

PAKISTAN TAX YEAR 2018 - 2019

Tax Rates for Salaried Individuals

Serial No	Taxable Income	Rate of Tax
01	Where the taxable income does not exceed Rs.400,000	0%
02	Where the taxable income exceeds Rs.400,000 but does not exceed Rs.800,000	Rs. 1,000
03	Where the taxable income exceeds Rs.800,000 but does not exceed Rs.1,200,000	Rs.2,000

04	Where the taxable income exceeds Rs.1,200,000 but does not exceed Rs.2,500,000	5% of the amount exceeding Rs.1,200,000
05	Where the taxable income exceeds Rs.2,500,000 but does not exceed Rs.4,000,000	Rs.65,000 + 15% of the amount exceeding Rs.2,500,000
06	Where the taxable income exceeds Rs. 4,000,000 but does not exceed Rs.8,000,000	Rs.290,000 + 20% of the amount exceeding Rs.4,000,000
07	Where the taxable income exceeds Rs. 8,000,000	Rs.1,090,000 + 25% of the amount exceeding Rs.8,000,000

Table: Tax Rates for Salaried Individuals | Provided that where the taxable income exceeds Rs.800,000, the minimum tax payable shall be Rs.2,000.

Tax Rates for Individuals (Other Than Salaried)

Serial No	Taxable Income	Rate of Tax
01	Where the taxable income does not exceed Rs.400,000	0%
02	Where the taxable income exceeds Rs.400,000 but does not exceed Rs.800,000	Rs.1,000
03	Where the taxable income exceeds Rs.800,000 but does not exceed Rs.1,200,000	Rs.2,000
04	Where the taxable income exceeds Rs.1,200,000 but does not exceed Rs.2,400,000	5% of the amount exceeding Rs.1,200,000

05	Where the taxable income exceeds Rs.2,400,000 but does not exceed Rs.3,000,000	Rs.60,000 + 15% of the amount exceeding Rs.2,400,000
06	Where the taxable income exceeds Rs.3,000,000 but does not exceed Rs.4,000,000	Rs.150,000 + 20% of the amount exceeding Rs.3,000,000
07	Where the taxable income exceeds Rs.4,000,000 but does not exceed Rs.5,000,000	Rs.350,000 + 25% of the amount exceeding Rs.4,000,000
08	Where the taxable income exceeds Rs.5,000,000	Rs.600,000 + 29% of the amount exceeding Rs.5,000,000

Table: Tax Rates for Individuals (Other Than Salaried) | Provided that where the taxable income exceeds Rs.800,000, the tax payable shall be Rs.2,000.

Tax Rates for Companies

Serial No	Type	Rate of Tax
01	Banking Companies	35%
02	Public / Private Companies	29%
03	Small Companies	24%

Table: Tax Rates for Companies | Where the taxpayer is a small company as defined in Section 2 of the Income Tax Act, 1962, the tax shall be payable at the rate of 24%

Gradual Reduction in Corporate Tax Rates

Serial No	Tax Year	Rate of Tax
01	2019	29%
02	2020	28%

03	2021	27%
04	2022	26%
05	2023 and onwards	25%

Table: Gradual Reduction in Corporate Tax Rates | The corporate tax rates for companies other than banking companies will be reduced from 30% to 25% over a period of five years.

Dividend Tax

Serial No	Description	Rate of Tax
01	In the case of dividends declared or distributed by purchaser of a power project privatized by WAPDA or on share of a company set up by power generation or on shares of a company, supplying coal exclusively to power generation projects.	7.5%
02	In cases other than mentioned in 01 and 03.	15%

03	In case of dividend received by a person from a mutual fund.	12.5%
04	If dividend receipts are less than capital gains.	12.5%
05	The dividend received by a company from a collective investment scheme (REIT Scheme) or a mutual fund (other than a stock fund)	15%
06	If a Developmental REIT Scheme with the object of development and construction of residential buildings is set up from 30th day of June, 2018, tax imposed on dividend received by a person from such Developmental REIT Scheme shall be reduced by 50% from 30th day of June, 2018.	

