

# BRIEF TAXATION LAWS

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## (INCOME TAX ORDINANCE, 2001)

### RATES OF INCOME TAX FOR THE TAX YEAR-2014 (01-07-2013 TO 30-06-2014)

RATES OF TAX FOR BUSINESS INDIVIDUALS & AOP				RATES OF TAX FOR SALARIED INDIVIDUALS																													
Sr. No.	Taxable Income		Rate	Sr. No.	Taxable Income		Rate																										
1	Taxable Income does not exceed	Rs.400000/-	0%	1	Taxable Income does not exceed	Rs.400000/-	0%																										
2	Taxable Income exceeds	Rs.400000/- to Rs.750000/-	10% of exceeding 400000/-	2	Taxable Income exceeds	Rs.400000/- to Rs.750000/-	5% of exceeding 400000/-																										
3	Taxable Income exceeds	Rs.750000/- to Rs.1500000/-	Rs.35000/- + 15% of exceeding 750000/-	3	Taxable Income exceeds	Rs.750000/- to Rs.1400000/-	Rs.17500/- + 10% of exceeding 750000/-																										
4	Taxable Income exceeds	Rs.1500000/- to Rs.2500000/-	Rs.147500/- + 20% of exceeding 1500000/-	4	Taxable Income exceeds	Rs.1400000/- to Rs.1500000/-	Rs.82500/- + 12.5% of exceeding 1400000/-																										
5	Taxable Income exceeds	Rs.2500000/- to Rs.4000000/-	Rs.347500/- + 25% of exceeding 2500000/-	5	Taxable Income exceeds	Rs.1500000/- to Rs.1800000/-	Rs.95000/- + 15% of exceeding 1500000/-																										
6	Taxable Income exceeds	Rs.4000000/- to Rs.6000000/-	Rs.722500/- + 30% of exceeding 4000000/-	6	Taxable Income exceeds	Rs.1800000/- to Rs.2500000/-	Rs.140000/- + 17.5% of exceeding 1800000/-																										
7	Taxable Income exceeds	Rs.6000000/-	Rs.1322500/- + 35% of exceeding 6000000/-	7	Taxable Income exceeds	Rs.2500000/- to Rs.3000000/-	Rs.262500/- + 20% of exceeding 2500000/-																										
<p><b>&gt; SPECIAL TAX REBATE TO SENIOR CITIZEN: (Clause 1A) Part-III of 2nd Schedule)</b> 50% of the tax rebate is provided for Taxpayer of 60 years or above on the 1st day of Tax Year and earning taxable income up to Rs.1000000/-, other than income of FTR.</p> <p><b>&gt; MINIMUM TAX (SECTION 113):</b> Every Individual and AOP having turnover of 50 million or above and every Resident Company shall pay minimum Tax @ 1% for the tax year 2014. However, minimum tax for tax year 2015 shall be as below:</p> <p>1. Oil marketing &amp; Sui Gas Companies, Pakistani Airlines &amp; poultry: 0.5%</p> <p>2. Distributors of Pharmaceutical products, consumer goods, fertilizers, cigarettes, petroleum distributors registered under Sales Tax, rice mills &amp; dealers, flour mills: 0.2%</p> <p>3. Motor cycle dealers registered under Sales Tax: 0.2%</p> <p>4. All other cases 1%</p> <p><b>&gt; RATES FOR INCOME TAX FOR COMPANIES:</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Tax Year</th> <th>Banking Company</th> <th>Public Company other than Banking Company</th> <th>Private Company other than a Banking Company</th> <th>Small Company</th> </tr> </thead> <tbody> <tr> <td>2014</td> <td>35%</td> <td>34%</td> <td>34%</td> <td>25%</td> </tr> </tbody> </table> <p><b>&gt; DATES OF FILING OF RETURNS:</b> (i) If Tax Year ends; From 1st January to 30th June: For Company Case 31st December For Salary cases: 31st August For other cases: 30th September (ii) For all other cases: 30th September</p> <p><b>&gt; DATES OF FILING RETURNS ELECTRONICALLY:</b> For e-portal returns due date is 31st August. Following persons are required to e-file the income tax returns &amp; statements: 1. Returns of persons registered for sales tax. 2. Returns of Salaried Persons of income Rs.500000/- or more, along with Wealth Statement &amp; Reconciliation Statement. 3. A Statement of deduction of tax by employer.</p> <p><b>&gt; WEALTH STATEMENT</b> 1. Every person being an Individual, filing Income Tax Return or Statement u/s 115(4), whose last declared/assessed income is Rs.10,00,000/- or more &amp; person falling under Final Tax Regime (FTR) where tax paid is Rs.35000/-, shall file Wealth Statement along with Reconciliation Statement. 