

INCOME TAX WITHHOLDING RATES (SUBJECT WISE)

IMPORT



SALARY



DIVIDEND



INTEREST



NON-RESIDENT



GOODS, SERVICES &
CONTRACTS



EXPORT OF GOODS &
SERVICES



RENT



PRIZE AND WINNINGS



PETROL

TAX YEAR 2022

With effect from July 01, 2021



PURCHASE OF MOTOR
VEHICLE



BROKERAGE AND
COMMISSION



ELECTRICITY



PHONE & INTERNET



PROPERTY SALE &
PURCHASE



DISTRIBUTORS, DEALERS,
WHOLESALERS



EDUCATION EXPENSES



OTHERS



Cost and Management Accountants

SECTIONS		PAYMENT / TRANSACTION	WITHHOLDING TAX RATES					
A. IMPORT			Part I of 12th Schedule [Annexure I]		Part II of 12th Schedule [Annexure II]		Part III of 12th Schedule [Annexure III]	
IMPORT	148	Imports (Minimum Tax except manufacture & Listed Companies)	Filer	Non-Filer	Filer	Non-Filer	Filer	Non-Filer
			1%	2%	2%	4%	5.5%	11%
			Manufacturers Covered Under Rescinded S.R.O. 1125(I)/2011					1%
		Pharmaceutical Finish Goods					4%	8%
		Importers of CKD Kits of Electric Vehicles for Small Cars (SUVs with 50 kwh battery and LCVs with 150 kwh battery)					1%	2%

B. SALARY			Slabs Rates		
SALARY	149	Salary	Slab	Rate on Exceeding Amount	Fixed Tax
			Up to 600,000	Nil	Nil
			600,001 to 1,200,000	5%	Nil
			1,200,001 to 1,800,000	10%	30,000
			1,800,001 to 2,500,000	15%	90,000
			2,500,001 to 3,500,000	17.5%	195,000
			3,500,001 to 5,000,000	20%	370,000
			5,000,001 to 8,000,000	22.5%	670,000
			8,000,001 to 12,000,000	25%	1,345,000
			12,000,001 to 30,000,000	27.5%	2,345,000
			30,000,001 to 50,000,000	30%	7,295,000
			50,000,001 to 75,000,000	32.5%	13,295,000
			75,000,000 and above	35%	21,420,000
149(3)	BoD Meetings Fee	20% on Gross amount at the time of Payment to Director.			

C. DIVIDEND		Individual / AOP		Companies		
DIVIDEND	150	Power Generation <i>*Subject to the implementation & Purchase Agreements</i>	Filer	Non-Filer	Filer	Non-Filer
		7.5%	15%	7.5%	15%	
		Cash Dividend	15%	30%	15%	30%
		Specie Dividend (Shares of Associates)	15%	30%	15%	30%
		Mutual Fund; Stock Fund	15%	30%	15%	30%
		Mutual Fund; Money Market Fund / Income Fund	15%	30%	15%	30%
		REIT, Modaraba or any Other Collective Scheme	15%	30%	15%	30%
		Exempt company OR Non tax payable Companies	25%	50%	25%	50%

D. INTEREST			Companies / Individual / AOP	
			Filer	Non-Filer
INTEREST	151	Interest	15%	30%
	151(1)(a)	Interest on National Saving Scheme (NSS)		
	151(1)(b)	Interest on Bank Account		
	151(1)(c)	Interest on Federal Government, Provincial Government & Local Government Bonds		
	151(1)(d)	Interest on Company Loans		
	151(1A)	Interest on Investment in Sukuks from a Sukuk Holder		

