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Rs 18.77 tn Budget outlay

Rs 15.26 tn Tax revenue target

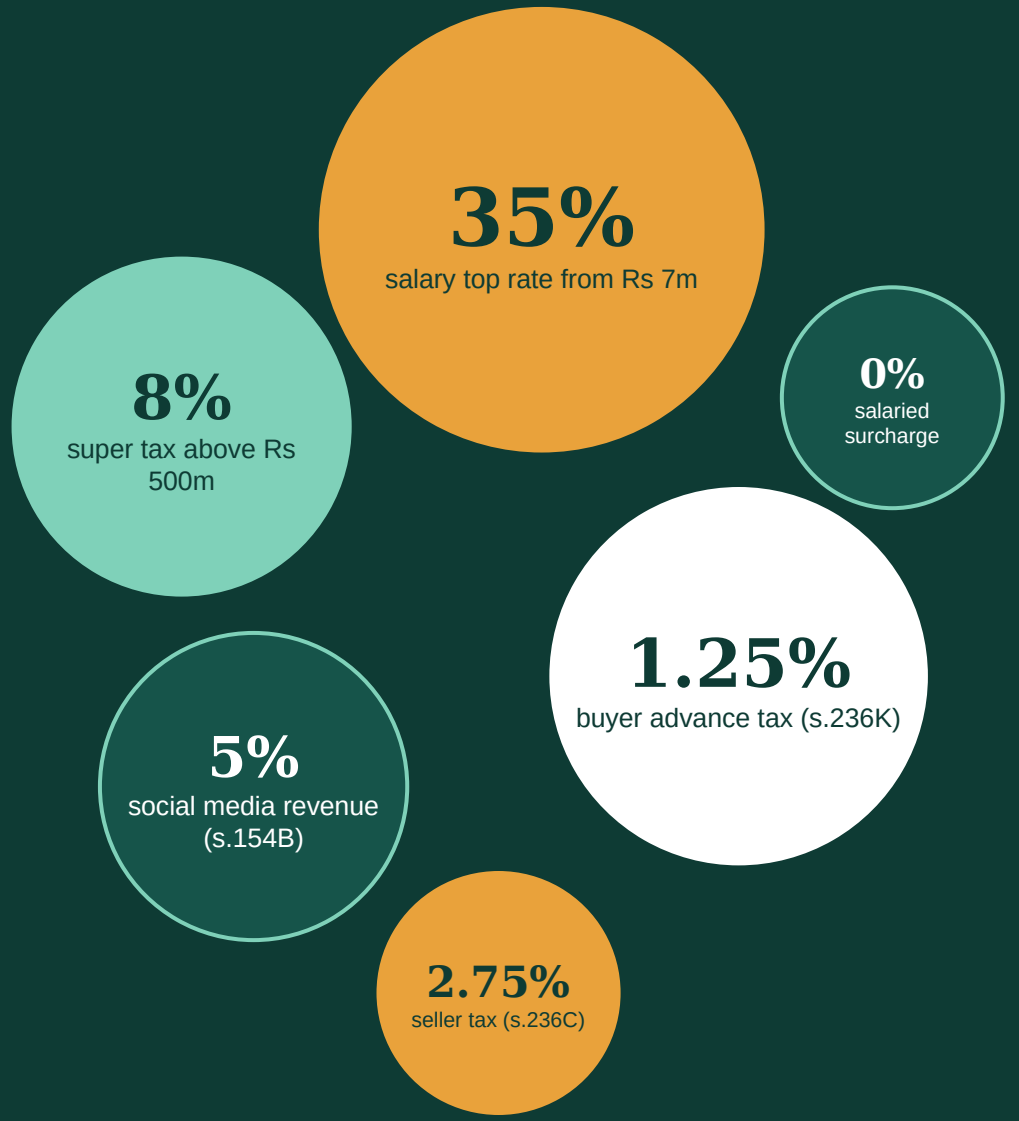
4% GDP growth target

FEDERAL BUDGET 2026-27

Income Tax Rate Card

Tax Year 2027

As per Finance Act, 2026 · 1 July 2026 – 30 June 2027



Composed & Researched by Khuram Shahzad, Corporate Consultant · www.taxationist.com

PREAMBLE

Economy at a glance & foreword

3.7%

Real GDP growth FY26

US$ 1,901

Per-capita income FY26 (from $1,751)

US$ 452 bn

Size of the economy FY26

Rs 15.26 tn

Tax revenue target FY27

FY2025-26 delivered the fastest growth in four years at 3.7%, led by a 6.1% rebound in large-scale manufacturing, though short of the 4.2% target. The economy reached a record US$452 billion (Rs 126.9 trillion), remittances crossed US$41 billion and reserves rose to US$17.2 billion. The FY2026-27 budget sets a Rs 18.77 trillion outlay, a 4% growth target, 8.2% projected inflation and a deficit of 3.6% of GDP.