2. Every member of an AOP shall file Wealth Statement &amp; Reconciliation Statement alongwith Income Tax Return.</p>				Tax Year	Banking Company	Public Company other than Banking Company	Private Company other than a Banking Company	Small Company	2014	35%	34%	34%	25%	<p>8 Taxable Income exceeds Rs.3000000/- to Rs.3500000/- Rs.362500/- + 22.5% of exceeding 3000000/-</p> <p>9 Taxable Income exceeds Rs.3500000/- to Rs.4000000/- Rs.475000/- + 25% of exceeding 3500000/-</p> <p>10 Taxable Income exceeds Rs.4000000/- to Rs.7000000/- Rs.600000/- + 27.5% of exceeding 4000000/-</p> <p>11 Taxable Income exceeds Rs.7000000/- Rs.1425000/- + 30% of exceeding 7000000/-</p> <p><b>&gt; VALUATION OF PERQUISITES, ALLOWANCES &amp; BENEFITS:</b> The value of allowances, perquisites and benefits shall be determined in accordance with Rules 4 to 7 and Entertainment Expenditure as per Rule 10 of the Income Tax Rules, 2002.</p> <p><b>&gt; REDUCTION IN TAX FOR SALARIED TAX PAYERS: (Clause 1 (2) Part-III of 2nd Schedule)</b> The tax payable by a full time teacher or a researcher, employed in a non-profit education or research institution including Government Training &amp; Research Institution duly recognized by a Board of Education or a University or the Higher Education Commission, shall be reduced by 40% of the tax payable on income from salary.</p> <p><b>&gt; FLYING ALLOWANCE AS A SEPARATE BLOCK OF INCOME: (Clause 1 (a)(b) Part-III of 2<sup>nd</sup> Schedule)</b> Flying Allowance of Pilots, Flight Engineers, Navigators of Pakistan Armed Forces &amp; Airlines, CAA, Commissioned Officers &amp; sub-marine Allowance to Pakistan Navy shall be taxed at 2.5% as a separate block. Provided under this clause reduction of allowance does not exceed an amount equal to basic salary.</p> <p><b>&gt; PENALTY FOR NON-FILING OF RETURN.</b> If a person fails to file Income Tax Return within due date shall pay penalty @ 0.1% of Tax Payable for each day of default, maximum 50% of Tax Payable but not less than Rs.10000/- (Even if no Tax is Payable)</p> <p><b>&gt; PENALTIES: Section 182(1A)</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>Fails to furnish statement required u/s 115, 165 or 165A within due date.</td> <td>Penalty Rs.2500/- each day of default subject to minimum penalty of Rs.10000/-</td> </tr> <tr> <td>Fails to furnish wealth statement or Reconciliation Statement u/s 114, 115 &amp; 116.</td> <td>Penalty of Rs.100/- for each day of default</td> </tr> </table> <p><b>&gt; APPEAL FEE:</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Appeal to:</th> <th>Limitation</th> <th>Fee</th> </tr> </thead> <tbody> <tr> <td>Commissioner Inland Revenue (Appeals)</td> <td>30 days</td> <td>Rs.1,000/-</td> </tr> <tr> <td>Appellate Tribunal Inland Revenue</td> <td>60 days</td> <td>Rs.2,000/-</td> </tr> <tr> <td>Reference to High Court</td> <td>90 days</td> <td>Rs.100/-</td> </tr> </tbody> </table> <p><b>Note:</b> An appeal to C.I.R. (Appeal) shall be entertained only when the amount of admitted tax liability due u/s 137(i) stands paid.</p>				Fails to furnish statement required u/s 115, 165 or 165A within due date.	Penalty Rs.2500/- each day of default subject to minimum penalty of Rs.10000/-	Fails to furnish wealth statement or Reconciliation Statement u/s 114, 115 & 116.	Penalty of Rs.100/- for each day of default	Appeal to:	Limitation	Fee	Commissioner Inland Revenue (Appeals)	30 days	Rs.1,000/-	Appellate Tribunal Inland Revenue	60 days	Rs.2,000/-	Reference to High Court	90 days	Rs.100/-
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### COLLECTION / DEDUCTION OF TAX UNDER INCOME TAX ORDINANCE, 2001 WITHHOLDING TAX RATES FOR TAX YEAR 2015 (01-07-2014 TO 30-06-2015)

