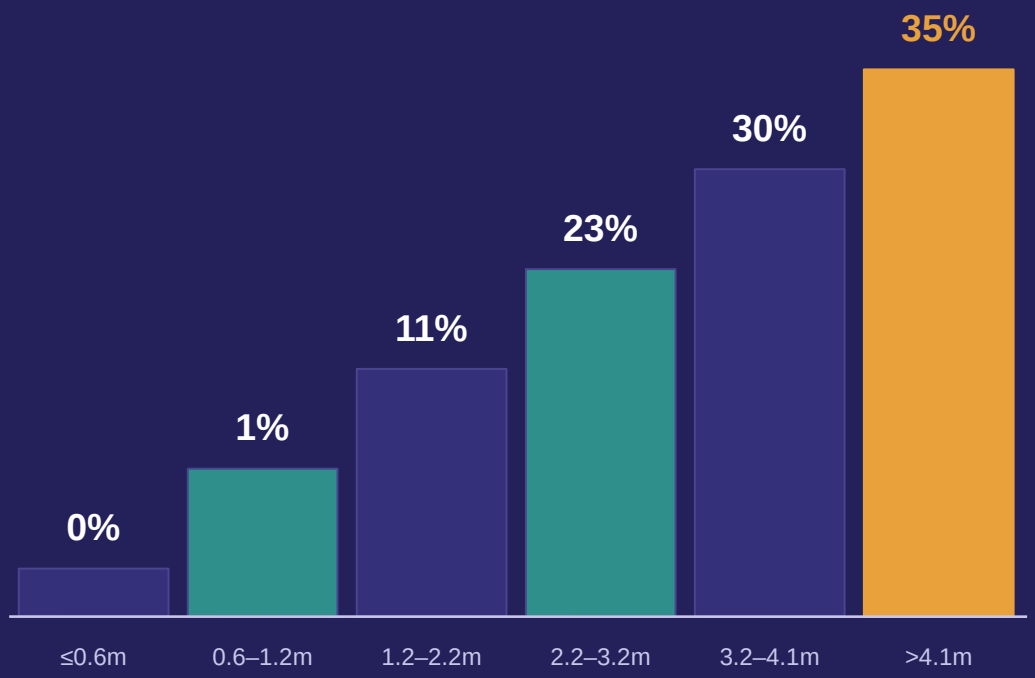
As per Finance Act, 2025 (Act No. XIX of 2025)

Withholding · Salary · Business · Corporate · Capital Gains · Advance Taxes

Composed & Researched by Khuram Shahzad, Corporate Consultant

### The new salary ladder

Marginal rate by taxable salary (Rs)




**Rs 17.57 tn**
Budget outlay

**Rs 14.13 tn**
FBR target

**4.2%**
GDP growth target

PREAMBLE

# Economy at a glance & foreword

**2.68%**
Real GDP growth FY25

**US$ 1,824**
Per-capita income FY25 (+9.7%)

**US$ 411 bn**
Size of the economy FY25

**Rs 14.13 tn**
FBR target FY26

FY2024-25 was a year of stabilisation under the IMF's US$7 billion programme: growth reached 2.68%, the economy crossed US$400 billion for the first time, inflation fell to a six-decade low of 0.3% in April 2025 (4.7% average for July–April) and the primary surplus reached 3% of GDP. The FY2025-26 budget sets a Rs 17.57 trillion outlay and targets 4.2% growth, with an FBR target of Rs 14.13 trillion.

The Finance Act, 2025 (Act No. XIX of 2025, assented 27 June 2025) brings modest relief for salaried individuals, trims super tax, raises tax on bank profit and many services, and adds new regimes for e-commerce, pensions and transactions by ineligible persons. This booklet sets out every Tax Year 2026 rate, checked against the Act and the KPMG Taseer Hadi TY2026 rate card.

*With best regards,*

**Khuram Shahzad**
**Corporate Consultant**
Taxationist Corporate Consultants, Islamabad

*Sources: Pakistan Economic Survey 2024-25 (Finance Division, 9 June 2025); Federal Budget 2025-26 (10 June 2025).*

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01

# Salient Features

The key income tax changes made by the Finance Act, 2025 for Tax Year 2026, in brief

Individuals & business

Withholding & property

Compliance & enforcement

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SALIENT FEATURES

# Individuals, AOPs & business

## Salaried relief

Rates cut to 1%, 11%, 23% and 30% in the lower and middle slabs; 35% still applies above Rs 4.1m. Exempt band stays at Rs 600,000.

## Surcharge split (s.4AB)

Salaried individuals with income above Rs 10m: 9% surcharge (from 10%). Non-salaried individuals and AOPs stay at 10%.

## Pension taxed

Pension above Rs 10m a year from a former employer taxed at 5% of the excess as final tax; pensioners aged 70+ exempt (s.12(2A), s.149(1A)).

