

RATES FOR INCOME TAX WITHHOLDING I TAX YEAR 2020

Applicable July 01, 2019 to June 30, 2020 as updated vide the Finance Act, 2019

SALARY I Sec 149, Div / Part / 1st Schedule			
Taxable Income		Rate of Tax	
From	To		
Up to 600,000		0%	
600,000	1,200,000	5%	on amount exceeding Rs. 600,000
1,200,001	1,800,000	30,000	10% on amount > Rs. 1.2M
1,800,001	2,500,000	90,000	15% on amount > Rs. 1.8M
2,500,001	3,500,000	195,000	17.5% on amount > Rs. 2.5M
3,500,001	5,000,000	370,000	20% on amount > Rs. 3.5M
5,000,001	8,000,000	670,000	22.5% on amount > Rs. 5M
8,000,001	12,000,000	1,345,000	25% on amount > Rs. 8M
12,000,001	30,000,000	2,345,000	27.5% on amount > Rs. 12M
30,000,001	50,000,000	7,295,000	30% on amount > Rs. 30M
50,000,001	75,000,000	13,295,000	32.5% on amount > Rs. 50M
Above 75,000,000	21,420,000		35% on amount > Rs. 75M

Activity / Nature of Payment	Tax Rate		Nature of Tax
	Filer	Nonfiler	
IMPORTS I Section 148 & Part II First Schedule			
Industrial undertakings importing remeltable steel & directly reduced iron for own use			Advance Tax: - raw material or plant & machinery imported by industrial undertakings for own use;
Persons importing potassic fertilizers under ECC's decision ECC-155/12/2004 dt. 9 Dec 2004			- imports largeimport houses;
Persons importing urea	1%	2%	- motorvehicles in CBU condition imported by manufacturers of motor vehicles
Manufacturers (importing items covered under SRO 1125(I)2011 dt. 31 Dec 2011)			- Foreign producedfilm forscreening & viewing purposes
Persons importing gold			Minimum Tax
Persons importing cotton			- Goods sold same condition they wereimported
Persons importing LNG on behalf of Govt. of Pakistan			- EdibleOil
Persons importing Pulses			- Packing Material
Industrial undertakings importing plastic raw material (PCT 39.01 to 39.12)	1.75%	Cos:	- plastic raw material (PCT heading39.01 to 39.12)packing material & edibleoil
Commercial importers importing plastic raw material (PCT 39.01 to 39.12)	4.50%	Other Cases:	
Commercial importers covered under S.R.O 1125(I)2011dt. 31 Dec 2011	3%	6%	
Persons importing coal			
Persons importing finished pharma products, not manufactured locally as certified by the DRAP	4%	8%	
Ship breakers on import of ships	4.5%	9%	
Companies & industrial undertakings not covered above	5.5%	11%	
Others	6%	12%	

DIVIDEND I S 150, 236S, Div. I Pt III 1stSch. & Cl. 11B Part IV 2ndSch.				
Dividend from Independent Power Purchasers, being a pass-through item under implementation/Power/Energy Purch. Agreement, required to be reimbursed byCPPA-G	7.50%	15%		Final Tax
Dividend if no tax is payable by the Co. Due to exemption, c/floss, tax credits	25%	50%		
Other cases, including mutual funds & repatriation of after-tax profits by branches of foreign companies	15%	30%		
Inter-corp. divid. under group taxation				Not Applicable

INVESTMENT IN SUKUKS I Sec. 150A, Div. IB Pt III 1stSch.				
Received by Company	15%	30%		Adv. Tax
Received by individuals or AOPs and the profit is above Rs. 1M	12.5%	25%		Final Tax
Received by individuals or AOPs and the profit is up to Rs. 1M	10%	20%		

PROFIT ON DEBT I Section. 151, Div. IA Part III 1stSch.				
Where yield is up to Rs. 500,000		10%		Final Tax
Where yield is above Rs. 500,000		15%	30%	

PAYMENTS TO NON-RESIDENTS / S152, Div. IV Pt. I, Div. II Pt. III 1stSch.				
Royalty or free for technical services	15%	30%		Minimum Tax
Fee for offshore digital services	5%	10%		
Contracts or related services	7%	14%		
Insurance or re-insurance premium	5%	10%		
Advertisement services	10%	10%		
Execution contract by sports persons	10%	20%		
Other payments	20%	40%		