SECTIONS	NATURE OF PAYMENT	RATE	EXEMPTION	ADJUSTABLE / FINAL
148	Import of Industrial remeltable & directly reduced iron for own use, Potassic fertilizer, Urea & other manufacturer under S.R.O. 1125 (1)/2011 dated 31.12.2011.	1%	Nil	Final but Adjustable for own Industrial use
	Import pulses	2%	Nil	Final
	Commercial imports under S.R.O. 1125 (1)/2011 dated 31.12.2011.	3%	Nil	Final
	Import of ship breakers on import of ships	4.5%	Nil	Final
	Import by other Industrial undertakings not covered above	5.5%	Nil	Final
	Import by companies not covered above	5.5%	Nil	Final
149	Salary Income	As per Income Tax Rates	Rs.400000 P.A.	Adjustable
	Directorship fee, fee attending board meetings etc.	20%	Nil	Adjustable
150	Dividend of power project companies & coal supplying to power generation	7.5%	Nil	Final
	All other Filer persons	10%	Nil	Final
	For non-filer persons	15%	Nil	Final
	On stock fund, money market fund, income fund or any other fund	10% for individuals & AOP		Final
	On stock fund	10% for Company		Adjustable
151	On money market fund, income fund or any other fund	25% for Company		Adjustable
	Yield or profit on debt.	10% after deduction of Zakat	Nil	Final (Other than a Company)
	Yield or profit on debt to non-filer	15% after deduction of Zakat	Nil	Final
152	Yield or profit on debt to non-filer (profit up to Rs.500000/-)	10% after deduction of Zakat	Nil	Final
	(1) Royalty or Fee for Technical Services	15%	Nil	Final
	(1A) Payment of execution of contracts, construction, Assembly or installation project & advertisement Contracts TV satellite Channels	6%	Nil	Final
	(2) Any other payments to non-residents	20%	Nil	Final
	(2A) Payment to non-resident for sale of goods & rendering services	3.5%	Nil	Final
	(2A) Payment to non-resident for rendering transport services	2%	Nil	Final
1AA	Payment of insurance or re-insurance premium	5%	Nil	Final
	1AAA. Payment of advertisement services to a media person	10%	Nil	Final

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# **INCOME TAX ORDINANCE, 2001 (IMPORTANT PROVISIONS SIMPLIFIED)**

## **1-SECTION 2(23A & 35B) - FILER AND NON-FILER:**

**Filer** means a taxpayer whose name appears in the active taxpayer's list issued by the Board from time to time or is holder of a taxpayer's card.

**Non-filer** means a person who is not a filer.

## **2-SECTION 2(59A)-SMALL COMPANY:**

A company registered on or after 01.07.2005 having paid up capital plus undistributed reserves not exceeding Rs.25 million, employees not exceeding 250 and annual turnover up to 250 million.

## **3-SECTION 15-INCOME FROM PROPERTY:**

Income from property is now taxable as part of total income at normal rates. The rent received or receivable other than the exempt rent is subject to withholding tax. However, if a tax payer is an Individual or A.O.P. and he earns rent up to Rs.150,000/- and enjoys no other source of income, the rent will not be charged to tax. Tax deducted is adjustable from the tax year-2011 onwards. Prescribed person u/s 155 shall deduct Tax on payment of rent.

### **Section.15A. Deduction in computing income chargeable under the head "Income from Property".**

(1) In computing the income of a person chargeable to tax under the head "Income from Property" for a tax

year, a deduction shall be allowed for the following expenditures or allowances, namely:-

In respect of repairs to a building, an allowance equal to one-fifth of the rent chargeable to tax in respect of the building for the year, computed before any deduction allowed under this section;

Any premium paid or payable by the person in the year to insure the building.

Any local rate, tax, charge or cess in respect of the property or the rent from the property paid or payable by the person to any local authority or government in the year.

Any ground rent paid or payable by the person in the year in respect of the property.

Any profit paid or payable by the person in the year on any money borrowed including by way of mortgage, to acquire, construct, renovate, extend or reconstruct the property.

Where the property has been acquired, constructed, renovated, extended, or reconstructed by the person with capital contributed by the HBFC or a Scheduled Bank under a scheme of investment in property on the basis of sharing the rent made by the Corporation or bank, the share in rent paid or payable.

