

# TAX RATES FOR THE TAX YEAR 2018

## TAX RATES FOR BUSINESS INDIVIDUAL & AOP

|    |                              |   |
|----|------------------------------|---|
| 1. | Upto Rs.400,000              | 0%  |
| 2. | Rs.400,000 to Rs.500,000     | 7% of the amount exceeding Rs.400,000                   |
| 3. | Rs.500,000 to Rs.750,000     | Rs.7,000 + 10% of the amount exceeding Rs.500,000       |
| 4. | Rs.750,000 to Rs.1,500,000   | Rs.32,000 + 15% of the amount exceeding Rs.750,000      |
| 5. | Rs.1,500,000 to Rs.2,500,000 | Rs.144,500 + 20% of the amount exceeding Rs.1,500,000   |
| 6. | Rs.2,500,000 to Rs.4,000,000 | Rs.344,500 + 25% of the amount exceeding Rs.2,500,000   |
| 7. | Rs.4,000,000 to Rs.6,000,000 | Rs.719,500 + 30% of the amount exceeding Rs.4,000,000   |
| 8. | Exceeding Rs.6,000,000       | Rs.1,319,500 + 35% of the amount exceeding Rs.6,000,000 |

## TAX RATES FOR SALARIED INDIVIDUALS

|     |                              |   |
|-----|------------------------------|---|
| 1.  | Upto Rs.400,000              | 0%  |
| 2.  | Rs.400,000 to Rs.500,000     | 2% of the amount exceeding Rs.400,000                   |
| 3.  | Rs.500,000 to Rs.750,000     | Rs.2,000 + 5% of the amount exceeding Rs.500,000        |
| 4.  | Rs.750,000 to Rs.1,400,000   | Rs.14,500 + 10% of the amount exceeding Rs.750,000      |
| 5.  | Rs.1,400,000 to Rs.1,500,000 | Rs.79,500 + 12.5% of the amount exceeding Rs.1,400,000  |
| 6.  | Rs.1,500,000 to Rs.1,800,000 | Rs.92,000 + 15% of the amount exceeding Rs.1,500,000    |
| 7.  | Rs.1,800,000 to Rs.2,500,000 | Rs.137,000 + 17.5% of the amount exceeding Rs.1,800,000 |
| 8.  | Rs.2,500,000 to Rs.3,000,000 | Rs.259,500 + 20% of the amount exceeding Rs.2,500,000   |
| 9.  | Rs.3,000,000 to Rs.3,500,000 | Rs.359,500 + 22.5% of the amount exceeding Rs.3,000,000 |
| 10. | Rs.3,500,000 to Rs.4,000,000 | Rs.472,000 + 25% of the amount exceeding Rs.3,500,000   |
| 11. | Rs.4,000,000 to Rs.7,000,000 | Rs.597,000 + 27.5% of the amount exceeding Rs.4,000,000 |
| 12. | Exceeding Rs.7,000,000       | Rs.1,422,000 + 30% of the amount exceeding Rs.7,000,000 |

## TAX RATES OF COMPANIES

|                          |     |
|--------------------------|-----|
| Banking Company          | 35% |
| Public & Private Company | 30% |
| Small Company            | 25% |

## DEDUCTION ON CAPITAL GAIN ON DISPOSAL OF IMMOVABLE PROPERTY

|   |       |
|---|-------|
| Irrespective of Holding Period allotment covered u/s 236C(4)            | 0.0%  |
| Holding period is upto one year acquired on or after 01-07-2016         | 10.0% |
| Holding period is upto two years acquired on or after 01-07-2016        | 7.5%  |
| Holding period is upto three years acquired on or after 01-07-2016      | 5.0%  |
| Holding period is more than three years acquired on or after 01-07-2016 | 0.0%  |
| Holding period is upto three years acquired before 01-07-2016           | 5.0%  |
| Holding period is more than three years acquired before 01-07-2016      | 0.0%  |

## RATE FOR PROFIT ON DEBT - SECTION 7B

|  |       |
|--|-------|
| Where profit on debt does not exceed Rs.5,000,000                      | 10%   |
| Where profit on debt exceeds Rs.5,000,000 but not exceed Rs.25,000,000 | 12.5% |
| Where profit on debt exceeds Rs.25,000,000                             | 15%   |