PAYMENTS TO PE OF NON-RESIDENTS I S 152, Div. II Pt. III 1stSch.				
For supplies by PE of N/R Companies	4%	8%		Minimum Tax
For supplies by PE of other N/Resid.	4.5%	9%		
For services by PE of N/R Companies	8%	16%		
For services by PE of other N/Resid.	10%	20%		
For transport services	2%	4%		
For other contracts	7%	14%		

PAYMENTS FOR FOREIGN PRODUCES COMMERCIALS I Section 152A				
Foreign produces commercials		20%		Final Tax

SUPPLY OF GOODS / S153(1)(a), Div. III PIII 1stSch, Cl 24A, 24C PII 2ndSch				
Sale of rice, cottonseed oil & edible oil	1.5%	3%		Adv. Tax for Listed companies
Sale of cigarettes & pharma products by distributors & Large Import Houses	1%	2%		
Sale of sugar, cement & edible oil by dealers & sub-dealers	0.25%	0.50%		
Sales by Corporate FMCG distributors	2%	4%		
Sale of goods by other (non-corporate) FMCG distributors	2.5%	5%		Minimum Tax
Sale of other goods by companies	4%	8%		
Sale of other goods by AOPs & Ind.	4.5%	9%		for other cases.

PAYMENTS FOR SERVICES / S153(1)(b), 153(2), Div. III & Div IV P III 1st Sch.				
Advertising services (elec. & print media)	1.5%	3%		
Transport, Freight forwarding, Air cargo services, Courier, Manpower outsourcing, Hotel, Security guard, Software development, IT and IT enabled services [as defined u/c (133) of Pt I of 2ndsch.], Tracking services, Advertising (other than by print or electronic media), Share reistar services, Engineering services, Car rental, Building maintenance, services of PSX & PMEL, Inspection, Certification, Testing & Training services	3%	6%		Minimum Tax
Companies providing other services	8%	16%		
AOPs & Ind. providing oth. services	10%	20%		
Stitching, dying,printing, embroidery, washing sizing & weaving for Exporters	1%	2%		

EXECUTION OF CONTRACTS / Sec 153(1)(c), Div. III Pt III 1stSch				
Received by listed Companies			7%	14%
Received by other Companies			10%	10%
Received by sports persons			7.5%	15%
Received by Others				

ROYALTY TO RESIDENT PERSONS I Sec 153B, Div. III Pt III 1stSch				
Gross amount of royalty		15%	30%	Adv. Tax

EXPORTS I Sec 154, Div. IV Pt III 1stSch, Cl 47C Pt LV 2ndSch				
Realization of export proceeds [Exemption to cooking oil or vegetables ghee exported to Afghanistan if tax u/s 148 is paid]				Final Tax
Inland back-to-back LC by exporter on sale of goods under an arrangement prescribed by FBR	1%			Exporters mayoptfor Minimum Tax
Export of goods by EPZ units				Regime at the time of filing of return
Payments for a firm contract by direct exporters reg. under DTRE Rules, 2001, to indirect exporters				
Realization of proceeds on account of commission to intending agent		5%		

PROPERTY INCOME / RENTALS I Sec 155, Div V Pt III 1stSch				
Where recipient is a company		15%		Adv. Tax
Other recipients				
Annual Rent (Rs.)	From	To	Tax	
	Up to 200,000		NIL	
200,001	600,000		5% of the amount exceeding 200,000	
600,001	1,000,000		20,000 + 10% of the amount above 0.6M	
1,000,001	2,000,000		60,000 + 15% of the amount above 1M	
2,000,001	4,000,000		210,000 + 20% of the amount above 2M	
4,000,001	6,000,000		610,000 + 25% of the amount above 4M	
6,000,001	8,000,000		1,110,000 + 30% of the amount above 6M	
Above 8,000,000			1,710,000 + 35% of the amount above 8M	