Table: Dividend Tax

Super Tax

A one-time super tax which was levied for Tax Year 2015 had been extended to tax years 2016 and 2017 in the past. In the recent amendment, this super tax is now to be removed in phases by the tax year 2020. Accordingly, rate of super tax for the

Tax Year	Banking Company	Other persons having income equal to exceeding Rs.500 million
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2018	4%	3%
2019	3%	2%
2020	2%	1%
2021	0%	0%

Table: Super Tax

Tax for Profit on Debt

Serial No	Profit on Debt	Rate of Tax
01	Where profit on debt does not exceed Rs.5,000,000	10%
02	Where profit on debt exceeds Rs.5,000,000 but does not exceed Rs.25,000,000	12.5% of the amount exceeding Rs.5,000,000
03	Where profit on debt exceeds Rs.25,000,000	15% of the amount exceeding Rs.25,000,000

Table: Tax for Profit on Debt

Tax on Shipping or Air Transport Income of a Non-Resident Person

Serial No	Description	Rate of Tax
01	In the case of shipping income	8% of the gross amount received or receivable
02	In the case of air transport income	3% of the gross amount received or receivable

Table: Tax on Shipping or Air Transport Income of a Non-Resident Person

Tax on Income from Property

Serial No	Gross Amount of Rent	Rate of Tax
01	Where the gross amount of rent does not exceed Rs.200,000	Nil
02	Where the gross amount of rent exceeds	5% of the gross amount exceeding Rs.200,000

	Rs.200,000 but does not exceed Rs.600,000	
03	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 amount exceeding Rs.600,000
04	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
05	Where the gross amount of rent exceeds Rs.2,000,000	Rs.210,000 + 20% of the gross amount exceeding Rs.2,000,000

Table: Tax on Income from Property

Tax on Prizes and Winnings

Serial No	Description	Rate of Tax	
		Filer	Non-filer
01	Prize on prize bond or cross-word puzzle	15% of the gross amount paid	25% of the gross amount

02	Winnings from a raffle, lottery, prize on winning a quiz, prize offered by a company for promotion of sale	20% of the gross amount paid
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Table: Tax on Prizes and Winnings

Capital Gains on Disposal of Securities

Serial No	Period	Tax Years 2018 and 2019		
		Securities acquired before 01.07.2016		Se
		Filer	Non-Filer	Fil
01	Where holding period of a security is less than twelve months	15%	18%	15
02	Where holding period of a security is twelve months or more but less than twenty-four months	12.5%	16%	15

03	Where holding period of a security is twenty-four months or more but the security was acquired on or after 1st July, 2013	7.5%	11%	15%
04	Where the security was acquired before 1st July, 2013	0%	0%	0%
05	Future commodity contracts entered into by the members of Pakistan Mercantile Exchange	5%	5%	5%

Table: Capital Gains on Disposal of Securities | Provided that the rate of tax on cash settled derivatives traded on the exchange shall be 5% for the tax years 2018 to 2020.

Capital Gains on Disposal of Immovable Property

Serial No	Period	Rate of Tax
	For immovable property allotted to persons mentioned in the proviso to sub-section (1) of Section 236C	
01	Immovable property is held irrespective of the holding period	0%

	For immovable property acquired on or after July 1, 2016, other than those mentioned against S. No. 1	
02	Where holding period of immovable property is up to one year.	10%
03	Where holding period of immovable property is more than or equal to one year but less than two years.	7.5%
04	Where holding period of immovable property is more than or equal to two years but less than three years.	5%
05	Where holding period of immovable property is more than three years.	0%
	For immovable property acquired before July 1, 2016, other than those mentioned against S. No. 1	
06	Where holding period of immovable property is up to three years.	5%

07	Where holding period of immovable property is more than three years.	0%
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Table: Capital Gains on Disposal of Immovable Property

Tax on Builders

Karachi, Lahore and Islamabad		Hyderabad, Sukkur, Multan, Faisalabad, Rawalpindi, Gujranwala, Sahiwal, Peshawar, Mardan, Abbottabad and Quetta		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 Sq. ft	Rate Sq. ft	Area Sq. ft	Rate Sq. ft	Area 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 and more	Rs.70	1501 and more	Rs.55	1501 and more	Rs.35

Table: Tax on Builders

Tax on Developers

Karachi, Lahore and Islamabad		Hyderabad, Sukkur, Multan, Faisalabad, Rawalpindi, Gujranwala, Sahiwal, Peshawar, Mardan, Abbottabad and Quetta		Urban Areas not specified in A and B	
For Commercial Plots					
Rs.210 / Sq Yd		Rs.210 / Sq Yd		Rs.210 / Sq Yd	
For Residential Plots					
Area Sq. Yd	Rate Sq. Yd	Area Sq. Yd	Rate Sq. Yd	Area 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

Table: Tax on Developers

Minimum Tax

Serial No	Person(s)	Minimum Tax as percentage of the person's turnover
01	<ul style="list-style-type: none"> Oil marketing companies, Oil refineries, Sui Southern Gas Company Limited and Sui Northern Gas Pipeline Limited (for the cases where annual turnover exceeds rupees one billion); Pakistani Airlines; Poultry industry including poultry breeding, broiler production, egg production and poultry 	0.5%