Where the property is subject to mortgage or other capital charge, the amount of profit or interest paid.

Any expenditure (not exceeding six percent of the rent chargeable to tax in respect of the property for the year computed before any deduction allowed under this section) paid or payable by the person in the year for the purpose of collecting the rent due in respect of the property.

Any expenditure paid or payable by the person in the tax year for legal services acquired to defend the person's title to the property or any suit connected with the property in a court.

## **4-SECTION 21(i)- DEDUCTION /EXPENDITURE:**

Any expenditure paid or payable under any single head account & Trading /Manufacturing Account or Profit & Loss Account exceeding Rs.50,000/- otherwise than through a Crossed Cheque or Crossed Bank Draft shall not be allowed except expenditures not exceeding Rs.10000/- or expenditure on account of Freight Charges, Travel Fare, Postage, Utilities, Payment of Taxes, Duties, Fee, Fines or any other Statutory Obligation.

## **5-SECTION 21(m) -DEDUCTION /EXPENDITURE:**

Any salary paid or payable exceeding Rs.15,000/- per month other than by a Crossed Cheque or direct transfer of funds to the Employees Bank Account shall not be allowed expenditure.

## **6-SECTION 37 CAPITAL GAIN**

Capital Gain arising on the disposal of immovable property, held for a period up to two years, by a person in a tax year, shall be chargeable to tax in that year under the head Capital Gains at the following rates:-

Where holding period of immovable property is up to one year 10%

Where holding period of immovable property is more than one year but not more than two years 5%

Where holding period of immovable property is more than two years 0%

## **7-SECTION 62-INVESTMENT IN SHARES AND INSURANCE:**

A person other than a company is entitled to a tax credit up to maximum cost of acquiring the new shares offered by a listed public company at 20% of the taxable income or Rs.10,00,000/- whichever is less.

## **8-SECTION 113A- MINIMUM TAX ON BUILDERS:**

Subject to this Ordinance, where a person derives income from the business of construction and sale of residential, commercial or other buildings, he shall pay minimum tax at the rates as the Federal Government may notify in the official Gazette. The Federal Government may also specify the mode, manner and time of payment of such amount of tax.

The prescribed rate of tax under this section is Rs.25/- per sq.ft. The tax paid under this section shall be minimum tax on the income of the builder from the sale of such residential, commercial or other building.

## **9-SECTION 113B- MINIMUM TAX ON LAND DEVELOPERS:**

Subject to this Ordinance, where a person derives income from the business of development and sale of residential, commercial or other plots, he shall pay minimum tax at the rates as the Federal Government may notify in the official Gazette. The Federal Government may also specify the mode, manner and time of payment of such amount of tax. The prescribed tax rate under this section is Rs.50/- per sq.yd. The tax paid under this section shall be minimum tax on the income of the developer from the sale of such residential, commercial or other plots sold or booked.

## **10-SECTION 147- ADVANCE TAX:**

A Taxpayer, being an individual and deriving income from business or profession where last assessed taxable income is Rs.500,000/- or above shall pay Advance Tax in four quarterly installments as per formula and on specified dates. However, a Company & AOP, even in absence of its last assessed income, shall be liable to pay advance tax on the basis of its quarterly turnover according to the following formula. This section does not apply where tax deducted is final tax and salary income also. The formula to calculate advance tax for each quarter is:  $(A \times B / C) - D$ .

**A- Stands for Tax Payer's Turnover for the Quarter B- Stands for Tax assessed for the latest Tax Year. C- Stands for Tax Payer's Turnover for the latest Tax year D- Stands for the Tax Paid in the Quarter for which Tax Credit is allowable u/s 168.**

Tax Liability u/s 113 shall also be taken into account while working out the Advance Tax Liability

FINAL DATES FOR PAYMENT OF ADVANCE TAX PAYABLE BY INDIVIDUALS			
September Quarter	15th September	December Quarter	15th December
March Quarter	15th March	June Quarter	15th June
FINAL DATES FOR PAYMENT OF ADVANCE TAX PAYABLE BY AOP OR A COMPANY			
September Quarter	25th September	December Quarter	25th December
March Quarter	25th March	June Quarter	15th June

## **WORKERS WELFARE FUND ORDINANCE, 1971 (Important Provisions Simplified)**

W.W.F. shall be charged @ 2% in the cases of industrial establishments where declared total income u/s 114 of Income Tax Ordinance, 2001 is Rs.500,000/- or more.