The Finance Act, 2026 (assented 27 June 2026) brings further salaried relief, abolishes super tax below Rs 500 million for most businesses, omits the deemed-income tax under s.7E, cuts property advance taxes and launches faceless, algorithm-driven tax administration. This booklet sets out every Tax Year 2027 rate, checked against the KPMG and FBR TY2027 rate cards.

With best regards,

Khuram Shahzad
Corporate Consultant
Taxationist Corporate Consultants, Islamabad

Sources: Pakistan Economic Survey 2025-26 (Finance Division, 11 June 2026); Federal Budget 2026-27 (12 June 2026).

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01

Salient Features

The key income tax changes made by the Finance Act, 2026 for Tax Year 2027, in brief

Individuals & business

Withholding & property

Digital administration

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SALIENT FEATURES

Individuals, AOPs & business

Salaried relief

Eight slabs: 20%, 25%, 29% and 32% replace 23% and 30% in the middle bands; the 35% top rate now starts at Rs 7m (was Rs 4.1m).

Salaried surcharge removed

No s.4AB surcharge on salaried individuals. Non-salaried individuals and AOPs above Rs 10m still pay 10%.

Super tax overhauled

Nil up to Rs 500m and 8% above for most persons. Banks, E&P and fertilizer: 10% above Rs 150m. Exporters with 80%+ export turnover exempt.

s.7E deemed income omitted

Tax on deemed rental income dropped after the Federal Constitutional Court ruling of 6 May 2026.

Corporate rates

29% general and 20% small companies; banking companies 42% for TY2027 onwards.

E-commerce tax (s.6A)

Adjustable where turnover exceeds Rs 200m; smaller sellers may opt out of the final tax regime from TY2027.

SALIENT FEATURES

Withholding, exports & property

Services 14%

General services cut to 14% (from 15%); independent professionals 15%; specified services 7% (from 6%); terminal and port operators 12%.

Exports 1.25%

Tax on export proceeds raised to 1.25% (minimum) and the extra 1% advance tax under s.147(6C) abolished. IT exports at 0.25% extended to TY2029.

Flat property rates

s.236C 2.75% and s.236K 1.25% regardless of value. Non-ATL: 11.5% sale; 10.5%–18.5% purchase. Late-filer band abolished.

Social media (s.154B, new)

Banks deduct 5% (non-ATL 10%) on revenue from YouTube, Facebook, TikTok and similar platforms.

Life insurance payouts (s.151B)

Gain on payouts taxed as final: 15% within one year, 10% within four years; death, disability and 4+ year policies excluded.

Cards abroad 0.5%

s.236Y cut from 5% to 0.5%. Gains on debt securities (s.151A) raised to 20%. Tax on foreign TV plays (s.236CA) omitted.

SALIENT FEATURES

Digital administration & compliance

National Faceless Centre

Faceless audit, assessment, rectification and appeals through algorithm-based allocation; officers' identity kept confidential.

Algorithmic settlement

Platform-generated settlement offers before assessment; accept by revising the return and paying within ten days.

Bank data reporting

Banks and EMIs upload deposits, withdrawals and balances of accounts above Rs 100m to a Central Data Hub for cross-matching.

Late-filer ATL surcharge

Surcharge to enter the ATL after late filing raised to Rs 100,000 (company), Rs 50,000 (AOP) and Rs 25,000 (individual).

FBR integration

10% tax credit on integration investment; 3% expense disallowance and penalty of 1% of turnover (minimum Rs 1m) for non-compliance.

Case scrutiny committee

Departmental references and appeals to superior courts need approval of an Independent Case Scrutiny Committee.

