

¹[Division I

[Rates of Tax for Individuals and Association of Persons]

Subject to clause (2), the rates of tax imposed on income of every individual and association of persons except a salaried individual shall be as set out in the following namely:—

TABLE

Taxable income	Rate of tax
(2)	(3)
Where taxable income does not exceed Rs. 400,000	0%
Where taxable income exceeds Rs. 400,000 but does not exceed Rs. 600,000	5% of the amount exceeding Rs. 400,000
Where taxable income exceeds Rs. 600,000 but does not exceed Rs. 1,200,000	Rs. 10,000 plus 10% of the amount exceeding Rs. 600,000
Where taxable income exceeds Rs. 1,200,000 but does not exceed Rs. 2,400,000	Rs. 70,000 plus 15% of the amount exceeding Rs. 1,200,000
Where taxable income exceeds Rs. 2,400,000 but does not exceed Rs. 3,000,000	Rs. 250,000 plus 20% of the amount exceeding Rs. 2,400,000
Where taxable income exceeds Rs. 3,000,000 but does not exceed Rs. 4,000,000	Rs. 370,000 plus 25% of the amount exceeding Rs. 3,000,000
Where taxable income exceeds Rs. 4,000,000 but does not exceed Rs. 6,000,000	Rs. 620,000 plus 30% of the amount exceeding Rs. 4,000,000
Where taxable income exceeds Rs. 6,000,000	Rs. 1,220,000 plus 35% of the amount exceeding Rs. 6,000,000

(2) Where the income of an individual chargeable under the head "salary" exceeds seventy-five per cent of his taxable income, the rates of tax to be applied shall be as set out in the following Table, namely:—

Division I substituted by the Finance Act, 2019. Earlier it was substituted by the Finance Act, 2018 which was substituted by the Income Tax (Amendment) Ordinance, 2018, dated 08.04.2018.

TABLE

S.No.	Taxable income	Rate of tax
(1)	(2)	(3)
1.	Where taxable income does not exceed Rs. 600,000	0%
2.	Where taxable income exceeds Rs. 600,000 but does not exceed Rs. 1,200,000	5% of the amount exceeding Rs. 600,000
3.	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 1,200,000
4.	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 1,800,000
5.	Where taxable income exceeds Rs. 2,500,000 but does not exceed Rs. 3,500,000	Rs. 195,000 plus 17.5% of the amount exceeding 2,500,000
6.	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 3,500,000
7.	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 5,000,000
8.	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 8,000,000
9.	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 12,000,000
10.	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 30,000,000
11.	Where taxable income exceeds Rs. 50,000,000 but does not exceed Rs.75,000,000	Rs. 13,295,000 plus 32% of the amount exceeding 50,000,000
12.	Where taxable income exceeds Rs.75,000,000	Rs. 21,420,000 plus 35% of the amount exceeding 75,000,000]

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³Division II
Rates of Tax for Companies

⁴(i) The rate of tax imposed on the taxable income of a company for the tax year 2007 and onward shall be 35% ⁵[:]]

⁶Provided that the rate of tax imposed on the taxable income of a company other than a banking company, shall be 34% for the tax year 2014 ⁷[:]]

1 Division IA omitted by the Finance Act, 2013. Earlier it was inserted by the Finance Act, 2004.

2 Division IB omitted by the Finance Act, 2012. Earlier it was inserted by the Finance Act, 2010.

3 Division II substituted by the Finance Ordinance, 2002.

4 Clause (i) substituted by the Finance Act, 2007.

5 Substituted for the full-stop by the Finance Act, 2013.

6 Proviso inserted by the Finance Act, 2013.

7 Substituted for the full-stop by the Finance Act, 2014.

¹[Provided further that the rate of tax imposed on the taxable income of a company, other than a banking company shall be 33% for the tax year 2015 ²[:]]

³[Provided further that the rate of tax imposed on taxable income of a company, other than banking company shall be 32% for the tax year 2016, 31% for tax year 2017 ⁴[,] 30% for tax year 2018 and ⁵[29% for tax year 2019 and onwards.]