Total Income means profit before taxation as per accounts or declared income whichever is higher. In case of filing of statement u/s 115(4) of Income Tax Ordinance, 2001, profit before taxation as per accounts or 4% of declared receipts, whichever is higher is to be taken for W.W.F.

An Industrial Establishment aggrieved of the Order of the Commissioner Inland Revenue /Taxation Officer Inland Revenue may file an Appeal to Commissioner Inland Revenue (Appeals) under the provisions of Income Tax Ordinance, 2001. In case of non-payment of W.W.F. Additional Amount (Default Surcharge) shall be charged as per provisions of Income Tax Ordinance, 2001 from the date on which it was originally payable.

Industrial Establishment means a manufacturing concern, mining, public transport, passenger & goods vessels, growing of tea, coffee etc., but does not include any Government concern.

## **SALES TAX ACT, 1990 (Important Provisions Simplified)**

### **1- SALES TAX ON RETAILER: SECTION 3(9)**

Sales Tax from retailers shall be charged through monthly electricity bills @ 5% on bills up to Rs.20000/- and @ 7.5% on monthly bills exceeding Rs.20000/-

### **2-SECTION 2(5AB)-COTTAGE INDUSTRY:**

"Cottage Industry means a manufacturer whose annual turnover from taxable supplies in any tax period during the last twelve months does not exceed Rs.5 Million or whose annual utilities bills (electricity, gas & telephone) during the last twelve months ending on any tax period not exceed Rs. 700,000/". Cottage Industry is exempt from Sales Tax.

**3-SECTION 5AC.CREST:**

“CREST” means the computerized program for analyzing and cross-matching of sales tax returns, also referred to as Computerized Risk-based Evaluation of Sales Tax.

**4-SECTION 33A.SUPPLY CHAIN:**

Supply Chain means the series of Transactions between buyers and sellers from the stage of first purchase or import to the stage of final supply.

**5-SECTION 2(46)-VALUE OF SUPPLY:**

“The value of supply” means in respect of a taxable supply, the consideration in money including all Federal and Provincial Duties and Taxes but excluding the amount of Sales Tax.

**6-SECTION 8 -TAX CREDIT:**

A registered person dealing in taxable and non-taxable supplies can reclaim only such proportion of the input tax as is attributable to taxable supplies as per APPORTIONMENT OF INPUT TAX RULES. No credit allowed if discrepancy is indicated by CREST or input tax not verifiable in supply chain.

**7-SECTION 11 –ASSESSMENT OF TAX:**

An officer of Inland Revenue after a Show Cause Notice within 120 days shall make an order for Assessment of Tax including penalty and default surcharge where a person fails to file a tax return or pay tax payable for a tax period, or the person has made short payment or claimed an inadmissible adjustment or refund. However, the Show Cause Notice can be given within 5 years.

**8-SECTION 14-REGISTRATION:**

The following persons are required to be registered: -

(i) A manufacturer whose annual turnover during the last 12 months exceeds 5.00 million rupees. (ii) A retailer whose value of supplies during the last 12 months exceeds 5.00 million rupees (iii) An Importer (iv) Wholesaler /Dealer /Distributor.

**Procedure for Registration:** A person required to be registered, before making taxable supplies, shall apply to the CRO electronically, in Form STR-1. The applicant will specify the concerned RTO.

(ii) CRO may cause further inquiry from the applicant through LRO.

(iii) A person applying for registration as manufacturer shall be registered after verification through LRO.

(iv)The required documents specified by CRO may be submitted direct to CRO or Concerned LRO/RTO. The required documents may be such as signed TRF-1, copy CNIC, Bank Statement or Account Maintaining Certificate, copy Utility Bills, copy NTN Certificate, Business Letter Head, Property ownership proof or lease deed and in case of Firm copy partnership deed & Form-C and in case of a Company Memorandum & Articles of Association and incorporation certificates etc.

**9-SECTION 21-DE-REGISTRATION; BLACK LISTING & SUSPENSION OF REGISTRATION:**

The Board or any Officer authorized may de-register a registered person or class of registered persons not required to be registered under the Act. Further, registration may be cancelled due to failure in filing six consecutive monthly returns. Where the Commissioner is satisfied that a registered person is found to have issued fake invoices or has committed tax fraud, he may black list or suspend his registration after giving an opportunity of defense. During the period of suspension of registration, the invoices issued by such person shall not be entertained for the purposes of sales tax refund or input credit.