	<p>feed production;</p> <ul style="list-style-type: none"> • Dealers or distributors of fertilizers; and • Person running an online marketplace as defined in clause (38B) of Section 2. 	
02	<ul style="list-style-type: none"> • Distributors of pharmaceutical products, fast moving consumer goods and cigarettes; • Petroleum agents and distributors who are registered under the Sales Tax Act, 1990; • Rice mills and dealers; and • Flour mills 	0.2%
03	Motorcycle dealers registered under the Sales Tax Act, 1990	0.25%
04	In all other cases	1.25%

Table: Minimum Tax

Advance Tax

Serial No	Person(s)	Rate of Tax	
		Filer	Non-filer
01	<ul style="list-style-type: none"> Industrial undertaking importing re-meltable steel (PCT Heading 72.04) and directly reduced iron for its own use; 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; Persons importing urea; Manufacturers covered under Notification No. S.R.O. 1125(I)/2011 dated the 31st December, 	1% of the import value as increased by customs-duty, sales tax and federal excise duty	1.5% of the import value as duty, sales tax and federal

	<p>2011 and importing items covered under S.R.O. 1125(I)/2011 dated the 31st December, 2011</p> <ul style="list-style-type: none"> • Persons importing Gold; • Persons importing Cotton; and • Persons importing LNG 		
02	Persons importing pulses	2% of the import value as increased by customs-duty, sales tax and federal excise duty	3% of the import value as increased by sales tax and federal excise duty
03	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	4.5% of the import value as increased by sales tax and federal excise duty
3A	Persons importing coal	4%	6%

04	Ship breakers on import of ships	4.5%	6.5%
05	Industrial undertakings not covered under S. Nos 01 to 04	5.5%	8%
06	Companies not covered under S. Nos. 01 to 05	5.5%	8%
07	Persons not covered under S. Nos. 01 to 06	6%	9%

Table: Advance Tax

Advance Tax on Dividend

Serial No	Description	Rate of Tax
01	In the case of dividends declared or distributed by purchaser of a power project privatized by WAPDA or on share of a company set up by power generation or on shares of a company, supplying	7.5%

	coal exclusively to power generation projects.	
02	For filers other than mentioned in (a) above.	15%
03	For Non-filers other than mentioned in (a) above.	20%

Table: Advance Tax on Dividend | Provided that the rate of tax required to be deducted by a collective investment scheme or a mutual fund shall be:

Person(s)	Stock Fund	Money market fund, income fund or REIT scheme or any other fund	
		Filer	Non-filer
Individual	12.5%	12.5%	15%
Company	12.5%	15%	25%
AOP	12.5%	12.5%	15%

Table: Tax on Collective Investment Scheme or a Mutual Fund

Tax on Brokerage and Commission

Serial No	Person(s)	Rate applicable on the amount of payment	
		Filer	Non-filer
01	Advertising Agents	10%	15%
02	Life Insurance Agents where commission received is less than Rs. 0.5 million per annum	8%	16%
03	Persons not covered in 1 and 2 above	12%	15%

Table: Tax on Brokerage and Commission

Collection of Tax by a Registered Stock Exchange in Pakistan

Serial No	Description	Rate of Tax
01	In case of purchase of shares as per clause (a) of	0.02% of purchase value

	sub-section (1) of Section 233A.	
02	In case of purchase of shares as per clause (b) of sub-section (1) of Section 233A.	0.02% of sale value

Table: Collection of Tax by a Stock Exchange in Pakistan

Collection of Tax on Passenger Transport Vehicles

Serial No	Capacity	Rate per seat per annum	
		Filer	Non-filer
01	Four or more persons but less than ten persons.	Rs.50	Rs.100
02	Ten or more persons but less than twenty persons.	Rs.100	Rs.200
03	Twenty persons or more.	Rs.300	Rs.500

Table: Collection of Tax on Passenger Transport Vehicles

Yearly Collection of Tax on Private Motor Vehicles

Serial No	Engine Capacity	Rate of Tax	
		Filer	Non-filer
01	Up to 1000cc	Rs.800	Rs.1,200
02	1001cc to 1199cc	Rs.1,500	Rs.4,000
03	1200cc to 1299cc	Rs.1,750	Rs.5,000
04	1300cc to 1499cc	Rs.2,500	Rs.7,500
05	1500cc to 1599cc	Rs.3,750	Rs.12,000
06	1600cc to 1999cc	Rs.4,500	Rs.15,000
07	2000cc and above	Rs.10,000	Rs.30,000