⁶[]

⁷[]

⁸[(iii)

where the taxpayer is a small company as defined in section 2, tax shall be payable at the rate of ⁹[25]% ¹⁰[:]]

¹¹[Provided that for tax year 2019 and onwards tax rates shall be as set out in the following Table, namely:—

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- 1 Proviso inserted by the Finance Act, 2014.
 - 2 Substituted for the full-stop by the Finance Act, 2015.
 - 3 Proviso inserted by the Finance Act, 2015.
 - 4 Substituted for word "and" by the Finance Act, 2019.
 - 5 Substituted for "thereafter as set out in the following Table, namely:--" by the Finance Act, 2019 Earlier substituted for the word "onwards" by the Finance Act, 2018..
 - 6 TABLE omitted by the Finance Act, 2019.
 - 7 Clause (ii) omitted by the Finance Act, 2008. Earlier it was inserted by the Finance Act, 2003.
 - 8 Clause (iii) inserted by the Finance Act, 2005.
 - 9 Substituted for the figure "20" by the Finance Act, 2010.
 - 10 Full-stop substituted by the Finance Act, 2008.
 - 11 Proviso inserted by the Finance Act, 2018. Earlier a different Proviso was omitted by the Finance Act, 2009 which was inserted by the Finance Act, 2008.
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TABLE

Tax Year	Rate of Tax
2019	24%
2020	23%
2021	22%
2022	21%
2023 and onwards	20%]

¹[Division IIA
Table

S. No.	Person	Rate of super tax			
		Rate (percentage of income)			
		Tax Year 2018	Tax Year 2019	Tax Year 2020	Tax Year 2021
(1)	(2)	(3)	(4)	(5)	(6)
1.	Banking company	² [4]%	4%	² [4]%	² [4]%
2.	Person other than a banking company, having income equal to or exceeding Rs. 500 million	3%	2%	³ [0]%	0%

Provided that in case of a banking company, super tax for tax year 2019 shall be payable, on estimate basis, by thirtieth day of June, 2018.]

⁴[Division III
Rate of Dividend Tax

The rate of tax imposed under section 5, on dividend received from a company shall

- (a) 7.5% in case of dividend paid by Independent Power Purchasers where such dividend is a pass through item under an Implementation Agreement or Power Purchase Agreement or Energy Purchase Agreement and is required to be re-imbursed by Central Power Purchasing Agency (CPPA-G) or its predecessor or successor entity.

Division IIA substituted by the Finance Act, 2018. Earlier it was inserted by the Finance Act, 2015.

Substituted for the figure "0", "3" & "2" respectively by the Finance Supplementary (Second Amendment) Act, 2019, dated March 10, 2019.

Substituted for the figure "1" by the Finance Supplementary (Second Amendment) Act, 2019, dated March 10, 2019.

Division III substituted by the Finance Act, 2019. Earlier it was substituted by the Finance Act, 2014.

- (b) 15% in mutual funds and cases other than those mentioned in clauses (a) and (c).
- (c) 25% in case of a person receiving dividend from a company where no tax is payable by such company, due to exemption of income or carry forward of business losses under Part VIII of Chapter III or claim of tax credits under Part X of Chapter III.]

¹[Division IIIA

Rate for Profit on Debt

The rate of tax for profit on debt imposed under section 7B shall be—

²[TABLE

S.No	Profit on Debt	Rate of tax
(1)	(2)	(3)
1.	Where profit on debt does not exceed Rs.5,000,000	15%

2	Where profit on debt exceeds Rs 5,000,000 but does not exceed Rs 25,000,000	12.5%
3	Where profit on debt exceeds Rs 25,000,000 but does not exceed Rs 36,000,000	15%

[Division IIIB**Rate of Tax on Return on Investment in sukuk received from a special purpose vehicle**

The rate of tax imposed under section 5AA on return on investment received from a special purpose vehicle shall be—

- 25% in the case the sukuk-holder is a company;
- 12.5% in case the sukuk-holder is an individual or an association of persons, if the return on investment is more than one million, and
- 10% in case the sukuk-holder is an individual and an association of persons, if the return on investment is less than one million.]

Division IV**Rate of Tax on Certain Payments to Non-residents**

The rate of tax imposed under section 6 on payments to non-residents shall be 10% of the gross amount of the royalty or fee for technical services ²[and 5% of the gross amount of the fee for offshore digital services].