## Super tax trimmed

0.5 point cut for income above Rs 200m up to Rs 500m (e.g. 1.5%, 2.5%, 3.5%, 5.5%, 7.5%); 10% above Rs 500m unchanged.

## Corporate rates

29% general and 20% small companies. Banking companies 43% for TY2026 under the December 2024 amendment.

## E-commerce tax (s.6A)

Sellers of digitally ordered goods and services: 1% where paid digitally, 2% on cash on delivery – collected by payment intermediaries and couriers.

SALIENT FEATURES

# Withholding, profit on debt & property

## Bank profit up to 20%

Profit on bank deposits and on Government securities paid to non-individuals now 20% (from 15%); 15% in other cases. New s.151A: 15% on gains from debt securities.

## Services 15%

Other services under s.153 and s.152(2A) raised to 15% (from 9% / 11%). Specified services 6% (PE: 8%); IT and IT-enabled services stay at 4%.

## Mutual fund dividends

Debt-derived dividend 25% (29% for corporate recipients); equity-derived 15%.

## Property advance tax

s.236C up to 4.5% / 5% / 5.5% by value; s.236K cut to 1.5% / 2% / 2.5%. Non-ATL: 11.5% on sale and 10.5%–18.5% on purchase.

## Cash withdrawal 0.8%

s.231AB rate for non-ATL persons raised from 0.6% to 0.8% on daily withdrawals above Rs 50,000.

## Fees to card networks & MTOs

New 10% final tax on fees paid to card networks, payment gateways and money transfer operators; offshore digital services 15%.

SALIENT FEATURES

# Compliance & enforcement

## Ineligible persons (s.114C)

Persons without a return and sufficient declared resources cannot buy vehicles or property, open securities accounts or withdraw cash above Fifteenth Schedule limits.

## Expense disallowances

10% of purchases from non-NTN holders (s.21(q)) and 50% of expenses on sales over Rs 200,000 received outside banking or digital channels (s.21(s)).

## Low-cost housing credit (s.63A)

Tax credit on mark-up for a house up to 2,500 sq ft or flat up to 2,000 sq ft, limited to 30% of taxable income.

## Minimum tax carry forward

Excess minimum tax under s.113 can now be carried forward for two years (from three). Business losses cannot be set off against property income (s.56).

## Late-filer bands revised

Late-filer advance tax on property: 7.5%–9.5% on sale and 4.5%–6.5% on purchase (Tenth Schedule, rule 1A).

## Appeals & recovery

Further changes to appeal routes and recovery after appellate decisions; ADRC references added to recovery provisions (s.226).

02

# Income Tax Rates

First Schedule, Part I – slabs, surcharge, pension, companies, super tax, dividends, profit on debt and capital gains

- Salaried & pension
- Non-salaried & AOPs
- Surcharge & builders
- Companies & super tax
- Dividend & debt
- Capital gains

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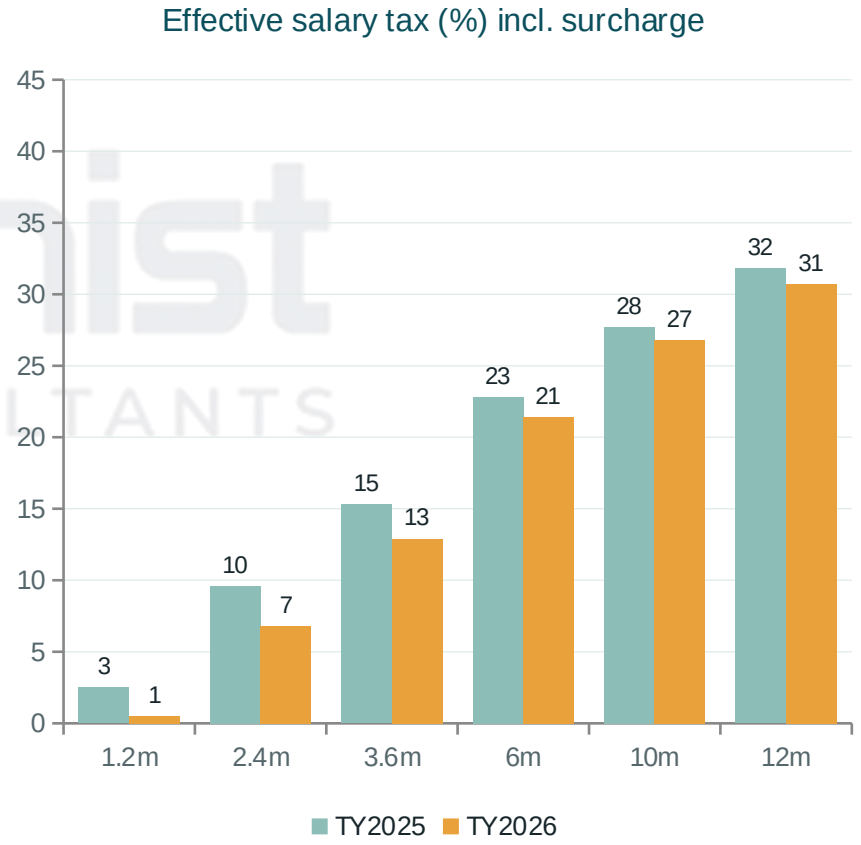
PART I · DIVISION I · CLAUSE (2)