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 & new regimes
- Companies & super tax
- Dividend & debt
- Capital gains

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PART I · DIVISION I · CLAUSE (2)

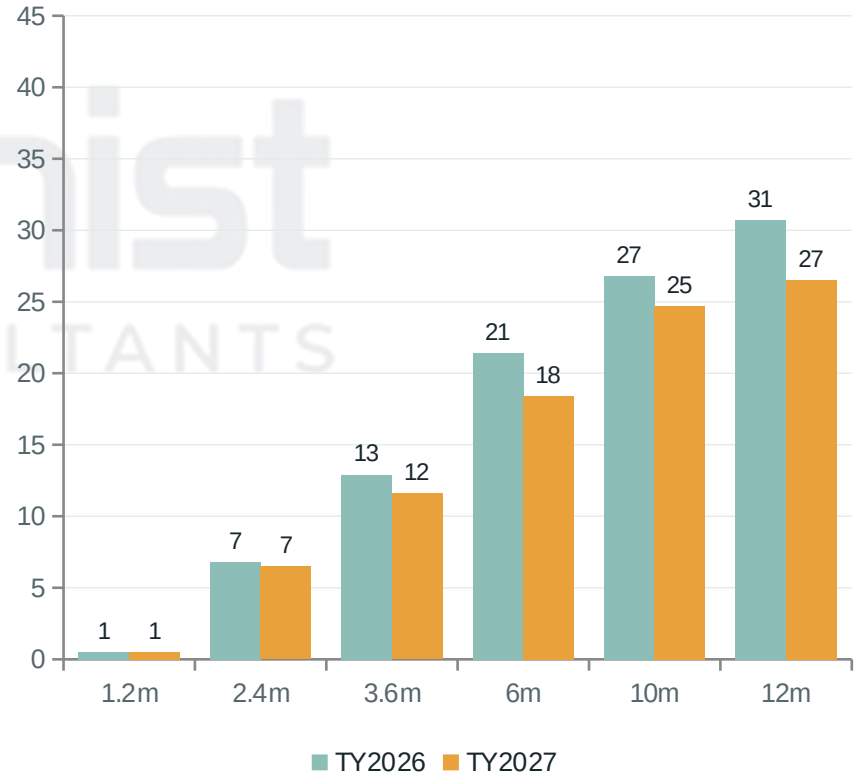
Salaried individuals & pension

#	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 + 20% of amount exceeding 2,200,000
5	3,200,001 – 4,100,000	316,000 + 25% of amount exceeding 3,200,000
6	4,100,001 – 5,600,000	541,000 + 29% of amount exceeding 4,100,000
7	5,600,001 – 7,000,000	976,000 + 32% of amount exceeding 5,600,000
8	Above 7,000,000	1,424,000 + 35% of amount exceeding 7,000,000

Pension from former employer	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. No surcharge on salaried income from TY2027.
Director's fee: 20% withholding.