**10-SECTION 22- RECORDS:**

Briefly a registered person is required to maintain the following records:

(a) Records of supplies including description of goods, quantity of goods, value of goods, name & address of the purchaser and amount of tax charged;

(b) Records of purchases indicating description of goods, quantity of goods, value of goods, name & address of the supplier and amount of tax charged;

(c) Records of goods imported indicating description, quantity and value of goods and amount of tax paid;

(d) Records of zero rated and exempt supplies.

(da) Double entry sales tax accounts;

(e) Invoices, credit notes, debit notes, bank statements, banking instruments in terms of Section 3, inventory records, utility bills, salary & labor bills, rental agreements, sale purchase agreements and lease agreements.

(ea) Record relating to gate passes, inward or outward, and transport receipts.

**11-SECTION 23-TAX INVOICES:**

(1) A registered person making a taxable supply shall issue a serially numbered tax invoice at the time of supply of goods containing the following particulars, namely;

(a) Name, address & registration number of the supplier; (b) name, address & registration number of the recipient;

(c) Date of issue of invoice; (d) description and quantity of goods; (e) Value exclusive of tax; (f) amount of sales tax;

and (g) Value inclusive of tax Provided that the Board may by notification in the official Gazette, specify such modified invoices for different persons or classes of persons: Provided further that not more than one tax invoice shall be issued for a taxable supply.

(2) No person other than a registered person shall issue an invoice under this section.

(3) A registered person may issue electronically invoices to another registered person and to the Board and also to the Commissioner as may be specified.

**12-SECTION 24 –RETENTION OF RECORDS AND DOCUMENTS FOR SIX YEARS:**

A person, who is required to maintain any record or documents under this Act, shall retain the record and documents for period of Six Years after the end of the tax period to which such record or documents relate, or till final decision of litigation.

**13-SECTION 26 – RETURNS:**

Every registered person shall furnish a Sales Tax Return electronically. However, the Board may require a person or class of persons to submit Sales Tax Returns on quarterly or annual basis in addition to the monthly return or the quarterly return. However, a revised return may be filed within 120 days with approval of Commissioner of Inland Revenue.

**14-SECTION 34 – DEFAULT SURCHARGE:**

If a registered person fails to pay the tax due or claims a tax credit, refund or makes an adjustment not admissible, he is liable to default surcharge @ KIBOR Plus 3% per annum and in case of tax fraud @ 2% per month for the period of default

**15-SECTION 73 – CERTAIN TRANSACTIONS NOT ADMISSIBLE:**

Any transaction exceeding Rs.50,000/- otherwise than by a Banking instruments showing transfer of the amount from the specified Bank Account of the buyer to the specified Bank Account (business bank accounts declared to commissioner) of the supplier shall not be admissible for input tax credit, adjustment or deduction, refund, repayment or the draw back or zero rating etc. Provided that online transfer of payment from the business account of buyer to the business account of supplier as well as payment through credit cards shall be treated as transactions through the banking channel, if these are verified from the bank statements of the respective buyer and supplier. Payment in case of credit transaction shall be transferred within 120 days of issuance of tax invoice

**16-APPEAL FEE:**

Appeal	Authority	Limitation	Fee
Against orders passed by any officer of Inland Revenue	Commissioner Inland Revenue (Appeals)	30 days	Rs.1000/-
Against any order passed by the Commissioner (Appeals) and by the Board	Appellate Tribunal Inland Revenue	60 days	Rs.1000/-
Reference to High Court against the order of Appellate Tribunal	High Court	90 days	Rs.100/-

**Note:** Commissioner Appeals in case of undue hardship to the taxpayer, may stay the recovery of tax for a period not exceeding 30 days in aggregate.