## TAX ON BUILDERS - SECTION 7C

|                                   |  |  |
|-----------------------------------|--|--|
| (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                            |
| up to 750                         | Rs.20  | up to 750                                |
| 751 to 1500                       | Rs.40  | 751 to 1500                              |
| 1501 & more                       | Rs.70  | 1501 & more                              |

## TAX ON DEVELOPERS - SECTION 7D

|                                   |  |  |
|-----------------------------------|--|--|
| (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 Yd                     | Rs.210/ Sq Yd  | Rs.210/ Sq Yd                            |
| For residential buildings         |  |  |
| Area in Sq.Yd                     | Rate/ Sq.Yd  | Area in Sq.Yd                            |
| up to 120                         | Rs.20  | up to 120                                |
| 121 to 200                        | Rs.40  | 121 to 200                               |
| 201 & more                        | Rs.70  | 201 & more                               |

## MINIMUM TAX

| Nature of Payment  | Section   | Filer | Non-Filer   |
|--|-----------|-------|-------------|
| Individuals & AOPs [having annual turnover Rs.10 Million or more] and Companies                                  | 113       | 1.25% | Turnover    |
| Oil Marketing Companies, Refineries, SSGCL, SNGPL, PIA, Dealer or Distributors of Fertilizers & Poultry Industry | 113       | 0.50% | Turnover    |
| Distributors of Pharma, Fast Moving Consumer goods, Cigarettes, Petroleum Agent, Rice Mills & Flour Mills        | 113       | 0.20% | Turnover    |
| Motorcycles Dealers  | 113       | 0.25% | of Turnover |
| Imports of edible oil & packing material (Companies)   | 148(B)    | 5.5%  | 8.0%        |
| Imports of edible oil & packing material (Others)  | 148(B)    | 6%    | 9.0%        |
| Imports of Plastic Raw Material by Industrial undertaking  | 148(B)    | 1.75% | 8.0%        |
| Services (Companies)   | 153(1)(b) | 8.0%  | 14.5%       |
| Services (Other than Companies)  | 153(1)(b) | 10.0% | 17.5%       |
| Transport Services   | 153(1)(b) | 2.0%  | 2.0%        |
| Services provided to Textile, Carpets, Leather, Surgical & Sports goods  | 153(1)(b) | 1.0%  | 1.0%        |

## FINAL DISCHARGE OF TAX

| Nature of Payment  | Section   | Filer         | Non-Filer     |
|--|-----------|---------------|---------------|
| Imports of Remeltable Steel, Potassic Fertilizer, Urea, LNG, Cotton, Gold & Manufacturers under SRO.1125(I)/2011 | 148       | 1.0%          | 1.5%          |
| Imports Commercial covered under SRO.1125(I)/2011  | 148       | 3.0%          | 4.5%          |
| Imports Commercial of Plastic Raw Material   | 148       | 4.5%          | 9.0%          |
| Imports (Companies & Industrial Undertaking)   | 148       | 5.5%          | 8%            |
| Imports (Other than above)   | 148       | 6.0%          | 9.0%          |
| Dividend   | 150       | 7.5%          | to 25.0%      |
| Profit on debt upto Rs.500,000 (Other than Companies)  | 151       | 10.0%         | 10.0%         |
| Profit on debt exceeding Rs.500,000 (Other than Companies)   | 151       | 10.0%         | 17.5%         |
| Contracts by non-residents   | 152(1A)   | 7.0%          | 13.0%         |
| Sale of Goods (Companies)  | 153(1)(a) | 4.0%          | 7.0%          |
| Sale of Goods (Other than Companies)   | 153(1)(a) | 4.5%          | 7.75%         |
| Sale of Rice, Cotton Seed Oil & Edible Oils  | 153(1)(a) | 1.5%          | 1.5%          |
| Sale by Distributor of Fast Moving Consumer Goods (Companies)  | 153(1)(a) | 2.0%          | 2.0%          |
| Sale by Distributor of Fast Moving Consumer Goods (Others)   | 153(1)(a) | 2.5%          | 2.5%          |
| Local Sales & Supplies provided to Textile, Carpets, Leather, Surgical & Sports goods, Cigarettes and Pharma     | 153(1)(a) | 1.0%          | 1.0%          |
| Contracts (Companies)  | 153(1)(c) | 7.0%          | 12.0%         |
| Contracts (Other than Companies)   | 153(1)(c) | 7.5%          | 12.5%         |
| Contracts (Sportspersons)  | 153(1)(c) | 10.0%         | 10.0%         |
| Services of Stitching, Dyeing, Printing, Embroidery, Washing, Sizing & Weaving to Exporters                      | 153(2)    | 1.0%          | 1.0%          |
| Exports  | 154       | 1.0%          | 1.0%          |
| Prize & Winnings   | 156       | 15.0% & 20.0% | 20.0% & 25.0% |
| Commission on Petroleum Products   | 156A      | 12.0%         | 17.5%         |
| Advertising Commission   | 233(1)    | 10.0%         | 15.0%         |
| Life Insurance Agent Commission upto Rs.500,000  | 233(1)    | 8.0%          | 16.0%         |
| Brokerage & Commission (Other than above)  | 233(1)    | 12.0%         | 15.0%         |
| CNG Stations on Gas bills  | 234A      | 4.0%          | 6.0%          |

