

Income Tax Withholding rates applicable from 01-07-2019

section	Payments on which tax withholding is applicable	Rate for Active Tax Payer	Rate -non active Tax payer
148	<p>Tax Collection from importer of goods on duty paid value of goods.</p> <p>(i) Industrial undertaking importing remelttable steel (PCT Heading 72.04) and directly reduced iron for its own use;</p> <p>(ii) On importing potassic of Economic Coordination Committee of the Cabinet's decision No. ECC-155/12/2004 dated the 9th December, 2004</p> <p>(iii) On importing Urea; (iv) Manufactures covered under Notification No. S.R.O 1125(I)/2011 dated the 31st December, 2011 and importing items covered under S.R.O 1125(I)/2011 dated 31st December, 2011.</p> <p>(v) On importing Gold;</p> <p>(vi) On importing Cotton</p> <p>(vii) On importing LNG</p>	1%	2%
	From Industrial undertaking importing Plastic raw material (PCT Heading 39.01 to 39.12) for its own use.	1.75%	3%
	2. Persons Importing Pulses	2%	4%
	Commercial importers covered under Notification No. S.R.O 1125(I)/2011 dated the 31 st December, 2011 and importing items covered under S.R.O 1125(I)/2011dated the 31st December, 2011	3%	6%
	Commercial Importer importing Plastic raw material (PCT Heading 39.01 to 39.12) for its own use	4.5%	9%
	On Importing coal	4%	8%
	On importing finished pharmaceutical products that are not manufactured otherwise in Pakistan as certified by the Drug Regulatory of Pakistan	4%	8%
	Import for Ship breaking	4.5%	9%
	Industrial undertakings not covered above	5.5%	11%
	Companies not covered above	5.5%	11%

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	Persons not covered above	6%	12%
	Import of mobile phone depending on set value	Rs 70 to 5200	Double
149	Tax withholding from payment of salary	As per Schedule Given separately	
149(3)	Payment for directorship fee or fee for attending Board meeting or such fee	20%	
150	dividend paid by Independent Power Purchasers (IPPs) under an Implementation Agreement or Energy Purchase Agreement and reimbursed by Central Power Purchasing Agency or successor entity	7.5%	15%
	Dividend received if no tax paid by the paying company	25%	
	Dividend in other cases and mutual funds	15%	30%
150A	On payment of return on investment in Sukuks: a) In case the Sukuk- holder is a company, b) In case the Sukuk – holder is an individual or an association of person, if the return on investment is more than one million, c) In case the Sukuk – holder is an individual and an association of person, if the return on investment is less than one million,	25% 12.5% 10%	 25% 20%
	On payment of interest-tax withholding	As per Schedule Given separately	
152	Deduction of tax from payments of Royalties and fee for technical payments to non-resident or as prescribed under Tax Treaty	15%	15%
152(1AA)	Tax to be deducted from a non-resident person on the execution of; a) Contract or sub-contract under a construction, assembly or installation project in Pakistan including a contract for the supply of supervisory activities relating to such project	7%	14%

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	(b) Any other contract for construction or services rendered relating there to (c) Contract for advertisement services rendered by TV Satellite Channels.		
	Tax from non-resident on payment of insurance premium or re-insurance to a non-resident person	5%	5%
152(1AAA)	Tax will be deducted on payments for advertisement services from non-resident person relaying from outside Pakistan.	10%	20%
152(1C)	Tax withholding on remittance outside Pakistan, of fee for off-shore digital services , chargeable to tax u/s 6, to non-resident person on behalf of any resident or a permanent establishment of non-resident inPakistan	5%	10%
152(2)	Tax deduction on payment to non-resident, not otherwise specified.	20%	20%
	Tax withholding from payment to a Permanent Establishment of Non- Resident. For: (a) Sale of goods (i) In case of a company (ii) Other than company cases (b) Rendering /providing of services. of Transport service. (i) in case of other services by a company : (ii) Other than company : (c) Execution of a contract other than a contract for sale of goods or providing/ rendering of services. (i) In case of sports persons (ii) Other than sports persons	4% 4.5% 2% 8% 10% 10% 7%	8% 9%
152A	Tax withholding from Non-resident for payments for Foreign Produced Commercial for advertisement on any Television Channel or any other Media.	20%	40%
	Section 153		
	Withholding from payment in full or in part including by way of advance to a resident person : For sale of rice, cotton seed oil and edible oil: For supply made by Distributors of fast moving consumer goods :	1.5%	3%

