

Junaidy Shoaib Asad

Chartered Accountants

INCOME



2019

Junaidy Shoaib Asad
Chartered Accountants



Morison KSi
Independent member

FOR INDIVIDUAL PERSONS		TAX RATES ASSOCIATION OF PERSONS	
Taxable Income (Rupees)	Rate of Tax	Taxable Income (Rupees)	Rate of Tax
0 to 400,000	0%	0 to 400,000	0%
400,001 to 800,000	Rs. 1,000	400,001 to ,1200,000	5%
800,001 to 1,200,000	Rs. 2,000	1,200,001 to 2,400,000	Rs. 40,000 + 10%
1,200,001 to 2,400,000	Higher of 2000 or 5% of amount exceeding 1,200,000	2,400,000 to 3,600,000	Rs. 160,000 + 15%
2,400,000 to 4,800,000	Rs. 60,000+ 10%	3,600,000 to 4,800,000	Rs. 340,000 + 20%
Exceeding 4,800,000	Rs. 300,000 + 15%	4,800,000 to 6,000,000	Rs. 580,000 + 25%
		Exceeding 6,000,000	Rs. 880,000 + 30%

A salaried person whose salary income is Rs. 500,000 or more will file return of income electronically and it shall be accompanied by the proof of tax deduction or payment of tax and Wealth statement along with its reconciliation. All salaried persons are required to file return of income.

Senior Citizens & disabled Persons are subject to a 50% tax credit if his / her income is less than or equal to Rs. 1,000,000/- The income used for this purpose shall exclude the final tax regime income.

Reduction of 40% Tax for full time teacher or researcher, employed in nonprofit education or recognized research institution as per Clause 2 of part III of the Second Schedule. Filing of Wealth Statement is mandatory in any source of income of Individuals from Tax Year 2016 onwards

TAX RATES FOR COMPANIES	
Public & Private	29%
Cooperative and Finance Society	29%
Banking	35%
Small	24%

ADVANCE TAX INSTALLMENTS U/S 147 & 147 A

This section does not apply to an individual where the individual's latest assessed taxable income is less than One Million rupees.
Tax payer to estimate the tax payable for the relevant tax year at any time before the second installment is due i.e. even before the completion of half year after such estimation. The 50% of which should be paid by the due date of the second quarter of the relevant tax year. The remaining 50% is required to be paid in 3rd and 4th installment. Alternate Corporate Tax and Minimum tax have also to be taken into account in advance tax calculation for each quarter. Moreover, for non-filer 3% of Turnover declared before provincial authorities have to be deposited as advance tax by non-filer to FBR on monthly basis.

PROPERTY RENTAL U/S 155 (Individuals & AOP's)

Gross Rental (Rupees)	Rate of Tax
0 to 200,000	0%
200,001 to 600,000	5%
600,001 to 1,000,000	Rs. 20,000 + 10%
1,000,001 to 2,000,000	Rs. 60,000 + 15%
Exceeding 2,000,000	Rs. 210,000 + 20%

u/s 147— where the taxpayer fails to provide turnover or the turnover for the quarter is not known, it shall be taken to be one-fourth of one hundred and ten percent of the turnover of the latest tax year for which a return has been filed;"

PROPERTY RENTAL DEDUCTION U/S 155 (Companies)

15% for filer and 17.5% for Non-filer of Gross Amount of Rent
Income from Property is chargeable to Tax under Separate Block of Income for Individuals & AOP's

RATE OF INITIAL ALLOWANCE U/S 23

Particular	Rate
Plant & Machinery	25%
Building	15%

Filer /Non Filer Status

where a person fails to file a return of income by the due date, such person shall not be included in the active taxpayers' list for the year for which return was not filed within the due date


Any request for registration / transfer of Immovable property exceeding five million rupees, shall not be accepted unless the person is filer.