Table: Yearly Collection of Tax on Private Motor Vehicles

Lump sum Collection of Tax on Private Motor Vehicles

Serial No	Engine Capacity	Rate of Tax	
		Filer	Non-filer
01	Up to 1000cc	Rs.10,000	Rs.10,000
02	1001cc to 1199cc	Rs.1,8000	Rs.36,000
03	1200cc to 1299cc	Rs.20,000	Rs.40,000
04	1300cc to 1499cc	Rs.30,000	Rs.60,000
05	1500cc to 1599cc	Rs.45,000	Rs.90,0000
06	1600cc to 1999cc	Rs.60,000	Rs.120,000
07	2000cc and above	Rs.120,000	Rs.240,000

Table: Lump sum Collection of Tax on Private Motor Vehicles

Collection of Tax on Electricity Consumption

Serial No	Electricity Bill	Amount in Rs.
01	Does not exceed Rs.400	0
02	Exceeds Rs.400 but does not exceed Rs.600	80
03	Exceeds Rs.600 but does not exceed Rs.800	100
04	Exceeds Rs.800 but does not exceed Rs.1,000	160
05	Exceeds Rs.1,000 but does not exceed Rs.1,500	300
06	Exceeds Rs.1,500 but does not exceed Rs.3,000	350
07	Exceeds Rs.3,000 but does not exceed Rs.4,500	450
08	Exceeds Rs.4,500 but does not exceed Rs.6,000	500
09	Exceeds Rs.6,000 but does not exceed Rs.10,000	650

10	Exceeds Rs.10,000 but does not exceed Rs.15,000	1,000
11	Exceeds Rs.15,000 but does not exceed Rs.20,000	1,500
12	Exceeds Rs.20,000	<ul style="list-style-type: none"> • At the rate of 12% for commercial consumers • At the rate of 5% for industrial consumers

Table: Collection of Tax on Electricity Consumption

Advance Tax on Domestic Electricity Consumption

Serial No	Description	Rate of Tax
01	If the amount of monthly bill is Rs.75,000 or more	7.5%
02	If the amount of bill is less than Rs.75,000	0%

Table: Advance Tax on Domestic Electricity Consumption

Collection of Tax on Telephone Users

Serial No	Description	Rate of Tax
01	In the case of a telephone subscriber (other than mobile phone subscriber) where the amount of monthly bill exceeds Rs.1,000	10% of the exceeding amount of bill
02	In the case of subscriber of internet, mobile telephones and pre-paid internet or telephone card	12.5% of the amount of bill or sales price of prepaid telephone card or sale of units through or whatever form.

Table: Collection of Tax on Telephone Users

Tax on Cash Withdrawal from a Bank

Serial No	Description	Rate of Tax	
		Filer	Non-filer
01	Cash amount withdrawn (only if exceeding 50,000)	0.3% of the amount withdrawn	0.6% of the amount

Table: Tax on Cash Withdrawal from a Bank

Advance Tax on Transactions in Bank [Transferor]

Serial No	Description	Rate of Tax	
		Filer	Non-filer
01	Banking Transaction including Demand Draft, Pay order, CDR, STDR, SDR, RTC	0.3% of the transaction	0.6% of the transac

Table: Advance Tax on Transactions in Bank

Advance Tax on Banking Transactions Otherwise Than Through Cash [Receiver]

Serial No	Description	Rate of Tax	
		Filer	Non-filer
01	Banking Transaction (other than cash) at the time of sale of instrument, including demand draft, pay order, special deposit receipt, transfer of any sum through cheque, online transfer, ATM transfers or any other	—	0.4% of the transac

mode of electronic or paper based transfers.

Table: Advance Tax on Banking Transactions Otherwise Than Through Cash

Advance Tax on Purchase, Registration and Transfer of Motor Vehicles

Serial No	Engine Capacity	Rate of Tax	
		Filer	Non-filer
01	Up to 850cc	Rs.7,500	Rs. 10,000
02	851cc to 1000cc	Rs.1,5000	Rs.25,000
03	1001cc to 1300cc	Rs.25,000	Rs.40,000
04	1301cc to 1600cc	Rs.50,000	Rs.100,000
05	1601cc to 1800cc	Rs.75,000	Rs.150,0000
06	1801cc to 2000cc	Rs.100,000	Rs.200,000

07	2001cc to 2500cc	Rs.150,000	Rs.300,000
08	2501cc to 3000cc	Rs.200,000	Rs.400,000
09	Above 3000cc	Rs.250,000	Rs.450,000