E. NON-RESIDENT			Companies / Individual / AOP				
			Filer		Non-Filer		
NON - RESIDENT	152(1)	Royalty or Fee for Technical Services	15%		30%		
	152(IA)	Construction Services		7%		7%	
		Advertisement by TV Satellite Channels		7%		7%	
	152(1AAA)	Media Person Advertisement Services		10%		10%	
	152(1C)	Fee for Offshore Digital Services		5%		5%	
	152(2)	Any Other Services		20%		40%	
	152 (2A)	(a)	Supply of Goods	Companies		Individual / AOP	
				Filer	Non-Filer	Filer	Non-Filer
				4%	4%	4.5%	4.5%
		(b)	Services	8%	16%	10%	20%
	(c)	Contract	7%	14%	7%	14%	
		Sportsman	Filer		Non-Filer		
			10%		20%		
	152(1BA)	Foreign Produced Commercial		Filer		Non-Filer	
				20%		40%	
				Companies / Individual / AOP			
				Filer		Non-Filer	
152(5)(I)	1	Transport Services	3%	6%	3%	6%	
	2	Freight Forwarding Services	3%	6%	3%	6%	
	3	Air Cargo Services	3%	6%	3%	6%	
	4	Courier Services	3%	6%	3%	6%	
	5	Manpower Outsourcing Services	3%	6%	3%	6%	
	6	Hotel Services	3%	6%	3%	6%	
	7	Security Guard Services	3%	6%	3%	6%	
	8	Software Development Services	3%	6%	3%	6%	

		9	Information Technology (IT) Services	3%	6%	3%	6%
			<ul style="list-style-type: none"> ➤ Software Development ➤ Software Maintenance ➤ System Integration ➤ Web Design ➤ Web Development ➤ Web Hosting ➤ Network Design 				
		10	IT Enabled Services	3%	6%	3%	6%
			<ul style="list-style-type: none"> ➤ Inbound or Outbound Call Centers ➤ Medical Transcription ➤ Remote Monitoring ➤ Graphics Design ➤ Accounting Services ➤ Human Resource (HR) Services ➤ Telemedicine Centers ➤ Data Entry Operations ➤ Cloud Computing Services ➤ Data Storage Services ➤ Locally Produced Television Programs ➤ Insurance Claims Processing 				
		11	Tracking Services	3%	6%	3%	6%
		12	Advertising Services (Other than Print/Electronic Media)	3%	6%	3%	6%
		13	Share Registrar Services	3%	6%	3%	6%
		14	Engineering Services	3%	6%	3%	6%
		15	Car Rental Services	3%	6%	3%	6%
		16	Building Maintenance Services	3%	6%	3%	6%
		17	Services Rendered by Pakistan Stock Exchange Limited	3%	6%	3%	6%
		18	Services Rendered by Pakistan Mercantile Exchange Limited	3%	6%	3%	6%
		19	Inspection Services	3%	6%	3%	6%
		20	Certification Services	3%	6%	3%	6%
		21	Testing Services	3%	6%	3%	6%
22	Training Services	3%	6%	3%	6%		
23	Oilfield Services	3%	6%	3%	6%		

F. GOODS, SERVICES & CONTRACTS			Companies		Individual / AOP		
			Filer	Non-Filer	Filer	Non-Filer	
			Rice, Cotton Seed Oil, Edible Oils (if Annual Payment > 75K)	1.5%	3%	1.5%	3%
Other Goods including Toll Manufacturing (if Annual Payment > 75K)	4%	8%	4.5%	9%			
GOODS, SERVICES & CONTRACTS	153(1)(a)	Distributors, Dealers, Sub-Dealers, Wholesalers and Retailers	0.25%				
		<ul style="list-style-type: none"> ➤ FMCG ➤ Fertilizer ➤ Electronics Excluding Mobile Phones 	(ATL in Sales Tax Act, 1990 and Income Tax Ordinance, 2001)				
		<ul style="list-style-type: none"> ➤ Sugar ➤ Cement ➤ Edible Oil 	(ATL in Income Tax Ordinance, 2001)	4%	-	4.5%	-
			(ATL in Sales Tax Act, 1990)	-	8%	-	9%
		Traders of Yarn	0.5%	1%	0.5%	1%	