153 Resident	Sale of Rice, Cotton seed or Edible Oil on gross amount	1.5%		Rs.25000/- P.A.	Final	
	Sale of any other goods in case of Companies	4%		Rs.25000/- P.A.	Final other than manufacturing companies	
	Sale of any other goods in case of other Tax Payers	4.5%		Rs.25000/- P.A.	Final other than manufacturing companies	
	Rendering or providing of services in case of Companies	8%		Rs.10000/- P.A.	Minimum Tax	
	Rendering or providing of services in case other Tax Payers	10%		Rs.10000/- P.A.	Minimum Tax	
	Transport Services	2%		Nil	Final	
	Execution of contracts in case of Companies	7%		Rs.10000/- P.A.	Final	
	Execution of contracts in case of other Tax Payers	7.5%		Rs.10000/- P.A.	Final	
Contracts of Sport person	10%		Nil	Final		
Cigarette & Pharmaceutical Products Distribution	1%		Nil	Final		
153(2)	Services rendered or provided of stitching, dyeing, printing, embroidery, washing, sizing & weaving to an exporter or Export House	1%		Nil	Final	
153(1)(a) & (b)	Local Sales, Supplies & Services rendered to Textile & articles thereof, Carpets, leather & articles thereof including artificial leather footwear, Surgical & Sports goods vide clause 45A of Part-IV, 2nd Schedule.	1%		Nil	Final	
154	1. Exports	1%		Nil	Final	
	2. Indenting Commission Agents.	5%		Rs.10000/-	Final	
155	Gross Income from property (including furniture, fixture & services) Up to Rs.150000/-	For Individuals & AOP: Nil 10% of exceeding 150000/- Rs.85000/- + 15% of exceeding Rs.1000000/- 15% of Gross Amount of Rent	Rs.150000/- P.A. Note: Individual or AOP paying Rent Rs.1500000/- or above shall deduct tax.	Adjustable		
	Exceeding Rs.150000/- to Rs.1000000/-				Nil	Adjustable
156	1. Prize on Prize Bonds or cross-word Puzzle	15%		Nil	Final	
	2. Winning from raffle, Lottery, Quiz, and Prize offered by companies for promotion of sales.	20%		Nil	Final	
156-A	Commission on Petroleum Products sold to Petrol Pump Operators.	12%		Nil	Final	
231-A	Cash withdrawal from a Bank exceeding Rs.50000/- in a day excluding Government and Diplomats.	Filer Non-Filer	0.3% 0.5%	Rs. 50000/- per day	Adjustable	
231-AA	On purchase of D.D Pay Order, CDR, STDR, SDR, RTC, etc. On any electronic transfer of money.	0.3%		Rs. 25000/- per day	Adjustable	
231-B	Private Motor Vehicles on Registration, transfer of ownership Registration by Excise & Taxation. Every manufacturer shall collect tax also.	Engine c.c.	Filer	Non-filer	Govt. & Foreign Diplomats  (Note: No collection of advance tax on transfer of vehicle after 5 year from 1st registration & 10% reduction each year.)	Adjustable
		Upto 850 c.c.	Rs.10000/-	Rs.10000/-		
233	On Gross Payment against Advertising Commission	7.5%		Nil	Final	
	On Gross Payment against Other Commission	12%		Nil	Final	
233-A	1. From Stock Exchange Member on Purchase & Sale of Shares in lieu of the commission earned.	0.01% of purchase /Sale value		Nil	Adjustable	
	2. Trading of shares by the members	0.01% of the Sale Value		Nil	Adjustable	
233-AA	On profit or mark-up or interest earned by Providing of any margin financing, margin trading of securities lending in share business collected by NCCPL.	10% of profit or markup or interest earned by the member, margin financier or securities lender		Nil	Adjustable	
234	Private Motor Cars with annual Token Tax	Engine c.c.	Filer	Non-filer	After 10 years	Adjustable
	Upto 1000 c.c.	Rs.10000/-	Rs.10000/-			
234	Private Motor Cars (with Token Tax) in lump sum	Engine c.c.	Filer	Non-filer	Life time Token	Adjustable
	Upto 1000 c.c.	Rs.10000/-	Rs.10000/-			
234	Passenger Transport: a) Four to Nine persons seating capacity	Rs.25/- per seat P.A.	After 10 years use	Adjustable		
		b) Ten to nineteen persons seating capacity			Rs.60/- per seat P.A.	
		c) Twenty persons or more seating capacity			Rs.500/- per seat P.A.	
	Goods Transport:	Rs.2/- per Kg of the laden Weight (vide SRO. 900(1)/2013 dated 04-10-2013)	After 10 years use for laden weight less than 8120 kg	Adjustable		
234-A	CNG Stations (on gas consumption charges)	4 %		Nil	Final	
235(4)	1- Electricity Bills of commercial & industrial consumers up to Rs.20000/- per month	Rs.80/- to Rs.1500/- p.m.		Up to bill Rs.400/- P.M.	Adjustable for companies. Minimum tax for others up to bills of Rs.30,000/- P.M. & above is adjustable	
	2- Electricity Bills of commercial & industrial consumers exceeding Rs.20000/- per month	10% for Commercial 5% for Industrial		Nil		
235A	Domestic electricity consumption bills (on monthly bills)	Bill p.m. less than Rs.10000/- Bill p.m. Rs.10000/- or more	0% 7.5%	Nil	Adjustable	
236	1. All Telephone Bills exceeding Rs.1000/- p.m.	10% of exceeding bill amount		Rs.1000/-	Adjustable	
	2. Mobile Phones & Prepaid Telephone Cards	14% of bill or Sale Price		Nil		
236-A	Gross Auction Sale Price of property, goods (including lease rights)	10%		Nil	Adjustable	
236-B	On Gross amount of domestic Air Ticket	5%		Nil	Adjustable	
236-C	Advance tax on sale or transfer of immovable property.	Filer Non-Filer	0.5% 1% of Consideration	Nil	Adjustable	
236 D	Function in marriage hall, hotel restaurant, club, Commercial Lawn, Community Place etc.	5% of total bill amount		Nil	Adjustable	
236 E	Foreign produced T.V. plays & Drama Serials (single episode)	Rs.100000/- per episode		Nil	Adjustable	
236 F	Cable T.V. Operators & other Electronic Media licensed by PEMRA	Licence Fee & Renewal Fee as per Div.XIII,Part-IV of First Schedule		Nil	Adjustable	
236 G	Sale by every manufacturer or commercial importer to Distributors, Dealers & Wholesalers of electronics, sugar, cement, iron, and steel products, fertilizer, motorcycles, pesticides, cigarettes, glass, textile, beverages, paint or foam sector (on gross sales)	FILERS NON-FILERS	0.2% 0.4%	Nil	Adjustable	
236 H	Sale to Retailers by every manufacturer, Distributor, Dealer, Wholesaler or commercial importer of electronics, sugar, cement, iron, and steel products, fertilizer, motorcycles, pesticides, cigarettes, glass, textile, beverages, paint or foam sector	0.5% of gross amount of sales		Nil	Adjustable	
236 I	By Educational Institutions Fee	5% of Fee paid		Rs.200000/- Annual	Adjustable	
236 J	On Dealers, Commission Agents & Arhaties	Class A Rs.10000/-Class B Rs.7500/-Class C & any other Rs.5000/-		Nil	Adjustable	
236 K	On purchase or transfer of immovable property from purchases or Transferee (Note:Rate of Tax for non-filer shall be 1% upto the date notified by the Board)	Property Value upto 3 million	0%	Nil	Adjustable	
		Property Value more than 3 million:	Filer Non-filer			1% 2%
236 L	On international Air tickets	Economy	0%	Nil	Adjustable	
		Other than Economy	4%			