Division V**Rate of Tax on Shipping or Air Transport Income of a Non-resident Person**

The rate of tax imposed under section 7 shall be –

- in the case of shipping income, 8% of the gross amount received or receivable; or
- in the case of air transport income, 3% of the gross amount received or receivable.

1 Division IIIB inserted by the Tax Laws (Amendment) Ordinance, 2016, dated 31.08.2016.

2 Words etc. inserted the Finance Act, 2018.

Division IIIA-Table-Substitution.- The substituted Table by Finance Act, 2019, read as under:—

"TABLE

S.No	Profit on Debt	Rate of tax
(1)	(2)	(3)
	Where profit on debt does not exceed Rs.5,000,000	10%
2.	Where profit on debt exceeds Rs.5,000,000 but does not exceed Rs.25,000,000	12.5%
3.	Where profit on debt exceeds Rs.25,000,000	15% ²

Division IIIA-Table-Substitution.- The substituted Table by Finance Act, 2017, read as under:—

"S.No	Profit on Debt	Rate of tax
1.	Where profit on debt does not exceed Rs. 25,000,000	10%
2.	Where profit on debt exceeds Rs. 25,000,000 but does not exceed Rs. 50,000,000	2,500,000 + 12.5% of the amount exceeding Rs. 25,000,000
3.	Where profit on debt exceeds Rs. 50,000,000	Rs. 5,625,000 + 15% of the amount exceeding Rs. 50,000,000 ²

Schedule]

²[Division VIA INCOME FROM PROPERTY

The rate of tax to be paid under section 15, in the case of individual and association of persons, shall be as follows:—

S.No.	Gross amount of rent	Rate of tax
(1)	(2)	(3)
1	Where the gross amount of rent does not exceed Rs.200,000.	Nil

Division VI omitted by the Finance Act, 2001

CAPITAL GAINS ON DISPOSAL OF SECURITIES

The rate of tax to be paid under section 37A shall be as follows. —
TABLE

S.No.	Period	Tax Year	Tax Year	Tax Year	Tax Years 2018, 2019 and 2020	
		2015	2016	2017	Securities acquired before 01.07.2016	Securities acquired before 01.07.2017
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	Where holding period of a security is less than twelve months	12.5%	15%	15%	15%	15%
2.	Where holding period of a security is twelve months or more but less than twenty-four months	10%	12.5%	12.5%	12.5%	
3.	Where holding period of a security is twenty - four months or more but the security was acquired on or after 1st July, 2013.	0%	7.5%	7.5%	7.5%	

1 Words etc. inserted by the Finance Act, 2019. Words etc. inserted by the Finance Act, 2019. Words etc. inserted by the Finance Act, 2015 which was

Where the security was acquired before 1st July, 2013	0%	0%	0%	0%	0%
Future commodity contracts entered into by the members of Pakistan Mercantile Exchange	0%	0%	5%	5%	5%]

[Provided that the rate of tax on cash settled derivatives traded on the stock exchange shall be 5% for the tax years 2018 to 2020.]

Provided that the rate of companies shall be as specified in Division II of Part I of First Schedule, in respect of debt securities;

Provided further that a mutual fund or a collective investment scheme or a scheme shall deduct Capital Gains Tax at the rates as specified below, in the case of redemption of securities as prescribed, namely:—

Category	Rate
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5. Future commodity entered into by the members of Pakistan Mercantile Exchange	5%	5%	5%	5%]
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¹[Provided that the rate of tax on cash settled derivatives traded on the stock exchange shall be 5% for the tax years 2018 to 2020.]

Provided that the rate of companies shall be as specified in Division II of Part I of First Schedule, in respective of debt securities;

Provided further that a mutual fund or a collective investment scheme or a REIT scheme shall deduct Capital Gains Tax at the rates as specified below, on redemption of securities as prescribed, namely:—

Category	Rate
Individual and association of persons	10% for stock funds 10% for other funds
Company	10% for stock funds 25% for other funds

Provided further that in case of a stock fund if dividend receipts of the fund less than capital gains, the rate of tax deduction shall be 12.5%:

Provided further that no capital gains tax shall be deducted, if the hold period of the security is more than four years ²[:/]

³[Explanation.— For removal of doubt, it is clarified that, the provisions of proviso shall be applicable only in case of a mutual fund or collective investment scheme or a REIT scheme.]