153(1)(b)	Services (if Annual Payment > 30K)		8%	16%	10%	20%	
	1	Transport Services	3%	6%	3%	6%	
	2	Freight Forwarding Services	3%	6%	3%	6%	
	3	Air Cargo Services	3%	6%	3%	6%	
	4	Courier Services	3%	6%	3%	6%	
	5	Manpower Outsourcing Services	3%	6%	3%	6%	
	6	Hotel Services	3%	6%	3%	6%	
	7	Security Guard Services	3%	6%	3%	6%	
	8	Software Development Services	3%	6%	3%	6%	
	9	Information Technology (IT) Services		3%	6%	3%	6%
		<ul style="list-style-type: none"> ➤ Software Development ➤ Software Maintenance ➤ System Integration ➤ Web Design ➤ Web Development ➤ Web Hosting ➤ Network Design 					
	10	IT Enabled Services		3%	6%	3%	6%
		<ul style="list-style-type: none"> ➤ Inbound or Outbound Call Centers ➤ Medical Transcription ➤ Remote Monitoring ➤ Graphics Design ➤ Accounting Services ➤ Human Resource (HR) Services ➤ Telemedicine Centers ➤ Data Entry Operations ➤ Cloud Computing Services ➤ Data Storage Services ➤ Locally Produced Television Programs ➤ Insurance Claims Processing 					
	11	Tracking Services		3%	6%	3%	6%
	12	Advertising Services (Other than Print/Electronic Media)		3%	6%	3%	6%
	13	Share Registrar Services		3%	6%	3%	6%
	14	Engineering Services		3%	6%	3%	6%
	15	Architectural Services		3%	6%	3%	6%
	16	Warehousing Services		3%	6%	3%	6%
	17	Services Rendered by Asset Management Companies		3%	6%	3%	6%
	18	Data Services provided under License issued by PTA		3%	6%	3%	6%
	19	Telecommunication Infrastructure (Tower) Services		3%	6%	3%	6%
	19	Car Rental Services		3%	6%	3%	6%
	20	Building Maintenance Services		3%	6%	3%	6%
21	Services Rendered by Pakistan Stock Exchange Limited		3%	6%	3%	6%	
22	Services Rendered by Pakistan Mercantile Exchange Limited		3%	6%	3%	6%	
23	Inspection Services		3%	6%	3%	6%	
24	Certification Services		3%	6%	3%	6%	

	25	Testing Services	3%	6%	3%	6%	
	26	Training Services	3%	6%	3%	6%	
	27	Oilfield Service	3%	6%	3%	6%	
	28	Telecommunication Services	3%	6%	3%	6%	
	29	Collateral Management Services	3%	6%	3%	6%	
	30	Travel and Tour Services	3%	6%	3%	6%	
	❖ The Above reduce Tax rate shall be applicable only where the payment for services are subjected to withholding tax on gross receipts and the service provider has not contested taxation of gross receipts before any Court of Law.			Companies		Individual / AOP	
				Filer	Non-Filer	Filer	Non-Filer
	Electronic and Print Media Advertising Services			1.5%	3%	1.5%	3%
	153(1)(c)	Contracts (if Annual Payment > 10K)		6.5%	13%	7%	14%
Sportsman		Filer		Non-Filer			
		10%	20%				
153(2)	<ul style="list-style-type: none"> ➤ Stitching ➤ Dying ➤ Printing ➤ Embroidery 	<ul style="list-style-type: none"> ➤ Washing ➤ Sizing ➤ Weaving 	Company/ AOP/Individual				
			Filer		Non-Filer		
			1%	2%			

G. (I) EXPORT OF GOODS			Company/ AOP/Individual			
			Filer / Non-Filer			
EXPORTS	154	Exports	1%			
	154(1)	Export of Goods	1%			
	154(2)	Export Commission	5%			
	154(3)	Inland Bank to Bank Letter of Credit	1%			
	154(3A)	Export Processing Zone	1%			
	154(3B)	Indirect Exporter; SPO	1%			

G. (II) EXPORT OF SERVICES					Company/ AOP/Individual	
					Filer / Non-Filer	
EXPORTS OF SERVICES	154A	(a)	Exports of Computer Software		1%	
			Information Technology (IT) Services		1%	
			<ul style="list-style-type: none"> ➤ Software Development ➤ Software Maintenance ➤ System Integration ➤ Web Design 	<ul style="list-style-type: none"> ➤ Web Development ➤ Web Hosting ➤ Network Design 		
			IT Enabled Services			
		<ul style="list-style-type: none"> ➤ Inbound or Outbound Call Centers ➤ Medical Transcription ➤ Remote Monitoring ➤ Graphics Design ➤ Accounting Services ➤ Human Resource (HR) Services 	<ul style="list-style-type: none"> ➤ Telemedicine Centers ➤ Data Entry Operations ➤ Cloud Computing Services ➤ Data Storage Services ➤ Locally Produced Television Programs ➤ Insurance Claims Processing 	1%		
		(b)	Services or Technical Services Rendered Outside Pakistan		1%	
Services or Technical Services Exported from Pakistan			1%			