Effective salary tax (%) incl. surcharge

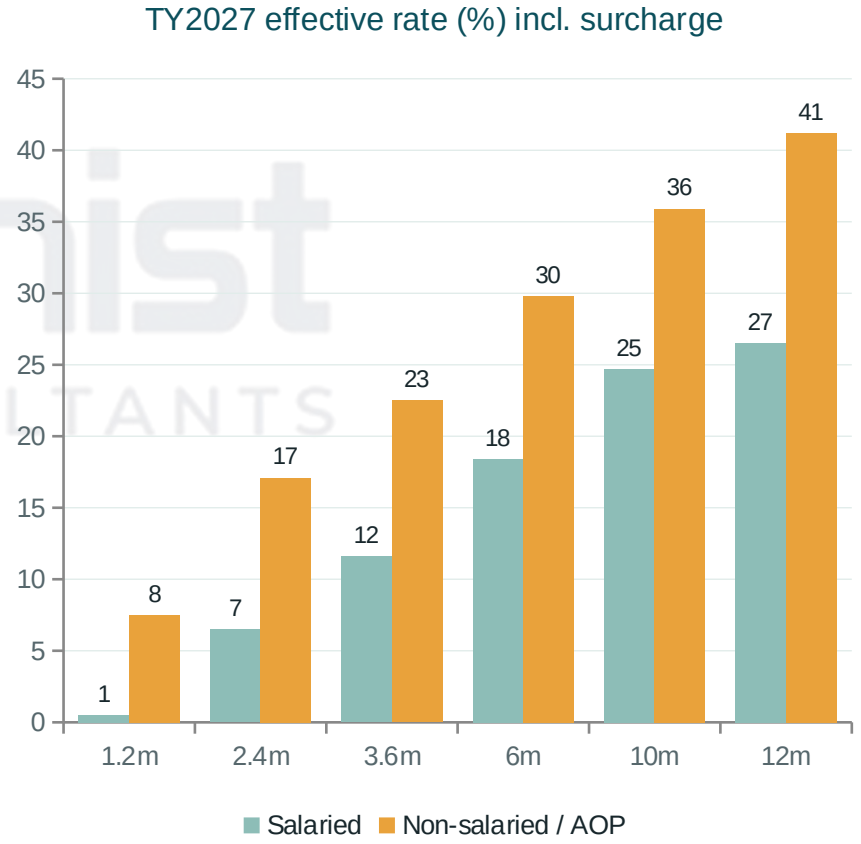


PART I · DIVISION I · CLAUSE (1)

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, 2026
Professional firms barred from incorporating pay 40% on the top slab. A 10% surcharge applies where taxable income exceeds Rs 10 million. Limited liability partnerships are now AOPs.



SECTIONS 4AB, 6A, 7G & 154B

Surcharge, e-commerce & new regimes

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

0%
Salaried individuals (withdrawn)

10%
Non-salaried individuals & AOPs

Example: salaried taxable income Rs 12m → tax Rs 3,174,000 with no surcharge (TY2026: Rs 3,685,290 incl. 9% surcharge). Not charged on final-tax income or super tax.

E-commerce (s.6A): 1% digital / 2% cash on delivery; adjustable where turnover exceeds Rs 200m, with an option to leave the final tax regime for smaller sellers.

New regimes – Finance Act, 2026

15%	Life insurance / takaful payout within 1 year (s.7G / 151B) – final, on payout less premiums
10%	Payout after 1 year but within 4 years; death, disability and 4+ year policies excluded
5%	Revenue of digital content creators from social media platforms (s.154B); non-ATL 10%

s.154B tax is minimum for residents and final for non-residents without a PE. s.151B rate is doubled for non-ATL residents.

PART I · DIVISION II, IX & SECTION 113C

Companies – corporate, minimum & alternate tax

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

42%
Banking companies – TY2027 onwards
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

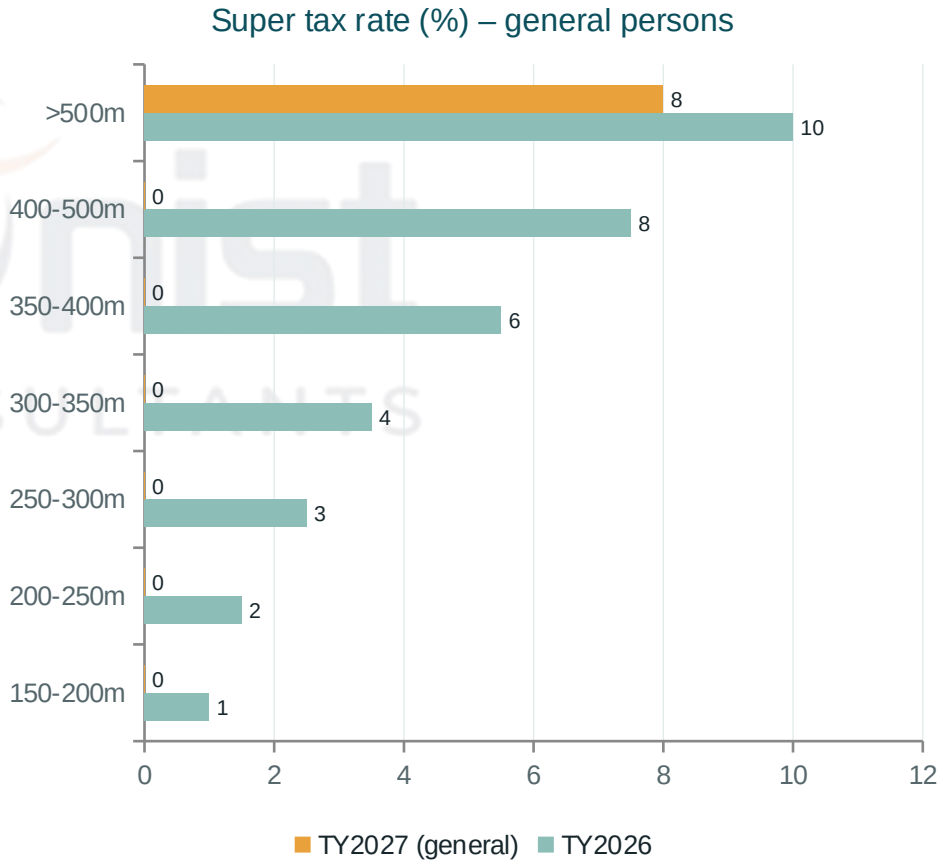
Minimum tax – Division IX & cl. (24D)	Rate	Persons
Reduced rate	0.75%	SSGC & SNGPL (turnover > Rs 1bn), PIA, poultry industry
Reduced rate	0.5%	Oil refineries, OMCs, motorcycle dealers registered for sales tax
Reduced rate	0.25%	Petroleum agents, rice & flour mills, Tier-1 FMCG retailers, e-commerce sellers, used-vehicle dealers
Clause (24D) – distributors & wholesalers	0.25% – 0.5%	14 listed categories (pharma, fertilizer, cigarettes, sugar, local mobiles, packaged food, etc.) on ATL
Exporters (s.154) / deemed income (s.7E)	1.25% / omitted	Export proceeds now minimum tax at 1.25%; s.7E tax removed from TY2027