¹[Division VIII**Tax on Capital Gains on disposal of Immovable Property**

Amount of tax to be paid under sub-section (1A) of section 37 shall be as follows:—

Amount of gain	Rate of tax
(2)	(3)
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%]

Division VIII substituted by the Finance Act, 2019. Earlier it was inserted by the Finance Act, 2012.

Where holding period of a security is twelve months or more but less than twenty-four months. 10%

Where holding period of a security is twenty-four months or more. 0%]

provided that the rate for companies shall be as specified in Division II of Part I of First Schedule, in respect

TABLE-Substitution.- The substituted Table

¹[Division VIII B
TAX ON DEVELOPERS

The rate of tax under section 7D shall be as follows:

(A) Karachi, Lahore and Islamabad		(B) Hyderabad, Sukkur, Multan, Faisalabad, Rawalpindi, Gujranwala, Sahiwal, Peshawar, Mardan, Abbottabad, Quetta		(C) Urban Areas not specified in A and B	
For commercial Plots		For residential Plots			
Rs. 210/ Sq Yd		Rs. 210/ Sq Yd		Rs. 210/ Sq Yd	
Area in Sq. Yd	Rate/Sq. Yd	Area in sq. Yd	Rate/ Sq. Yd	Area in Sq. Yd	Rate/ Sq. Yd
Up to 120	Rs. 20	Up to 120	Rs. 15	Up to 120	Rs. 10
121 to 200	Rs. 40	121 to 200	Rs. 35	121 to 200	Rs. 25
201 and more	Rs. 70	201 and more	Rs. 55	201 and more	Rs. 35]

²[Division IX

Minimum tax under section 113

S. No	Person(s)	Minimum Tax as percentage of the person's turnover for the year
(1)	(2)	(3)
1.	(a) Oil marketing companies, Oil refineries, Sui Southern Gas Company Limited and Sui Northern Gas Pipelines Limited (for the cases where annual turnover exceeds rupees one billion.); (b) Pakistani Airlines; and (c) Poultry industry including poultry breeding, broiler production, egg production and poultry feed production.	⁶ [0.75%]

³[(d) Dealers or distributors of fertilizers ⁴[;]]

⁵[(e) person running an online marketplace as defined in clause (38B) of section 2.]

¹ Division VIII B inserted by the Finance Act, 2016.

² Division IX inserted by the Finance Act, 2014.

³ Clause (d) inserted by the Finance Act, 2015.

⁴ Substituted for full stop by Finance Act, 2017.

⁵ Clause (e) inserted by the Finance Act, 2017.

¹[Division VIIIA TAX ON BUILDERS

The rate of tax under section 7C shall be as follows:

(A) Karachi, Lahore and Islamabad		(B) Hyderabad, Sukkur, Multan, Faisalabad, Rawalpindi, Gujranwala, Sahiwal, Peshawar, Mardan, Abbottabad, Quetta		(C) Urban Areas not specified in A and B	
For commercial buildings					
Rs. 210/ Sq Ft		Rs. 210/ Sq Ft		Rs. 210/ Sq Ft	
For residential buildings					
Area in Sq. ft	Rate/Sq. Ft	Area in Sq. Ft	Rate/Sq. Ft	Area in Sq. Ft	Rate/Sq. Ft
Up to 750	Rs. 20	Up to 750	Rs. 15	Up to 750	Rs. 10
751 to 1500	Rs. 40	751 to 1500	Rs. 35	751 to 1500	Rs. 25
1501 & more	Rs. 70	1501 and more	Rs. 55	1501 and more	Rs. 35]

¹ Division VIIIA inserted by the Finance Act, 2016.