			Royalty, Commission or Fees by Resident Company from Foreign Enterprise for the Use Outside Pakistan of;		
		(c)	<ul style="list-style-type: none"> ➤ Patent ➤ Invention ➤ Model ➤ Design ➤ Secret Process 	<ul style="list-style-type: none"> ➤ Secret Formula ➤ Similar Property Right ➤ Information Concerning Industrial, Commercial or Scientific Knowledge, Experience or Skill 	1%
		(d)	Construction Contracts Executed Outside Pakistan		1%
		(e)	Other Services Rendered Outside Pakistan As Notified by the Board from Time to Time		1%

H. RENT			COMPANY		Individual / AOP			
RENT	155	Rent (On Gross Rental Payment)	Filer	Non-Filer	Slabs	Rate on Exceeding Amount	Fixed Tax	Non-Filer
						Filer		
			15%	30%	Up to 300,000	Nil	Nil	Double Tax
					300,000 to 600,000	5%	Nil	Double Tax
					600,000 to 2,000,000	10%	15,000	Double Tax
					2,000,000 and above	25%	155,000	Double Tax

I. PRIZE & WINNINGS			Companies / Individual / AOP	
PRIZE & WINNING	156	Prize Bonds	Filer	Non-Filer
		Prizes, Winning, Lottery & Raffles	20%	40%

J. PETROL			Companies / Individual / AOP	
PETROL	156A	Petrol & Petroleum Products	Filer	Non-Filer

K. PURCHASE OF MOTOR VEHICLES			Engine Capacity	Filer (Per Annum)	Non-Filer (Per Annum)
PURCHASE OF MOTOR VEHICLES	231B(1A)	At the time of Motor Vehicle Leasing	Any Motor Vehicle	-	4%
	231B(1) & (3)	On Registration by Excise & Taxation Dept. & On Sale by Manufacturer (Car or Jeep)	Up to 850cc	7,500	15,000
			851cc to 1000cc	15,000	30,000
			1001 to 1300cc	25,000	50,000
			1301cc to 1600cc	50,000	100,000
			1601cc to 1800cc	75,000	150,000
			1801cc to 2000cc	100,000	200,000
			2000cc to 2500cc	150,000	300,000
			2500cc to 3000cc	200,000	400,000
			Above 3000cc	250,000	500,000

			Engine Capacity	Filer (Per Annum)	Non-Filer (Per Annum)
			231B(2)	Transfer or Ownership (Tax rate shall be reduced by 10% each year from the date of 1st registration)	Up to 850cc
		851cc to 1000cc	5,000	10,000	
		1001 to 1300cc	7,500	15,000	
		1301cc to 1600cc	12,500	25,000	
		1601cc to 1800cc	18,750	37,500	
		1801cc to 2000cc	25,000	50,000	
		2000cc to 2500cc	37,500	75,000	
		2500cc to 3000cc	50,000	100,000	
		Above 3000cc	62,500	125,000	
	231B(2A)	Sold Locally Manufactured Motor Vehicles	Engine Capacity	Filer	Non-Filer
			Up to 1000cc	50,000	100,000
			1001cc to 2000cc	100,000	200,000
			2001cc and above	200,000	400,000
	234	Private Motor Vehicle	Engine Capacity	Filer (Per Annum)	Non-Filer (Per Annum)
			Up to 1000cc	800	1,600
			1001cc to 1199cc	1,500	3,000
			1200cc to 1299cc	1,750	3,500
			1300cc to 1499cc	2,500	5,000
			1500cc to 1599cc	3,750	7,500
			1600cc to 1999cc	4,500	9,000
			2000cc & above	10,000	20,000

L. BROKERAGE AND COMMISSION			Companies / Individual / AOP	
BROKERAGE & COMMISSION	233	Advertising Commission	Filer	Non-Filer
			10%	20%
		Life Insurance Agent (If < 500,000)	8%	16%
		Other Commissions	12%	24%