PART I · DIVISION IIB · SECTION 4C

Super tax on high-earning persons

#	Income under s.4C and person	TY2027 onwards
1	Banking company – income exceeding Rs 150 million	10%
2	Petroleum E&P (Part I, Fifth Schedule) – income exceeding Rs 150 million	10%
3	Persons deriving income from sale of fertilizer – income exceeding Rs 150 million	10%
4	Any other person – income exceeding Rs 500 million	8%
5	Any other person – income up to Rs 500 million	Nil
6	Exporters whose export proceeds exceed 80% of turnover – cl. (104B)	Exempt

The rate applies to the whole income once the threshold is crossed. The TY2026 slabs of 1%–7.5% between Rs 150m and Rs 500m have been abolished for persons other than banks, E&P and fertilizer.



PART I · DIVISIONS III, IIIA, IIIAA, IC & IB

Dividend, profit on debt & insurance payouts

Nature of income	ATL	Non-ATL	Reference
Dividend (s.5 / s.150)			
IPPs where dividend is a pass-through item / REITs and other cases	7.5% / 15%	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; company paying no tax	0% / 35%; 25%	0% / 70%; 50%	Div III
Profit on debt (s.7B / s.151) – final up to Rs 5m for individuals; minimum above			
Bank / financial institution deposits; Govt securities to non-individuals	20%	40%	Div IIIA, Div IA
National Savings, Govt securities to individuals, bonds and other cases	15%	30%	Div IIIA, Div IA
Gain on disposal of debt securities outside NCCPL (s.151A)	20%	40%	Div IIIAA
Sukuk – company / individual & AOP above Rs 1m / up to Rs 1m	25% / 12.5% / 10%	50% / 25% / 20%	Div IB
Life insurance & takaful payouts (s.7G / s.151B, new – final)			
Payout within one year of issue / after one year but within four years	15% / 10%	30% / 20%	Div IC

Non-ATL rates reflect the Tenth Schedule 100% increase; for s.151B the increase applies only to residents.

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	20%

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

FA 2026: non-ATL rates now doubled under the Tenth Schedule; NCCPL opt-out removed.

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 2026. Inherited property: cost is FMV on transfer to the heir. s.7E deemed-income tax omitted from TY2027.

03 Withholding Tax Rates

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

- Imports
- Salary & dividends
- Non-residents
- Goods & services
- Exports & social media
- 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 by value band (C&F US$100–200: Rs 100, from Rs 930)	Varying	Varying	Part II, proviso 2
148	Glycerol, crude; glycerol waters & lyes – PCT 1520.0000 added to Part II (FA 2026)	2%	4%	Part II, 12th Sch.