PRIZES AND WINNINGS / Sec 156, Div VI Pt III 1stSch				
On prize bonds & crossword puzzle		15%	30%	Final Tax
Raffle, lottery, winning quiz & prizes on sales promotion schemes		20%	40%	

PETROLEUM PRODUCTS / Sec 156, Div VIA Pt III 1stSch				
Commission/ discountto petrol pump operators on petroleum products		12%	24%	Final Tax

WITHDRAWAL OF BALANCE UNDER PENSION FUND /Sec 156B				
Withdrawal before retirement age		Lower of 3 past years' ART or current ART		Final Tax
Withdrawal in excess of 50% balance at or after retirement age				

CASH WITHDRAWAL FROM BANKS / S 231A, Div VI P LV 1stSch, Cl 28B PII 2ndSch				
By licensed Exchange companies		0.15%		Adv. Tax
From PKR accounts against foreign remittances in such accounts		Not Applicable (N/A)		
Othercases, if total withdrawal from all accounts is Rs. 50K+ in a day		N/A	0.60%	Adv. Tax

TRANSACTIONS IN BANK / Sec 231AA, Div VIA Pt IV 1st Sch				
All payments transactions		N/A	0.60%	Adv. Tax

TAX ON MOTORVEHICLES / S 231B&234, Div VII, Div III Pt IV 1stSch				
Purchase/ transfer of motor vehicles		Based on Eng. Cap.		Adv. Tax
Leasing on Vehicles (based on value)		N/A	4%	

BROKERAGE & COMMISSION / Sec 233, Div II Pt IV 1stSch				
Advertising commission		10%	20%	Minimum Tax
Life ins. Comm. Up to Rs. 0.5M p.a.		8%	16%	
Others		12%	24%	

TAX ON SALE/ PURCHASE INLIEU OF COMMISSION BY ST. EXCH.				
On purchase	U/s 233A, Div IIA Pt LV 1stSch	0.02%	0.04%	Adv. Tax
On sale				

TAX COLLECTION BY NCPL FROM STOCK EXCHANGE MEMBERS				
OnfinancingofCOT,margin financing, margin trading or securities lending		U/s 233AA, Div IIB Pt IV 1stSch	10%	Adv. Tax

CNG STATION / Sec 234A, Div VIB Pt III 1stSch				
On the amount of gas bill		4%		Min. Tax

ELECTRICITY CONSUMPTION / S235, DivIIVPtIV1stSch, Cl66PVI2ndSch				
Electricity bill of commercial or industrial consumers / Exporters-cum-manufacturers are exempt from this collection			Various rates	Min. Tax for AOPs & Ind. for Bill Amt.up to Rs.360K Adv. Taxfor othercases

DOMESTIC ELECTRICITY CONSUMPTION / S235A, Div XIX PIV 1stSch				
Monthly bill is below Rs. 75,000		0%		Adv. Tax
Monthly bill is Rs. 75,000 and above		7.5%		

DOMESTIC ELECTRICITY CONSUMPTION / S235A, Div XIX PIV 1stSch				
Electricity consumed for producing steel billets, ingots & Ms products, excluding stainless steel, by steel melters & Composite Steel Units (Registered for chit of Sales Tax Special Procedure Rules, 2007)		Rs. 1 per unit of electricity consumed		Non Adjust-able Tax

TELEPHONE USERS / Sec 236, Div X Pt IV 1stSch				
Mobile phone bills & prepaid cards		12.50%		Adv. Tax
Landline bills exceeding Rs. 1,000		10%		
Postpaid internet & prepaid net cards		12.50%		

Activity / Nature of Payment	Tax Rate		Nature of
	Filer	Non-Filer	
SALE AUCTION I Sec 236A, Div VIII Pt IV 1st Sch			
Sale of property, goods or lease of right by public auction or tender	10%	20%	Advance Tax
Sale of lease of the right to collect tolls			Final Tax

DOMESTIC AIR TICKETS I Sec 236B, Div IX Part IV 1st Sch			
On routes for Baluchistan coastal belt, AIBK, FATA, Gilgit-Baltistan & Chitral			Not Applicable
Sale of lease of the right to collect tolls		5%	Adv. Tax