M. ELECTRICITY (ON GROSS)			Companies / Individual / AOP		
ELECTRICITY	235	Commercial / Industrial Consumers	Slabs	Rate on Exceeding Amount	Fixed Tax
			Up to 500	Nil	Nil
		500 to 20,000	10%	Nil	
		Commercial Consumers	20,000 and above	12%	1,950
		Industrial Consumers	20,000 and above	5%	1,950
		Domestic / Residential	Not < 25,000	-	-
Exceeding 25,000	7.5%		-		

N. PHONE & INTERNET			Companies / Individual / AOP	
			Filer / Non-Filer	
PHONES & INTERNET	236	Telephone Bill, Internet Bills, Phone Cards for TY-2022	10%	
		Telephone Bill, Internet Bills, Phone Cards from 01 July 2022 onwards	8%	

O. PROPERTY SALE AND PURCHASE			Companies / Individual / AOP	
			Filer	Non-Filer
PROPERTY	236C	Sale of Property	1%	2%
	236K	On Purchase of immovable Property and person responsible for collecting payments in Instalment on the Fair Market Value	1%	2%

P. DISTRIBUTORS, DEALERS, WHOLESALERS			Companies / Individual / AOP	
			Filer	Non-Filer
DISTRIBUTORS DEALER	236G	Fertilizers	0.70%	1.4%
		Other than Fertilizer	0.1%	0.2%
		Distributor, Dealer and Wholesalers (Already Registered on Sales Tax Act, 1990)	0.25%	
	<ul style="list-style-type: none"> ➤ Electronics ➤ Sugar ➤ Cement ➤ Iron ➤ Steel Product ➤ Fertilizer ➤ Motorcycles ➤ Pesticides ➤ Cigarettes ➤ Glass ➤ Textile ➤ Beverages ➤ Paint or Foam Sector ➤ Pharmaceuticals ➤ Poultry ➤ Animal Feed ➤ Edible Oil ➤ Ghee ➤ Auto-Parts ➤ Tyers ➤ Varnishes ➤ Chemicals ➤ Cosmetics ➤ IT Equipment 			
236H	Sale of Retailers / Wholesalers by Distributor / Dealer	0.5%	1%	
<ul style="list-style-type: none"> ➤ Electronics ➤ Sugar ➤ Cement ➤ Iron ➤ Steel Product ➤ Motorcycles ➤ Pesticides ➤ Cigarettes ➤ Glass ➤ Textile ➤ Beverages ➤ Paint or Foam Sector ➤ Pharmaceuticals ➤ Poultry ➤ Animal Feed ➤ Edible Oil ➤ Ghee ➤ Auto-Parts ➤ Tyres ➤ Varnishes ➤ Chemicals ➤ Cosmetics ➤ IT Equipment 				

Q. EDUCATION EXPENSES			Only Individual	
			Filer	Non-Filer
EDUCATION	236I	For Institutions in Pakistan	-	5%

R. OTHER VARIOUS WITHHOLDING SECTIONS;					
OTHERS	156B	Voluntarily Pension Scheme	3 years Average		
	235B	Steel Metals, Re-roller etc.	3 years Average		
	236Q	Rent of Machinery and Equipment; Minimum Tax	Rs.1/- per unit of electricity		
	236A	Other Auction	10%	10%	
		Immovable Property Sold by Auction	5%	20%	
236O	Advance tax under this chapter shall not be collected from	<ul style="list-style-type: none"> * Federal Government, Provincial Government * Foreign Diplomats, Diplomatic Mission * Exemption Certificate 			

If you need any clarification in respect to the above, kindly do contact our Income Tax Team as follows;

1. Mr. M.Sarfaraz

Manager | Tax

Email: sarfaraz@faxton.pk

2. Ms. Nosheen Jamal

Assistant Manager | Tax

Email: nosheen@faxton.pk



Cost and Management Accountants

ISLAMABAD OFFICE

E info@faxton.pk

T 0312-3630333

Office # 01, Lower Ground Floor

State Life Building No.7

Nazim-Ud-Din Road, Jinnah Avenue

Blue Area, Islamabad