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 & 151B

Salary, dividend, profit on debt & insurance

Section	Nature of payment / transaction	ATL	Non-ATL	Reference
Salary & pension – s.149				
149	Salary at Division I clause (2) slabs (1% – 35%); no surcharge from TY2027	Slab rates	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
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)	20%	40%	Div IIIAA
151B	Life insurance / takaful payout gain: within 1 year / 1–4 years (final, new)	15% / 10%	30% / 20%	Div IC, Part III
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	15% / 30%
152	Foreign-produced commercials	20%	(c)	Contracts	8% / 16%
152(1C)	Offshore digital services	15%	(c)	Sportspersons	15% / 30%
152(1D)	Gains via SCRA: held < 6 months / ≥ 6 months	20% / 10%			
152(1DA)	Gains via FCVA / FCBVA / NRVA / NRBVA (any person)	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.
Rendering of services – s.153(1)(b) (FA 2026 rates)				
153(1)(b)	Specified services (transport, courier, security, engineering, NBFCs, etc.)	7%	14%	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)	Independent professionals (doctors, lawyers, architects, accountants, developers)	15%	30%	Div III, Part III
153(1)(b)	Terminal and port operating services – companies	12%	24%	Div III, Part III
153(1)(b)	Other services – company and other taxpayers	14%	28%	Div III, para 2(ii)
153(1)(b)	Electronic and print media for advertising	1.5%	3%	Div III, Part III
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

Individual traders with turnover up to Rs 200m (from Rs 100m) are outside s.153 as prescribed persons. Exemptions for trading houses and iron & steel manufacturers withdrawn.

SECTIONS 153(2A), 154, 154A, 154B, 155, 156 & 156A

E-commerce, exports, social media, rent & prizes

Section	Nature of payment / transaction	ATL	Non-ATL	Reference
153(2A)	E-commerce – paid digitally / cash on delivery (adjustable if turnover > Rs 200m)	1% / 2%	2% / 4%	Div III, para 3A
154	Export proceeds, indirect exports, EPZ, DTRE / EFS and clearance (minimum)	1.25%	1.25%	Div IV, Part III
154A	Export of IT / ITeS by PSEB-registered persons (to TY2029) / other services	0.25% / 1%	Same	Div IVA, Part III
154B	Revenue from social media platforms – digital creators & influencers (new)	5%	10%	Div IIIAB, 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

The 1% advance tax on exports under s.147(6C) is abolished from TY2027.

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% on non-ATL withdrawals above Rs 50,000 a day from all accounts (unchanged).

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).

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 2026.

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 2026.

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 2026.

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

Sale & purchase of immovable property

s.236C – seller (gross consideration)

ATL

2.75%

flat – any value (was 4.5%–5.5%)

Non-ATL all values **11.5%**

s.236K – buyer (fair market value)

ATL

1.25%

flat – any value (was 1.5%–2.5%)

Non-ATL ≤ Rs 50m **10.5%**

Non-ATL Rs 50m–100m **14.5%**

Non-ATL > Rs 100m **18.5%**

The separate late-filer rates (rule 1A, Tenth Schedule) are abolished: late filers now pay the ATL rate. The cost of inherited property is its fair market value on transfer to the heir, and family settlements count as inheritance. s.7E deemed income omitted.

SECTIONS 236CB – 236Z · PART IV

Functions, distributors, remittances & bonus shares

Section	Nature of payment / transaction	ATL	Non-ATL	Reference
236CB	Functions and gatherings – total bill	10%	20%	Div XI, Part IV
236G	Sales to distributors, dealers & wholesalers – fertilizer (see note)	0.7%	1.4%	Div XIV, Part IV
236G	Fertilizer – recipient on both income tax and sales tax ATL	0.25%	—	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 (FA 2026)	0.5%	1%	Div XXVII, Part IV
236Z	Bonus shares – value of bonus shares issued (final tax)	10%	20%	s.236Z; R.1 10th Sch.
236CA	Foreign TV dramas, plays and advertisements – omitted by FA 2026	—	—	s.236CA omitted

Fertilizer rates per KPMG TY2027 card (0.7% / 1.4%, or 0.25% where the buyer is on both ATLs); the FBR TY2027 card presents these as 0.25% (ATL) and 0.70% (non-ATL). 236Z non-ATL rate per FBR card.

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 (200% for s.231B; fixed rates for s.236C, 236G, 236H and 236K). Late-filer rates are abolished; CGT on securities is now within the Tenth Schedule.

Final, minimum or adjustable

Dividends, s.7B profit on debt up to Rs 5m, prizes, pension above Rs 10m, insurance payouts (s.151B) and s.236Z are final. Exports, most goods, services and contracts and s.154B are 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, 2026, read with the Tenth and Fifteenth Schedules.

Disclaimer

Prepared from the Finance Act, 2026 summaries and the KPMG and FBR TY2027 rate cards 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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