# Salaried individuals & pension

| # | Taxable income (Rs) | Rate of tax |
|---|---|---|
| **1** | Up to 600,000 | 0% |
| **2** | 600,001 – 1,200,000 | 1% of amount exceeding 600,000 |
| **3** | 1,200,001 – 2,200,000 | 6,000 + 11% of amount exceeding 1,200,000 |
| **4** | 2,200,001 – 3,200,000 | 116,000 + 23% of amount exceeding 2,200,000 |
| **5** | 3,200,001 – 4,100,000 | 346,000 + 30% of amount exceeding 3,200,000 |
| **6** | Above 4,100,000 | 616,000 + 35% of amount exceeding 4,100,000 |

| Pension from former employer (proviso, new) | Rate (final) |
|---|---|
| **Up to Rs 10 million a year** | 0% |
| **Above Rs 10 million (recipient below age 70)** | 5% of excess |

Applies where salary exceeds 75% of taxable income; employers deduct monthly under s.149 with 9% surcharge above Rs 10m. Director's fee: 20% withholding.



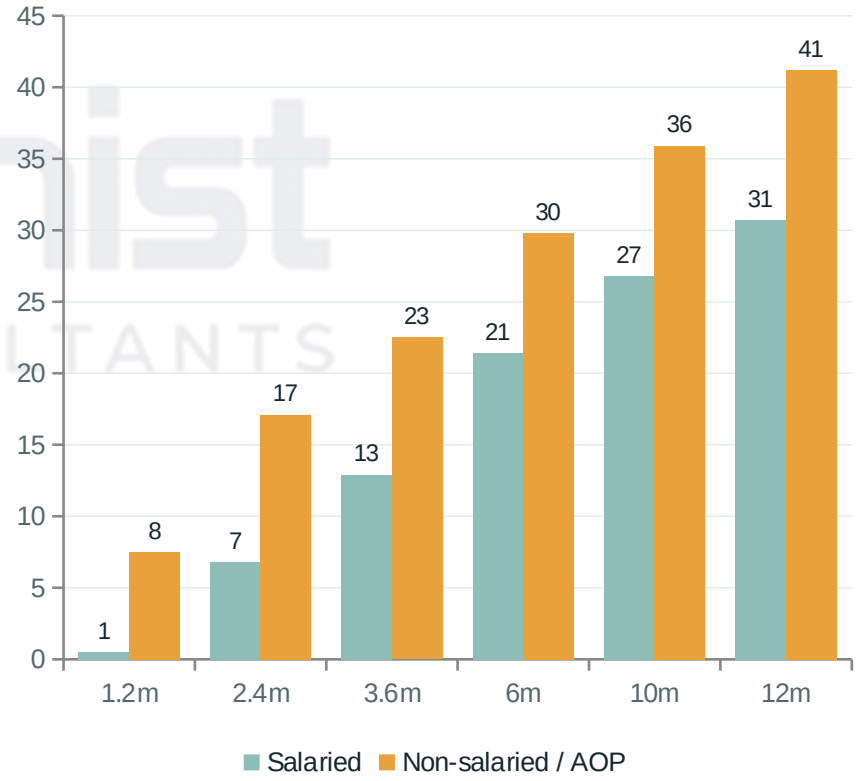
PART I · DIVISION I · CLAUSE (1)

# Non-salaried individuals & AOPs

| # | Taxable income (Rs) | Rate of tax |
|---|---|---|
| **1** | Up to 600,000 | 0% |
| **2** | 600,001 – 1,200,000 | 15% of amount exceeding 600,000 |
| **3** | 1,200,001 – 1,600,000 | 90,000 + 20% of amount exceeding 1,200,000 |
| **4** | 1,600,001 – 3,200,000 | 170,000 + 30% of amount exceeding 1,600,000 |
| **5** | 3,200,001 – 5,600,000 | 650,000 + 40% of amount exceeding 3,200,000 |
| **6** | Above 5,600,000 | 1,610,000 + 45% of amount exceeding 5,600,000 |

**Unchanged by Finance Act, 2025**
Professional firms barred from incorporating pay 40% on the top slab. A 10% surcharge applies where taxable income exceeds Rs 10 million.