<i>DEDUCTION/COLLECTION AT SOURCE (FINAL/ MINIMUM TAX REGIME)</i>				<i>DEDUCTION / COLLECTION AT SOURCE (ADJUSTABLE)</i>		
		<i>Filer</i>	<i>Non-Filer</i>			
<i>Narration</i>	<i>Section</i>	<i>Rates</i>		<i>Narration</i>	<i>Section</i>	<i>Rates</i>
Import of Goods (Individuals & AOP's).	148	6%	9%	Import of Goods by Industrial Undertaking.	148	5.50%
Persons Importing pulses	148	2.0%	3%	Ship Breakers on Import of Ship	148	4.50%
Import of Goods (For Companies except Industrial Undertaking).	148	5.5%	8%	Import of foreign produced films(Non-Filer)	148	1% / 1.5%
In the case of dividends declared or distributed by purchaser of a power project privatized by WAPDA or on shares of a company set up for power generation or on shares of a company, supplying coal exclusively to power generation projects	150	7.5%	7.5%	Person importing Gold, Urea, LNG and Cotton	148	1% / 1.5%
				Person Importing Coal	148	4% / 6%
Advance Tax on Dividend.	150	15%	20%			
Advance Tax on Dividend (On REIT) (Individual / Company / AOP) Stock Fund & Money Market Fund.	150	12.5%				
Advance Tax on Dividend (On REIT) (Individual / Company / AOP) Money Market Fund, Income fund or any other fund.	150	12.5% / 15% / 12.5%	15% / 25% / 15%	Transactions in Bank other than cash exceeding Rs. 25,000. (Filer / Non-Filer)	231AA	0.3% / 0.60%
Advance Tax on Dividend received by an Individual from a Rental REIT Scheme.	150	7.5%				
Fee for services rendered by Corporate Person. **	153(1)(b)	8.0%	14.5%	Transactions in Bank for cash exceeding 50,000 (Filer / Non-Filer)	231A	0.3% / 0.60%
Fee for services rendered by Non Corporate Person. **	153(1)(b)	10.0%	17.5%	Registration of new motor vehicle.	231B	* As per below Table
Transport services **	153(1)(b)	2.0%		Telephone subscriber (other than mobile phone subscriber) Monthly bill exceed Rs. 1000	236	10%
Fee for services rendered for advertisement (Corporate / Non-Corporate).	153(1)(b)	1.5%	12% / 15%	Internet, mobile usage, Prepaid card and telephone card.	236	12.5%
Fee for Technical Services or Royalty paid to Non-Resident		15%		Fee for offshore digital Services		5%
Payment for Supply of Goods to Corporate person. *	153(1)(a)	4.0%	8%			
<p><i>* In case of Goods, Withholding of tax is exempt for amount less than Rs. 75,000/- from a single vendor in a year.</i></p> <p><i>** In case of Services, Withholding of tax is exempt for amount less than Rs. 30,000/- from a single vendor in a year.</i></p>						



<i>DEDUCTION/COLLECTION AT SOURCE (FINAL TAX)</i>				<i>DEDUCTION / COLLECTION AT SOURCE</i>		
		<i>Filer</i>	<i>Non-Filer</i>			
<i>Narration</i>	<i>Section</i>	<i>Rates</i>		<i>Narration</i>	<i>Section</i>	<i>Rates</i>
Payment for Supply of Goods to Non Corporate person	153(1)(a)	4.5%	9%	Purchase of Air Ticket.	236B	5% of Gross amount
Sale of rice, cotton seeds or edible oils	153(1)(a)	1.5% of Gross amount		Sale/Transfer of Immovable Property (Filer)	236C	1%
payment for supplies made by distributors of fast moving consumer goods (Corporate / Non-corporate)	153(1)(a)	2% / 2.5%		Sale/Transfer of Immovable Property (Non-Filer)	236C	2%
				Advance tax on purchase of immovable property is up to 4 million (Filer)	236K	2%
Contracts (Corporate / Non-Corporate)	153(1)(c)	7% / 7.5%	14% / 15%	Advance tax on purchase of immovable property is up to 4 million (Non-Filer)	236K	4%
Payments to Sports person	153(1)(c)	10.0% of Gross amount		Functions & Gatherings.	236D	* As per below Table
Prizes and Winnings (Individual/Company)	156	15% / 20%	25% / 20%	Advance Tax on Sale to distributor, dealer or whole Seller of fertilizer	236G	0.7% for Filer & 1.4% for Non-filer
Commission on petroleum products.	156A	12.0%	17.5%	Advance Tax on Sale to distributor, dealer or whole Seller of other than fertilizer	236G	0.1% for Filer & 0.2% for Non-filer
				Collection of Tax by Stock Exchange registered in Pakistan.	233A	0.02%
1) Brokerage and Commission (Life insurance agents where commission received is less than 0.5 million per annum)	233	8.0%	16.0%	Advance Tax on Domestic Electricity Consumption (Exceeding Rs. 75,000)	235A	7.50%
2) Commission to Advertising Agents.	233	10.0%	15%	Educational Expenses Remittances	236R	5%
Person not covered in 1 and 2 above	233	12.0%	15%	Advance Tax on Sale to retailers-Electronics (Filer / Non-filer)	236H	1%
Payments for Use of Scientific Machinery, Equipment (Resident person)	236Q	10.0%		Advance Tax on Sale to retailers-other (Filer / Non-filer)	236H	0.5% / 1%