Table: Advance Tax on Purchase, Registration and Transfer of Motor Vehicles

Advance Tax on Transfer of Registration or Ownership of Motor Vehicles

Serial No	Engine Capacity	Rate of Tax	
		Filer	Non-filer
01	Up to 850cc	—	Rs.5,000
02	851cc to 1000cc	Rs.5,000	Rs.15,000
03	1001cc to 1300cc	Rs.7,000	Rs.25,000
04	1301cc to 1600cc	Rs.12,500	Rs.65,000

05	1601cc to 1800cc	Rs.18,750	Rs.100,000
06	1801cc to 2000cc	Rs.25,000	Rs.135,000
07	2001cc to 2500cc	Rs.37,500	Rs.200,000
08	2501cc to 3000cc	Rs.50,000	Rs.270,000
09	Above 3000cc	Rs.62,500	Rs.300,000

Table: Advance Tax on Transfer of Registration or Ownership of Motor Vehicles

Tax on Cable Television Operator

License Category as provided in PEMRA Rules	Tax on License Fee	Tax on Renewal
H	Rs.7,500	Rs.10,000

H-1	Rs.10,000	Rs.15,000
H-2	Rs.25,000	Rs.30,000
R	Rs.5,000	Rs.12,000
B	Rs.5,000	Rs.40,000
B-1	Rs.30,000	Rs.35,000
B-2	Rs.40,000	Rs.45,000
B-3	Rs.50,000	Rs.75,000
B-4	Rs.75,000	Rs.100,000
B-5	Rs.87,500	Rs.150,000
B-6	Rs.175,000	Rs.200,000

B-7	Rs.262,500	Rs.300,000
B-8	Rs.437,500	Rs.500,000
B-9	Rs.700,000	Rs.800,000
B-10	Rs.875,500	Rs.900,000

Table: Tax on Cable Television Operator

Advance Tax on Sale to Distributors, Dealers or Wholesalers

Serial No	Category of Sales	Rate of Tax	
		Filer	Non-filer
01	Fertilizers	0.7%	1.4%
02	Other than Fertilizers	0.1%	0.2%

Table: Advance Tax on Sale to Distributors, Dealers or Wholesalers

Advance Tax on Dealers, Commission Agents and Arhatis, etc.

Serial No	Group	Amount of Tax
01	Group or Class A	Rs.10,000
02	Group or Class B	Rs.7,500
03	Group or Class C	Rs.5,000
04	Any Other Category	Rs.5,000

Table: Advance Tax on Dealers, Commission Agents and Arhatis, etc.

Advance Tax on Purchase of Immovable Property

Serial No	Period	Rate of Tax	
		Filer	Non-filer
01	Where the value of immovable property is up to 4	0%	0%

	million		
02	Where the value of immovable property is more than 4 million	2%	4%

Table: Advance Tax on Purchase of Immovable Property

Advance Tax on Sale or Transfer of Immovable Property

Serial No	Description	Rate of Tax	
		Filer	Non-filer
01	Gross amount of the consideration received	1%	2%

Table: Advance Tax on Sale or Transfer of Immovable Property

Advance Tax on International Air Ticket

Serial No	Type of Ticket	Rate of Tax
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01	First / Executive Class	Rs.16,000 per person
02	Others excluding Economy	Rs.12,000 per person
03	Economy	0

Table: Advance Tax on International Air Ticket

Advance Tax on Functions and Gatherings

Serial No	Locations	Rate of Tax
01	For Islamabad, Lahore, Multan, Faisalabad, Rawalpindi, Gujranwala, Bahawalpur, Sargodha, Sahiwal, Sheikhpura, Dear Ghazi Khan, Karachi, Hyderabad, Sukkur, Thatta, Larkana, Mirpur Khas, Nawabshah, Peshawar, Mardan, Abbotabad, Kohat, Dera Ismail Khan, Quetta, Sibi, Loralai, Khuzdar, Dear Murad Jamali and Turbat.	5% of the bill ad valorem or Rs.20,000 per function, whichever is less.

02	For cities other than those mentioned above.	5% of the bill ad valorem or Rs.10,000 per function, whichever is less.
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Table: Advance Tax on Functions and Gatherings

Advance Tax on Insurance Premium

Serial No	Type of Premium	Rate of Tax
01	General insurance premium	4%
02	Life insurance premium if exceeding Rs. 0.3 million in aggregate per annum	1%
03	Others	0%

Table: Advance Tax on Insurance Premium

Advance Tax on Extraction of Minerals

Serial No	Description	Rate of Tax
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		Filer	Non-filer
01	On the value of the minerals	0%	5%