TY2026 effective rate (%) incl. surcharge



SECTIONS 4AB, 6A & 7F

# Surcharge, e-commerce & builders

## Surcharge – s.4AB (income above Rs 10m)

**9%**
Salaried individuals – of income tax

**10%**
Non-salaried individuals & AOPs – of income tax

Example: salaried taxable income Rs 12m → income tax Rs 3,381,000 + surcharge Rs 304,290. Not charged on final-tax or special-rate income, or on super tax.

**E-commerce (s.6A, Div IVA – new):** 1% of gross receipts paid digitally or through banks; 2% on cash on delivery. Exports under s.154 / 154A excluded.

## Builders & developers – s.7F

| | |
|---|---|
| **10%** | Construction and sale of buildings – deemed taxable profit as % of gross receipts |
| **15%** | Development and sale of plots – deemed taxable profit as % of gross receipts |
| **12%** | Both activities together – deemed taxable profit as % of gross receipts |

Deemed profit is taxed at Division I or Division II rates. Regime unchanged by Finance Act, 2025.

PART I · DIVISION II, IX & SECTION 113C

# Companies – corporate, minimum & alternate tax

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

**43%**
Banking companies – TY2026
Div II, as amended Dec 2024

**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

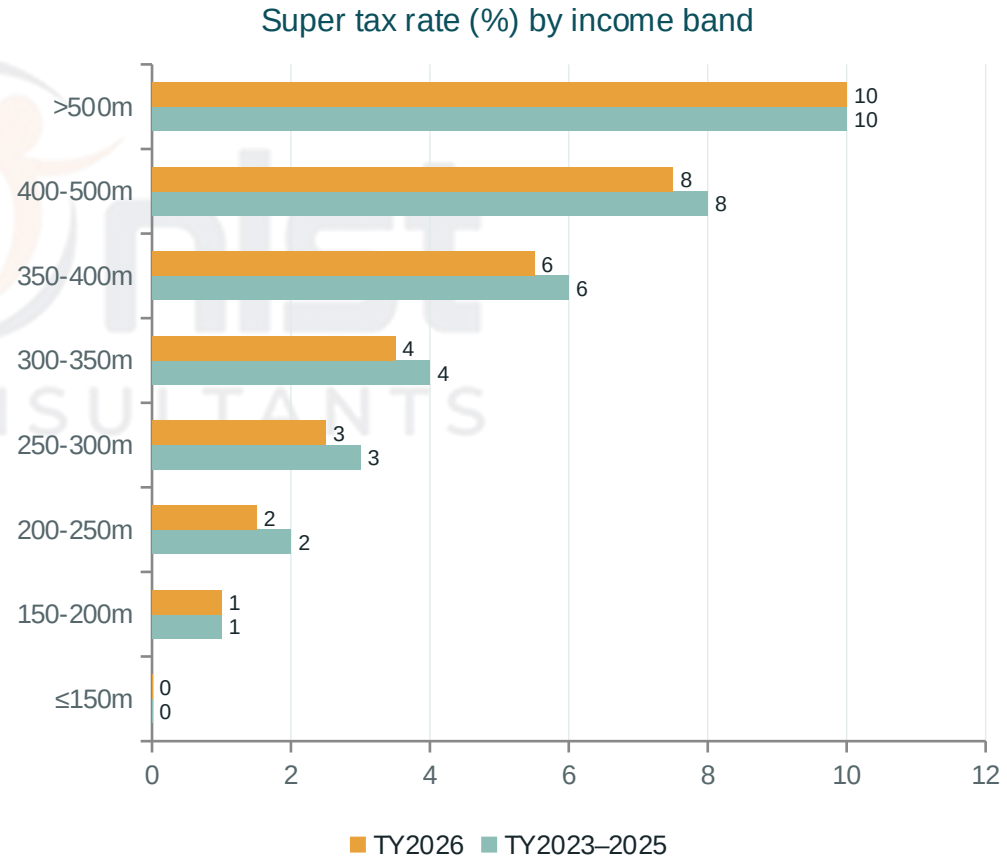
| Item | Rate / treatment | Reference |
|---|---|---|
| **Tax payable by a company** | Higher of normal tax, minimum tax on turnover and ACT; excess minimum tax carried forward 2 years (was 3) | s.113, s.113C |
| **Exporters of goods** | 1% under s.154 as minimum tax + 1% adjustable advance tax under s.147(6C) | s.154, s.147(6C) |
| **Purchases from non-NTN holders** | 10% of such expenditure disallowed (agricultural produce: middlemen only) | s.21(q) |
| **Sales received otherwise than through bank / digital means** | 50% of related expenses disallowed where a single invoice exceeds Rs 200,000 | s.21(s) |
| **Deemed income on property / unlisted shares** | s.7E: effectively 1% of FMV; s.37(6): 10% advance tax on FMV of unlisted shares | s.7E, s.37(6) |