<i>DEDUCTION/COLLECTION AT SOURCE (FINAL / MINIMUM TAX)</i>				<i>DEDUCTION / COLLECTION AT SOURCE</i>			
		<i>Filer</i>	<i>Non-Filer</i>				
Narration	Section	Rates		Narration	Section	Rates	
On the amount of gas bill of a Compressed Natural Gas Station	234A	4%	6%	Leasing of Motor Vehicle to Non-Filer	231B(1A)	4% of the value of Motor vehicle	
Advance Tax on sale of certain petroleum products.	236HA	0.5%	1%	Sale by Auction (Filer / Non-Filer)	236A	10% / 15%	
Tax on Steel Melters and Composite units	235B	Rs. 1 per Unit of Electricity consumed		On Payment of Food Services any other facility related to function and gathering	236D	5%	
Sale by Auction in case of on a lease of right to collect tolls	236A	10%	15%	Advance Tax on Cable operators & other Electronics	236F	* As per below Table	
Payment to resident for use of machinery & equipment	236Q	10.0%		Collection of Advance Tax on by Education Institution on the Amount exceeding Rs. 200,000 per Annum	236I	5%	
Tax on purchase or transfer of immovable property	236W	3%		Collection of Advance Tax on dealers, Commission on agents and Arhetis by every Market Committee	236J	Class A: Rs. 10,000 Class B: Rs. 7500 Class C: Rs. 5000 Any other Category: Rs. 5000	
 Morison KSi Independent member				Advance Tax on Purchase of International Air Ticket	236L	Executive Class: Rs. 16000 Others Excluding Economy: Rs. 12000 Economy: Rs. 0	
				Advance Tax on banking transactions other than through cash	236P	Non filers (0.4%)	
				Education related expenses remitted abroad	236R	5%	
				Dividend in specie	236S	15%/ 20%	
				Advance tax on extraction of minerals	236V	0% / 5%	
				Advance Tax on tobacco	236X	5%	
				Advance Tax on amount remitted abroad through credit, debit and prepaid cards.	236Y	1% / 3%	

<i>MINIMUM TAXES</i>			<i>Rates of Super Tax</i>	
Narration	Section	Rates		
Cigarettes, Pharmaceuticals & Fast Moving Consumer Goods	113	0.2% of the Turnover	Banking Company	4% of Income
Petroleum Agents & Distributors registered Under Sales Tax Act, 1990	113		Persons Other than a Banking Company having income equal to or exceeding Rs. 500 million	2% of Income
Rice Mills & Dealers				
Flour Mills				

Narration	Section	Rates	<i>Profit on Debt u/s 7B</i>		
			Narration		Rate
PIA	113	0.5% of the Turnover	Where Profit on Debt Does Not Exceed Rs. 5,000,000		10%
Oil Marketing Co, Oil Refineries, Sui Southern Gas and Sui Northern Gas (where annual Turnover Exceeds 1 billion)	113		Where Profit on Debt Exceeds Rs. 5,000,000 but does not exceed Rs. 25,000,000		12.5%
Poultry Industry	113		Where Profit on Debt Exceeds Rs. 25,000,000		15%
Dealers or distributors of fertilizers	113				
Land Developers.	113B	2% of the value of Land	<i>Revision of Return</i>		
Motor Cycle Dealers	113	0.25%			
In all Other Cases	113	1.25%			

Default Surcharge

Note: Where a return of income is revised within 60 days of filing, the condition of obtaining prior approval from commissioner will not be applicable.