## TRANSITIONAL ADVANCE TAX - Division II Part IV of First Schedule

| Nature of Payment   | Section   | Filer              | Non-Filer |
|---|-----------|--------------------|-----------|
| Cash withdrawal from bank                                 | 231A      | 0.3%               | 0.6%      |
| Sale by auction   | 236A      | 10%                | 15%       |
| Sale or transfer of Immovable property                    | 236C      | 1%                 | 2%        |
| Functions and gatherings                                  | 236D      | 5%                 | 5%        |
| Sale to distributors, dealers or wholesalers - Fertilizer | 236G      | 0.7%               | 1.4%      |
| Sale to distributors, dealers or wholesalers - Other      | 236G      | 0.1%               | 0.2%      |
| Sale to retailers - Electronics                           | 236H      | 1%                 | 1%        |
| Sale to retailers - Others                                | 236H      | 0.5%               | 1%        |
| On dealers, commission agents and arhatis, etc            | 236J      |                    |           |
| Group or Class A  | Rs.10,000 | Group or Class B   | Rs.7,500  |
| Group or Class C  | Rs.5,000  | Any other category | Rs.5,000  |
| Purchase of immovable property upto Rs. 4(M)              | 236K      | 0%                 | 1%*       |
| Purchase of immovable property exceeding Rs. 4(M)         | 236K      | 2%                 | 4%        |
| Banking transaction otherwise than through cash           | 236P      | -                  | 0.6%*     |
| Payment to resident for right to use machinery and equip  | 236Q      | 10%                | 10%       |

## DEDUCTION ON INCOME FROM PROPERTY U/S 155 FOR IND. & AOP

|                              |   |
|------------------------------|---|
| Upto Rs.200,000              | NIL   |
| Rs.200,000 to Rs.600,000     | 5.0% of the gross amount Exceeding Rs.200,000                 |
| Rs.600,000 to Rs.1,000,000   | Rs.20,000 + 10.0% of the gross amount Exceeding Rs.600,000    |
| Rs.1,000,000 to Rs.2,000,000 | Rs.60,000 + 15.0% of the gross amount Exceeding Rs.1,000,000  |
| Exceeding Rs.2,000,000       | Rs.210,000 + 20.0% of the gross amount Exceeding Rs.2,000,000 |

## DEDUCTION ON INCOME FROM PROPERTY U/S 155 FOR COMPANIES

The rate of tax to be deducted under section 155, in case of company shall be 15% of gross amount of rent.

\* A word of caution: Due care and caution has been taken to print this paper and if any error, mistake or mission is found to have crept in, the information would be gladly accepted and efforts would be made to remove the same in next time. for further detail please consult the relevant Law.

Visit "www.imranghazi.com/mtba" for latest information in Tax Laws