PART I · DIVISION IIB · SECTION 4C

# Super tax on high-earning persons

| # | Income under s.4C (Rs) | TY2023–2025 | TY2026 onwards |
|---|---|---|---|
| 1 | Up to 150 million | 0% | 0% |
| 2 | 150m – 200m | 1% | 1% |
| 3 | 200m – 250m | 2% | 1.5% |
| 4 | 250m – 300m | 3% | 2.5% |
| 5 | 300m – 350m | 4% | 3.5% |
| 6 | 350m – 400m | 6% | 5.5% |
| 7 | 400m – 500m | 8% | 7.5% |
| 8 | Above 500 million | 10% | 10% |

The rate applies to the whole income, not only the excess. Exporters, now under minimum tax, fall within super tax. The s.4AB surcharge is not charged on super tax.



PART I · DIVISIONS III, IIIA, IIIAA & IB

# Dividend & profit on debt

| Nature of income | ATL | Non-ATL | Reference |
|---|---|---|---|
| **Dividend (s.5 / s.150)** | | | |
| **IPPs where dividend is a pass-through item** | 7.5% | 15% | Div III |
| **REITs and other cases** | 15% | 30% | Div III |
| **Mutual funds – debt-derived share: corporate recipient / others** | 29% / 25% | 58% / 50% | Div III (ba) |
| **Mutual funds – equity-derived share** | 15% | 30% | Div III (ba) |
| **REIT scheme from SPV / others from SPV** | 0% / 35% | 0% / 70% | Div III |
| **Company paying no tax (exemption, losses or tax credits)** | 25% | 50% | Div III |
| **Profit on debt (s.7B / s.151) – final up to Rs 5m for individuals; minimum above** | | | |
| **Bank / financial institution deposits and accounts** | 20% | 40% | Div IIIA, Div IA |
| **Government securities paid to non-individuals / to individuals** | 20% / 15% | 40% / 30% | Div IIIA, Div IA |
| **National Savings, post office, bonds and all other cases** | 15% | 30% | Div IIIA, Div IA |
| **Gain on disposal of debt securities outside NCCPL (s.151A, new)** | 15% | 30% | Div IIIAA |
| **Sukuk – company / individual & AOP above Rs 1m / up to Rs 1m** | 25% / 12.5% / 10% | 50% / 25% / 20% | Div IB |

*FA 2025 removed the fixed 35% non-ATL rate on profit on debt; the general Tenth Schedule increase of 100% now applies.*

PART I · DIVISION VII · SECTION 37A

# Capital gains on securities

| Before 1 Jul 2013 | 1 Jul 2013 – 30 Jun 2022 | 1 Jul 2022 – 30 Jun 2024 | On or after 1 Jul 2024 |
|---|---|---|---|
| 0% | 12.5% | 15% → 0% by holding period | 15% flat (ATL) |

| Acquired 1 Jul 2022 – 30 Jun 2024: holding period | Rate |
|---|---|
| Up to 1 year | 15% |
| 1 – 2 years | 12.5% |
| 2 – 3 years | 10% |
| 3 – 4 years | 7.5% |
| 4 – 5 years | 5% |
| 5 – 6 years | 2.5% |
| Over 6 years | 0% |

| Acquired on/after 1 Jul 2024 & other cases | Rate |
|---|---|
| ATL on acquisition and disposal dates | 15% |
| Non-ATL individuals & AOPs – Division I slabs | Min 15% |
| Non-ATL companies – Division II rate | Corporate |
| PMEX future commodity contracts | 5% |
| Debt securities outside NCCPL – s.151A (new) | 15% |

| CGT deducted by mutual funds / REITs | Stock funds | Other funds |
|---|---|---|
| Individuals & AOPs | 15% | 15% |
| Companies | 15% | 25% |

*Division VII unchanged by FA 2025; super tax collected by NCCPL.*

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

# Capital gains on immovable property

| Acquired up to 30 June 2024: holding period | Open plots | Constructed | Flats |
|---|---|---|---|
| **Up to 1 year** | 15% | 15% | 15% |
| **1 – 2 years** | 12.5% | 10% | 7.5% |
| **2 – 3 years** | 10% | 7.5% | 0% |
| **3 – 4 years** | 7.5% | 5% | 0% |
| **4 – 5 years** | 5% | 0% | 0% |
| **5 – 6 years** | 2.5% | 0% | 0% |
| **Over 6 years** | 0% | 0% | 0% |

## 15%

Acquired on or after 1 July 2024 – ATL on date of disposal, any holding period

## Slab rates, min 15%

Non-ATL: Division I rates for individuals & AOPs, Division II for companies, with a floor of 15% of the gain

*Division VIII unchanged by FA 2025. Ineligible persons under s.114C cannot register property above the Fifteenth Schedule threshold.*