Rate of Default Surcharge will be 12% per annum for failure to pay any tax or advance tax by the due date or payment of at least 90% of the advance tax liability.

Advance Tax on Purchase of Motor Vehicles

	Filer (Rs.)	Non-Filer (Rs.)
Gain under 37A	15%	20%

Engine Capacity (cc)	Filer (Rs.)	Non-Filer (Rs.)	Engine Capacity	Filer (Rs.)	Non-Filer (Rs.)
Up to 850cc	7,500	10,000	Up to 850cc	-	5,000
851-1000	15,000	25,000	851-1000	5,000	15,000
1001-1300	25,000	40,000	1001-1300	7,500	25,000
1301-1600	50,000	100,000	1301-1600	12,500	65,000
1601-1800	75,000	150,000	1601-1800	18,750	100,000
1801-2000	100,000	200,000	1801-2000	25,000	135,000
2001-2500	150,000	300,000	2001-2500	37,500	200,000
2501-3000	200,000	400,000	2501-3000	50,000	270,000
Above 3000cc	250,000	450,000	Above 3000cc	62,500	300,000

Advance Tax on payment of annual motor vehicle tax

Engine Capacity (cc)	Filer (Rs.)	Non-Filer (Rs.)	<i>Advance tax on insurance premium</i>		
Up to 1000cc	800	1,200	General insurance premium		4%
1001-1199cc	1,500	4,000	Life insurance premium if exceeding Rs 0.3 million per annum		1%
1200-1299cc	1,750	5,000	Others		0%
1300-1499cc	2,500	7,500			
1500-1599cc	3,750	12,000			
1600-1999cc	4,500	15,000			
2000cc & Above	10,000	30,000			

236F Advance Tax on Cable Operators & other Electronics			
License Category as provided in PEMRA Rules:	Tax on License Fee		Tax on Renewal
H	Rs. 7500		Rs. 10000
H-I	Rs. 10000		Rs. 15000
H-II	Rs. 25000		Rs. 30000
R	Rs. 5000		Rs. 40000
B-I	Rs. 30000		Rs. 35000
236S Dividend in Specie			
Every Person making payment of dividend in specie shall collect (deduct) from gross amount of dividend in specie (Filer / Non- Filer)	15% / 20%		
Collective investment, REIT Scheme or mutual funds.			
	Stock Fund	Money market Fund, Income Fund, or, REIT scheme or any other fund	
		Filer	Non-Filer
Individual	12.50%	12.50%	15%
Company	12.50%	15%	25%
AOP	12.50%	12.50%	15%
Purchaser of Wapda privatized power project, company setup for power generation or company supplying coal exclusively to power generation projects	7.50%		



Functions and Gatherings		
S.NO	Rate of Tax	
1	5% of the bill ad valorem or Rs. 20,000 per function, Whichever is higher.	For Islamabad, Lahore Multan, Faisalabad, Rawalpindi, Gujranwala, Bahawalpur, Sargodha, Sahiwal, Shekhurpura, 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.
2	5% of the bill ad valorem or Rs. 10,000 per function, whichever is higher.	For cities other than those mentioned above.

Note 1: Red ink denotes changes in Tax Year 2019

Note 2: Green ink denotes additions in Tax Year 2019

Note 3: These rates have tabulated with due care and professionalism. However, any errors or omissions are regretted. Source is Finance Act 2018.

*JSA – An independent member of Morison KSi
– Suite 9-A, 3rd Floor, Imtiaz Plaza, 85-The Mall, Lahore, Tell: +92 423 6360253, E-mail: info.lhr@jsa.com.pk Other Offices: Karachi, Multan & Islamabad*



Morison KSi
Independent member