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	Company case	2%	4%
	Other than Company	2.5%	5%
	For sale of any other goods tax to be deducted u/a 153		
	Company case	4%	8%
	Other than company	4.5%	9%
153(1)(b)	Transport services, freight forwarding services, air cargo services, courier services, man power outsourcing services, hotelservices, security guard services, software development services, IT Services and IT enabled services as defined in clause (133) Part I Second Schedule, tracking services, advertising services (other than by print or electronic media), share registrar services, engineering services, car rental services, building maintenance services, services rendered by Pakistan Stock Exchange Ltd. & Pakistan Mercantile Exchange Ltd. , inspection, certification, testing & training services.;	3%	6%
	In case of rendering or providing of services other than as mentioned in the above;		
	a) In case of company	8%	16%
	b) In any other case	10%	20%
	c) In respect of persons making payment to electronic & print media for advertising services	1.5%	3%
153(1)©	On execution of Contracts other than supply /services		
	i) In case of sportsperson	10%	20%
	ii) In the case of Companies :	7%	14%
	iii) In the case of persons other than companies	7.5%	15%
153(2)	Every Exporter or Export House to deduct Tax on payments in respect of services of stitching, dying, printing etc. received/provided.	1%	2%

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153B	Royalty to resident person	15%	30%
154	Export proceeds of goods - tax withholding by bank	1%	
154(2)	On realization of proceeds on account of commission to; I. Non-export indenting agent II. Export indenting agent / export buying house	5%	5%
	On realization of proceeds on account of sale of goods to an exporter under inland back to back LC or any other arrangement as may be prescribed Exports of goods located in Export Processing Zone (BPZ) Payment to indirect exporters as defined in DTRE(Duty & Tax Remission for exporters) rules, 2001 Clearance of goods exported	1%	
155	Tax withholding from payment of Rent	As per schedule given separately	
156	Payments made on account of winning of prize on prize bond , Cross word,raffle, lottery & quiz (I) Payments made for prize on quiz bond and cross word (II) Payments on winning from a raffle, lottery, prize on winning a quiz, prize, offered by companies for promotion of sale crossword puzzles	15% 20%	30% 40%
156A	Payment to petrol pump operator on account of sale of petroleum products	12%	24%
233	Brokerage and commission income In case of: (i) Advertising Agents (ii) Life Insurance Agents where Commission received is less than Rs. 0.5 Million per annum (iii) Persons not covered in 1 & 2	10% 8% 12	20% 16% 24%

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Tax Rates on salary

Where taxable income does not exceed Rs. 600,000	0%
Where taxable income exceeds Rs. 600,000 but does not exceed Rs. 1,200,000	5% of the amount exceeding Rs. 600,000
Where taxable income exceeds Rs. 1,200,000 but does not exceed Rs. 1,800,000	Rs. 30,000 plus 10% of the amount exceeding Rs. 1,200,000
Where taxable income exceeds Rs. 1,800,000 but does not exceed Rs. 2,500,000	Rs. 90,000 plus 15% of the amount exceeding Rs. 1,800,000
Where taxable income exceeds Rs. 1,800,000 but does not exceed Rs. 2,500,000	Rs. 195,000 plus 17.5% of the amount exceeding Rs. 2,500,000
Where taxable income exceeds Rs. 3,500,000 but does not exceed Rs. 5,000,000	Rs. 370,000 plus 20% of the amount exceeding Rs. 3,500,000
Where taxable income exceeds Rs. 5,000,000 but does not exceed Rs. 8,000,000	Rs. 670,000 plus 22.5% of the amount exceeding Rs. 5,000,000
Where taxable income exceeds Rs. 8,000,000 but does not exceed Rs. 12,000,000	Rs. 1,345,000 plus 25% of the amount exceeding Rs. 8,000,000
Where taxable income exceeds Rs. 12,000,000 but does not exceed Rs.30,000,000	Rs. 2,345,000 plus 27.5% of the amount exceeding Rs. 12,000,000
Where taxable income exceeds Rs. 30,000,000 but does not exceed Rs.50,000,000	Rs. 7,295,000 plus 30% of the amount exceeding Rs. 30,000,000
Where taxable income exceeds Rs. 50,000,000 but does not exceed Rs.75,000,000	Rs. 13,295,000 plus 32.5% of the amount exceeding Rs. 50,000,000
Where taxable income exceeds Rs.75,000,000	Rs. 21,420,000 plus 35% of the amount exceeding Rs. 75,000,000";