# 03 Withholding Tax Rates

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

- Imports
- Salary & dividends
- Non-residents
- Goods & services
- E-commerce & exports
- Rent & prizes

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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 (other than commercial importer) | 2% | 4% | Part II |
| **148** | Goods in Part III, Twelfth Schedule (other than commercial importer) | 5.5% | 11% | Part II |
| **148** | Commercial importer – Part II / Part III goods | 3.5% / 6% | 7% / 12% | Part II |
| **148** | Manufacturers covered under rescinded SRO 1125(I)/2011 | 1% | 2% | Part II |
| **148** | Finished pharmaceutical products not made in Pakistan (DRAP certified) | 4% | 8% | Part II |
| **148** | CKD kits of EVs (cars / SUVs up to 50 kWh; LCVs up to 150 kWh) | 1% | 2% | Part II |
| **148** | Edible oil, packaging material, paper & paperboard, plastics – by every person | 1% – 6% | 2% – 12% | Part II |
| **148** | Mobile phones – fixed amounts per set by value band | Varying | Varying | Part II, proviso 2 |
| **148** | No collection where recipient is covered by Digital Presence Proceeds Tax (new) | — | — | s.148(1) proviso |

*Minimum tax for commercial importers; collected on import value as increased by customs duty, sales tax and FED, or on the FBR-notified minimum value.*

SECTIONS 149, 150, 151 & 151A

# Salary, dividend & profit on debt

| Section | Nature of payment / transaction | ATL | Non-ATL | Reference |
|---|---|---|---|---|
| **Salary & pension – s.149** | | | | |
| **149** | Salary at Division I clause (2) slabs; 9% surcharge where income > Rs 10m | Slab + 9% | Same | Div I, Part I |
| **149(1A)** | Pension above Rs 10m from former employer (below age 70) – final | 5% of excess | Same | Div I proviso |
| **149(3)** | Director's fee | 20% | Same | s.149(3) |
| **Dividend – s.150** | | | | |
| **150** | IPPs (pass-through) / REITs and other cases | 7.5% / 15% | 15% / 30% | Div I, Part III |
| **150** | Mutual funds – debt share: corporate / others; equity share | 29% / 25%; 15% | 58% / 50%; 30% | Div I (ba), Part III |
| **150** | Company paying no tax; REIT from SPV / others from SPV | 25%; 0% / 35% | 50%; 0% / 70% | Div I, Part III |
| **Profit on debt – s.151 & s.151A** | | | | |
| **151** | Bank deposits; Govt securities to non-individuals | 20% | 40% | Div IA, Part III |
| **151** | National Savings, Govt securities to individuals, bonds & other cases | 15% | 30% | Div IA, Part III |
| **151A** | Capital gain on debt securities by custodians (IPS accounts) | 15% | 30% | Div IIIAA |
| **151(1A)** | Sukuk – company / individual & AOP above Rs 1m / up to Rs 1m | 25/12.5/10% | 50/25/20% | Div IB, Part III |

SECTION 152 · DIVISIONS II & IV

# Payments to non-residents

| Section | Nature of payment | Rate | 152(2A) | Nature of payment (PE of non-resident) | ATL / Non-ATL |
|---|---|---|---|---|---|
| **152(1)** | Royalty & fee for technical services | 15% | (a) | Sale of goods – company | 5% / 10% |
| **152(1A)** | Construction, assembly & installation contracts | 7% | (a) | Sale of goods – others | 5.5% / 11% |
| **152** | Advertisement by TV satellite channels | 7% | (b) | Specified services (transport, IT dev, etc.) | 8% / 16% |
| **152(1AA)** | Insurance / re-insurance premium | 5% | (b) | IT & IT-enabled services | 4% / 8% |
| **152(1AAA)** | Advertisement relayed from outside Pakistan | 10% | (b) | Other services (FA 2025) | 15% / 30% |
| **152** | Foreign-produced commercials | 20% | (c) | Contracts | 8% / 16% |
| **152(1C)** | Offshore digital services | 15% | (c) | Sportspersons (FA 2025) | 15% / 30% |
| **152(1D)** | Gains via SCRA: held < 6 months / ≥ 6 months | 20% / 10% | | | |
| **152(1DA)** | Gains via FCVA / NRVA (individuals) | 10% | | | |
| **152(2)** | Profit on debt – no PE; Public Debt Act instruments | 10% | | | |
| **152** | Fees to MTOs; card network / gateway fees paid by banks | 10% | | | |
| **152(2)** | Other payments | 20% | | | |

*Non-resident rates under s.152(1)–(2) are not enhanced for ATL status. Sukuk returns: 25% / 12.5% / 10%. Cohesive business operations under s.2(41)(g): 1.4% if allowed by the Commissioner.*