Special Rates vide SRO 600(I)/91 Dated 02-07-1991 (i) supply of Cotton lint, Raw wool & Rice 1 % (Final for Cotton Ginners)  
(ii) Payments on account of Modarba Transactions made by a Modarba or an Investment Bank 1 %

**NOTES:** (a) The withheld tax u/s 148 on imports is final but minimum on edible oil and packing materials, and is adjustable for own Industrial use (b) Tax withheld u/s 151 on profit on debt for a non-filer other than company, the final tax shall be equal to the tax deductible of a filer and the excess tax deducted of a non-filer shall be advance tax adjustable against tax liability. (c) The prescribed persons u/s 153(7) making payment in full or part or advance shall deduct/collect tax at prescribed rates. (d) Gross amount payable for sale of goods u/s 153(1) shall include the Sales Tax, if any. (e) In case a withholding agent fails to deduct or collect tax, he shall be liable to pay the tax u/s 161. (f) In case of default /delayed payment, default surcharge u/s 205 will be charged @18% p.a. which is to be exclusively borne by deducting authority and not by tax payer. (g) For exempt Incomes, Reduction in tax rates, Reduction in tax liability & exemption from application of specific provisions of law, consult 2nd schedule of Income Tax Ordinance, 2001. (h) A withholding agent shall file Monthly and Annual statement of tax deductions as required u/s 165 & Income Tax Rules, 2002. (i) Provisions of Section 233AA shall not apply to any mutual fund specified in clause 57(2) of part-I of Second Schedule.

Note: Every care has been taken in compiling of this brochure. In case of any doubt, error / omission please consult the relevant law. Suggestions are welcome. (Thanks!)

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