Division-VIII-Substitution.—Before substitution by the Finance Act, 2019, it read as under:—

“Division VIII

Capital Gains on Disposal of Immovable Property

The rate of tax to be paid under sub-section (1A) of section 37 shall be as follows:—

[S.No. (1)	Period (2)	Rate of tax (3)
1.	Immovable property is held irrespective of the holding period	0%
For immovable property allotted to persons mentioned in ² [the proviso to sub-section (1)] of section 236C, -		

**2[Division IX
Minimum tax under section 113**

Person(s)

Minimum Tax as
percentage of the
person's turnover for
the year

(2)

(3)

(a) Oil marketing companies, Oil refineries, Sui Southern Gas Company Limited and Sui Northern Gas Pipelines Limited (for the cases where annual turnover exceeds rupees one billion.);

(b) Pakistani Airlines; and

(c) Poultry industry including poultry breeding, broiler production, egg production and poultry feed production.

³(d) Dealers or distributors of fertilizers ⁴[;]

⁵(e) person running an online marketplace as defined in clause (38B) of section 2.]

⁶[0.75%]

2.	(a) Distributors of pharmaceutical products, ¹ [] fast moving consumer goods and cigarettes; (b) Petroleum agents and distributors who are registered under the Sales Tax Act, 1990; (c) Rice mills and dealers; and (d) Flour mills.	² [0.25%]
3.	Motorcycle dealers registered under the Sales Tax Act, 1990.	³ [0.3%]
4.	In all other cases.	⁴ [1.5%]

Words "fertilizers, consumer goods including" omitted by the Finance Act, 2015.

Substituted for "0.2%" by the Finance Act, 2019.

Substituted for "0.25%" by the Finance Act, 2019.

Substituted for "1.25%" by the Finance Act, 2019. Earlier it was substituted for "1" by Finance Act, 2017.

RATES OF ADVANCE TAX

(See Division II of Part V of Chapter X)

The rate of advance tax to be collected by the Collector of Customs under section 123 shall be—

Persons	Rate
(c) Industrial undertaking importing remelttable steel (ICT Heading 72.04) and directly reduced iron for its own use; (i) Persons importing potassic fertilizers in pursuance of Economic Coordination Committee of the cabinet's decision No.ECC-155/12/2004 dated the 9th December, 2004; (ii) Persons importing urea; (iii) Persons 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 the 31st December, 2011; (iv) Persons importing Gold; (v) Persons importing Cotton; and (vi) Persons importing LNG;	(3) 1% of the import value as increased by customs-duty, sales tax and federal excise duty
Persons importing pulses	2% of the import value as increased by customs-duty, sales tax and federal excise duty
Commercial importers 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 the 31st December, 2011.	3% of the import value as increased by customs-duty, sales tax and federal excise duty
Persons importing coal	4%
Persons importing finished pharmaceutical products that are not manufactured otherwise in Pakistan, as certified by the Drug Regulatory Authority of Pakistan	4%
Ship breakers on import of ships	4.5%
Industrial undertakings not covered under S. Nos. 1 to 6	5.5%
Companies not covered under S. Nos. 1 to 7	5.5%
Persons not covered under S. Nos. 1 to 8	6%]

Part II substituted by the Finance Act, 2015. Earlier it was substituted by the Finance Act, 2014.

TABLE substituted by the Finance Act, 2019.

that the rate specified in column (3),—

in the case of industrial undertaking, ²[], importing plastic raw material under PCT Heading 39.01 to 39.12 for its own use shall be 1.75% of the import value as increased by customs duty, sales tax and Federal excise duty; and

in the case of a commercial importer, ²[], importing plastic raw material under PCT Heading 39.01 to 39.12 shall be 4.5 % of the import value as increased by customs duty, sales tax and Federal excise duty ³[:]

⁴[Provided further that the rate of tax on value of import of mobile phone by any person shall be as set out in the following Table, namely,—

Table

S.No.	C & F Value of mobile phone (in US Dollar)	Tax (in Rs.)
(1)	(2)	(3)
1	Up to 30	70
2	Exceeding 30 and up to 100	730
3	Exceeding 100 and up to 200	930
4	Exceeding 200 and up to 350	970
5	Exceeding 350 and up to 500	3,000
6	Exceeding 500	5,200

Finance Act, 2017.

omitted by the Finance Act, 2019.

ll stop by the Finance Supplementary (Second Amendment) Act, 2019, dated 10.03.2019.

ne Finance Supplementary (Second Amendment) Act, 2019, dated 10.03.2019.