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)** | Rice, cotton seed or edible oils / gold, silver & articles | 1.5% / 1% | 3% / 2% | Div III; cl. 31 |
| **153(1)(a)** | Goods – company / other (toll manufacturing: 9% / 11%) | 5% / 5.5% | 10% / 11% | Div III, Part III |
| **153(1)(a)** | Distributors of cigarettes / pharmaceuticals | 2.5% / 1% | 5% / 2% | Cl. (24A), 2nd Sch. |
| **153(1)(a)** | FMCG, fertilizer, electronics, sugar, cement, steel, edible oil (on IT & ST ATL) | 0.25% | — | Cl. (24C), 2nd Sch. |
| **Rendering of services – s.153(1)(b) (FA 2025 rates)** | | | | |
| **153(1)(b)** | Specified services (transport, freight, courier, security, engineering, etc.) | 6% | 12% | Div III, para 2(i) |
| **153(1)(b)** | IT and IT-enabled services / oil tanker contractors | 4% / 2% | 8% / 4% | Div III; cl. 28F |
| **153(1)(b)** | Other services – company and other taxpayers | 15% | 30% | Div III, para 2(ii) |
| **153(1)(b)** | Electronic and print media for advertising | 1.5% | 3% | Div III, para 2(ii) |
| **Contracts – s.153(1)(c) and services to exporters – s.153(2)** | | | | |
| **153(1)(c)** | Contracts – company / other taxpayers / sportspersons | 7.5% / 8% / 15% | 15% / 16% / 30% | Div III, para 3 |
| **153(2)** | Payments by exporters for stitching, dyeing, printing etc. | 1% | 2% | Div III, Part III |

*s.153(4): the Commissioner may allow public limited companies to be paid without deduction; reduced-rate certificates otherwise capped at 80% of the normal rate.*

SECTIONS 153(2A), 147(6C), 154, 154A, 155, 156 & 156A

# E-commerce, exports, rent, prizes & petroleum

| Section | Nature of payment / transaction | ATL | Non-ATL | Reference |
|---|---|---|---|---|
| **153(2A)** | E-commerce sales paid digitally / through banks – by payment intermediary (new, final) | 1% | 2% | Div III, para 3A |
| **153(2A)** | E-commerce sales on cash on delivery – by courier (new, final) | 2% | 4% | Div III, para 3A |
| **154 + 147(6C)** | Export proceeds, indirect exports, EPZ, DTRE / EFS and clearance of exports | 1% + 1% | 1% + 1% | Div IV, Part III |
| **154A** | Export of IT / ITeS by PSEB-registered persons / other services | 0.25% / 1% | Same | Div IVA, Part III |
| **155** | Rent of immovable property – company | 15% | 30% | Div V, Part III |
| **156** | Prize bond or cross-word puzzle / raffle, lottery, quiz, sales promotion | 15% / 20% | 30% / 40% | Div VI, Part III |
| **156A** | Commission to petrol pump operators | 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 – cash withdrawals, motor vehicles, commission, utilities, auctions, property and other collections

- Cash & vehicles
- Commission & transport
- Utilities & auctions
- Property
- Distributors & retailers
- Remittances & bonus

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SECTIONS 231AB, 231B(1) & (3), 231C · DIVISION VII, PART IV

# Cash withdrawal, vehicles & domestic workers

| Engine capacity – s.231B(1) & (3) | ATL | Non-ATL |
|---|---|---|
| **Up to 850cc** | 0.5% | 1.5% |
| **851cc – 1,000cc** | 1% | 3% |
| **1,001cc – 1,300cc** | 1.5% | 4.5% |
| **1,301cc – 1,600cc** | 2% | 6% |
| **1,601cc – 1,800cc** | 3% | 9% |
| **1,801cc – 2,000cc** | 5% | 15% |
| **2,001cc – 2,500cc** | 7% | 21% |
| **2,501cc – 3,000cc** | 9% | 27% |
| **Above 3,000cc** | 12% | 36% |
| **Engine capacity n/a, value Rs 5m or more** | 3% | 9% |

**s.231AB – cash withdrawal**
0.8% (from 0.6%) on non-ATL withdrawals above Rs 50,000 a day from all accounts.

**s.231B(1A) – leasing**
4% on leasing of a motor vehicle to a person not on the ATL.

**s.231C – foreign domestic workers**
Rs 200,000 (non-ATL Rs 400,000) on issue or renewal of a domestic-aide visa.

*Rates on value: import value with duties & taxes, invoice value or auction value. Non-ATL: increased by 200% (Tenth Schedule). s.114C bars ineligible persons above the Fifteenth Schedule threshold.*

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

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. Unchanged by FA 2025.