SALE / TRANSFER OF IMMOVABLE PROPERTY / S236C, Div X PIV 1stSch			
To be collected from Seller / Transferor, where Holding Period is:	Up to 5 Years	1%	Adv. Tax
	Above 5 Years	Not Applicable	

FUNCTIONS AND GATHERINGS I Sec 236D, Div XI Pt IV 1stSch			
Functions of marriage (in Islamabad, Lahore, Multan, Faisalabad, Rawalpindi, Gujranwala, Bhawalpur, Sargodha, Sahawal, Sheikhupura, Dera Ghazi Khan, Karachi, Hyderabad, Sukkur, Thatta, Larkana, Mirpur Khas, Nawabshah, Peshawar, Mardan, Abbottabad, Kohat, Dera Ismail Khan, Quetta, Sibi, Loralai, Khuzdar, Dera Murad Jamali and Turbat)		Higher of 5% of bill ad-valorem or Rs. 20,000	Adv. Tax
Functions of marriage in other cities		Higher of 5% of bill ad-valorem or Rs. 10,000	
Other functions		5% of Bill	

CABLE OPERATORS & OTHERS I S236E & DivXIII PIV 1stSch			
From IPTV, FM Radio, MMS, Mobile TV, Mobile Audio, Satellite TV Channel and Landing Rights		20% of the permission fee or renewal fee	Adv. Tax
From cable operators		Various Rates	
From TV channels for screening/ viewing Foreign TV Drama serial/ plays in any non-English language		50% of the permission fee or renewal fee	

TAX ON SALES TO DISTRIBUTORS, DEALERS & WHOLESALEERS BY MANUFACTURERS & COMMERCIAL IMPORTERS I Sec 236G, Div XIV Pt I 1stSch			
On sale of fertilizers		0.7%	1.4%
On sale of electronics, sugar, cement, iron & steel products, motorcycles, pesticides, cigarettes, glass, textile, beverages, paint, batteries, or foam		0.1%	0.2%
			Adv. Tax

TAX ON SALES TO RETAILERS & WHOLESALEERS BY MANUFACTURERS, DISTRIBUTORS DEALERS, WHOLESALEERS & COMMERCIAL IMPORTERS I Sec 236H, DivXV PtIV 1stSch			
On sale of electronics		1%	2%
On sale of sugar, cement, iron & steel products, motorcycles, pesticides, cigarettes, glass, textile, beverages, paint, batteries, or foam		0.5%	1%
			Adv. Tax

TAX ON SALE OF PETROLEUM PRODUCTS I S 236HA, DivXVI PIV 1stSch			
On supply of petroleum products to a petrol pump operator or distributor		0.5%	1%
COLLECTION OF TAX BY EDUCATIONAL INSTITUTIONS WHERE FEE EXCEEDS RS. 200,000/- I Sec 236I, Div XVI Pt LV 1st Sch			
From residents		5% of Fee	Adv. Tax
From non-residents		Not Applicable	

TAX ON DEALERS, COMMISSION AGENTS & ARHATS ON ISSUANCE/ RENEWAL OF LICENSE I Sec 236J, Div XVII Pt IV 1st Sch			
Group/ Class A		Rs. 100,000 p.a	
Group/ Class B		Rs. 75,000 p.a	Adv. Tax
Group/ Class V		Rs. 50,000 p.a	
Any other category			

PURCHASE OF IMMOVABLE PROPERTY I S 236K, Div XVIII Pt IV 1stSch			
On fair market value		1%	2%
			Adv. Tax

INTERNATIONAL AIR TICKETS I Sec 236L, Div XX Pt IV 1stSch			
First/ executive class		Rs. 16,000	
Other excluding economy		Rs. 12,000	Adv. Tax
Economy		NIL	

NON-CASH BANKING TRANSACTIONS I Sec 236P, Div XXI Pt IV 1st Sch			
Non-cash payment transactions (all types)	N/A	0.60%	Adv. Tax

RENT OR PAYMENT FOR RIGHT TO USE MACHINERY & EQUIPMENT I S 236Q, Div XXIII Pt IV 1st Sch			
To be collected for industrial, commercial and scientific equipment & machinery		10%	Final Tax

Note: WHT deduction shall