Tax withholding on interest

1	Where profit on debt does not exceed Rs.500,000	10%
2	Where profit on debt does not exceed Rs.5,000,000	15%
3	Where profit on debt exceeds Rs.5,000,000 but does not exceed Rs.25,000,000	17.5%
4	Where profit on debt exceeds Rs.25,000,000 but does not exceed Rs.36,000,000	20%

Tax on income from rent

1	Where the gross amount of rent does not exceed Rs, 200,000	0	
2	Where the gross amount of rent exceeds Rs, 200,000 but does not exceed Rs, 600,000	5% of the gross amount exceeding Rs, 200,000	
3	Where the gross amount of rent exceeds Rs, 600,000 but does not exceed Rs, 1,000,000	Rs, 20,000+10% of the gross	

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		amount exceeding Rs, 600,000	
4	Where the gross amount of rent exceeds Rs, 1,000,000 but does not exceed Rs, 2,000,000	Rs,60,000+15% of the gross amount exceeding Rs,1,000,000	
5	Where the gross amount of rent exceeds Rs, 2,000,000 but does not exceed Rs. 4,000,000	Rs, 210,000+20% of the gross amount exceeding Rs, 2,000,000	
6	Where the gross amount of rent exceeds Rs.4,000,000 but does not exceed Rs.6,000,000.	Rs.610,000 plus 25 per cent of the gross amount exceeding Rs.4,000,000	
	Where the gross amount of rent exceeds Rs.6,000,000 but does not exceed Rs.8,000,000	Rs.1,110,000 plus 30 per cent of the gross amount exceeding Rs.6,000,000	
	Where the gross amount of rent exceeds Rs.8,000,000	Rs.1,710,000 plus 35 percent of the gross amount exceeding Rs.8,000,000”;	

Section 37 Tax on Capital Gains on sale of Securities

Holding Period (months)	Tax year 2015	Tax year 2016	Tax year 2017	Tax year 2018, 2019 and 2020	
				Acq. Before 01-7-16	Acq. After 01-7-16
Less than 12	12.5%	15%	15%	15%	15%
12 to 24	10%	12.5%	12.5%	12.5%	
More than 24 and security acquired before 01.07.13	0%	7.5%	7.5%	7.5%	
security acquired before 01.07.13	0%	0%	0%	0%	0%

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Future commodity contracts	0%	0%	5%	5%	5%
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Tax on Capital Gains on disposal of Immovable Property

The rate of tax to be paid under sub-section (1A) of section 37

	Where the gain does not exceed Rs. 5 million	5%
	Where the gain exceeds Rs. 5 million but does not exceed Rs. 10 million	10%
	Where the gain exceeds Rs. 10 million but does not exceed Rs. 15 million	15%
	Where the gain exceeds Rs. 15 million	20%
	Tax gain on plot held for 8 year and house held for 4 years will be exempt and 25% of gain exempt if sold after one year	

Advance tax on sale to distributors, dealers or wholesalers

The rate of collection of tax under section 236G shall be as set out in the following table, namely: —

On Fertilizers sale to distributors, dealers or wholesalers	0.7%
Other than fertilizers sale to distributors, dealers or wholesalers	0.1%

Advance tax on sale u/s 236HA –Petroleum

Advance tax on sale of certain petroleum products where the dealer/petrol pump operator is not allowed commission	0.5%
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Advance tax on sale to retailers

Electronics sale to retailers	1%
Others sale to retailers	0.5%

Advance tax on dealers, commission agents and arhatis, etc.

The amount of collection of tax under section 236J shall be as set out in the following

Category dealers, commission agents and arhatis	Annual tax
Group or Class A	Rs 100,000
Group or Class B	Rs 75,000

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Group or Class C	Rs 50,000
Others	Rs 50,000

Advance tax on purchase of immovable property

The rate of tax to be collected under section 236K shall be 1% of the fair market value

Section 236-P Banking Transactions

Advance tax on banking transaction other than cash for persons not appearing in the active taxpayers list	0.4%
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Section 236-Q Equipment Rental

Advance tax on payment to resident for use of machinery and equipment	10.00%
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Section 236-R Remittances Abroad

Advance tax on remittance of educational expenses abroad	5.00%
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Section 236-U Insurance Premium

Advance tax on Insurance premium (General insurance)	4.00%
Life insurance exceeding 0.3 million premium per annum	1.00%
Others	0.00%

The above tax will only be applicable for persons not appearing on active taxpayers list.

Section 236-V Extraction of Minerals

Advance tax on value of minerals extracted	5.00%
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The above tax will only be applicable for persons not appearing on active taxpayers list.