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 |
| **233** | Person running an online marketplace | 5% | 10% | Cl. (28C), 2nd Sch. |
| **234** | Goods transport vehicles – per kg of laden weight | Rs 2.50 | Rs 2.50 | 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 |

No non-ATL increase for goods and passenger transport vehicles (rule 10(ha), Tenth Schedule).

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. Unchanged by FA 2025.*

SECTIONS 235, 236 & 236A · DIVISIONS IV, V & VIII, PART IV

# Electricity, telephone & auctions

| Electricity – commercial & industrial (s.235) | Tax | Section | Nature | Rate |
|---|---|---|---|---|
| **Monthly bill up to Rs 500** | Rs 0 | **236** | Telephone (other than mobile) – bill above Rs 1,000 | 10% of bill |
| **Rs 501 – 20,000** | 10% of the bill | **236** | Mobile, internet, prepaid cards & electronic units | 15% |
| **Above Rs 20,000 – commercial** | Rs 1,950 + 12% of excess over Rs 20,000 | **236** | Persons named in an FBR general order under s.114B | 75% |
| **Above Rs 20,000 – industrial** | Rs 1,950 + 5% of excess over Rs 20,000 | **236A** | Auction of goods / property (non-immovable) – ATL / non-ATL | 10% / 20% |
| **Domestic, non-ATL: bill up to Rs 25,000** | 0% | **236A** | Auction of immovable property – ATL / non-ATL | 5% / 10% |
| **Domestic, non-ATL: bill above Rs 25,000** | 7.5% of the bill | **236A** | Lease of right to collect tolls – ATL / non-ATL (final) | 10% / 20% |

*Electricity tax for commercial and industrial users is not enhanced for non-ATL status. Unchanged by FA 2025.*

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

# Sale & purchase of immovable property

## s.236C – seller (gross consideration)

| | Up to Rs 50m | Rs 50m – 100m | Above Rs 100m |
|---|---|---|---|
| ATL | 4.5% | 5% | 5.5% |
| Late filer* | 7.5% | 8.5% | 9.5% |
| Non-ATL | 11.5% | 11.5% | 11.5% |

## s.236K – buyer (fair market value)

| | Up to Rs 50m | Rs 50m – 100m | Above Rs 100m |
|---|---|---|---|
| ATL | 1.5% | 2% | 2.5% |
| Late filer* | 4.5% | 5.5% | 6.5% |
| Non-ATL | 10.5% | 14.5% | 18.5% |

*Late filer: on the ATL but filed returns for the last three tax years after the due dates. FA 2025 raised seller rates (from 3% / 3.5% / 4%) and cut buyer rates (from 3% / 3.5% / 4%). s.236C(2A): transfer only after s.7E tax is cleared; s.114C limits apply to ineligible persons.

SECTIONS 236CA – 236Z · PART IV

# Functions, distributors, remittances & bonus shares

| 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 |
| **236CB** | Functions and gatherings – total bill | 10% | 20% | Div XI, Part IV |
| **236G** | Sales to distributors, dealers & wholesalers – fertilizer (0.25% if on IT & ST ATL) | 0.7% | 1.4% | Div XIV, Part IV |
| **236G** | Sales to distributors, dealers & wholesalers – other goods | 0.1% | 2% | Div XIV; 10th Sch. |
| **236H** | Sales to wholesalers / to retailers | 0.5% / 0.5% | 1% / 2.5% | Div XV; 10th Sch. |
| **236Y** | Remittances abroad through credit, debit or prepaid cards | 5% | 10% | Div XXVII, Part IV |
| **236Z** | Bonus shares – value of bonus shares issued (final tax) | 10% | 10% | s.236Z |

*Rates as per the KPMG Taseer Hadi & Co. withholding rate card for TY2026; none of these were changed by Finance Act, 2025.*

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 fixed rates for s.236C, 236G, 236H and 236K. Late filers pay intermediate property rates.

## Final, minimum or adjustable

Dividends, s.7B profit on debt up to Rs 5m, prizes, pension above Rs 10m, e-commerce under s.153(2A) and s.236Z are final. Most withholding on goods, services and contracts is minimum; Part IV collections are mostly 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, 2025, read with the Tenth and Fifteenth Schedules. Banking rate reflects the December 2024 amendment.

## Disclaimer

Prepared from the Finance Act, 2025 and the KPMG TY2026 rate 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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**Accounting & reporting**

## Get in touch

107, 1st Floor, Paris Business Centre, Soan Garden, Islamabad

+92 51 8773477

+92 310 5197057

info@taxationist.com

www.taxationist.com

Monday – Friday, 9:00 am – 5:00 pm

Taxationist
CORPORATE CONSULTANTS

**Tax · Corporate · Advisory · Accounting**

107, 1st Floor, Paris Business Centre, Soan Garden, Islamabad

+92 51 8773477 · WhatsApp +92 310 5197057 · info@taxationist.com

**www.taxationist.com**

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