

TAX RATES FOR THE TAX YEAR 2022

TAX RATES FOR AOP & BUSINESS INDIVIDUALS

1.	Upto Rs.400,000	0%
2.	Rs.400,001 to Rs.600,000	5% of the amount exceeding Rs.400,000
3.	Rs.600,001 to Rs.1,200,000	Rs.10,000 + 10% of the amount exceeding Rs.600,000
4.	Rs.1,200,001 to Rs.2,400,000	Rs.70,000 + 15% of the amount exceeding Rs.1,200,000
5.	Rs.2,400,001 to Rs.3,000,000	Rs.250,000 + 20% of the amount exceeding Rs.2,400,000
6.	Rs.3,000,001 to Rs.4,000,000	Rs.370,000 + 25% of the amount exceeding Rs.3,000,000
7.	Rs.4,000,001 to Rs.6,000,000	Rs.620,000 + 30% of the amount exceeding Rs.4,000,000
8.	Exceeding Rs.6,000,000	Rs.1,220,000 + 35% of the amount exceeding Rs.6,000,000

TAX RATES FOR SALARIED INDIVIDUALS

1.	Upto Rs.600,000	0%
2.	Rs.600,001 to Rs.1,200,000	5% of the amount exceeding Rs.600,000
3.	Rs.1,200,001 to Rs.1,800,000	Rs.30,000 + 10% of the amount exceeding Rs.1,200,000
4.	Rs.1,800,001 to Rs.2,500,000	Rs.90,000 + 15% of the amount exceeding Rs.1,800,000
5.	Rs.2,500,001 to Rs.3,500,000	Rs.195,000 + 17.5% of the amount exceeding Rs.2,500,000
6.	Rs.3,500,001 to Rs.5,000,000	Rs.370,000 + 20% of the amount exceeding Rs.3,500,000
7.	Rs.5,000,001 to Rs.8,000,000	Rs.670,000 + 22.5% of the amount exceeding Rs.5,000,000
8.	Rs.8,000,001 to Rs.12,000,000	Rs.1,345,000 + 25% of the amount exceeding Rs.8,000,000
9.	Rs.12,000,001 to Rs.30,000,000	Rs.2,345,000 + 27.5% of the amount exceeding Rs.12,000,000
10.	Rs.30,000,001 to Rs.50,000,000	Rs.7,295,000 + 30% of the amount exceeding Rs.30,000,000
11.	Rs.50,000,001 to Rs.75,000,000	Rs.13,295,000 + 32.5% of the amount exceeding Rs.50,000,000
12.	Exceeding Rs.75,000,000	Rs.21,420,000 + 35% of the amount exceeding Rs.75,000,000

Note: 25% Reduction in Tax for full time Teacher except practicing doctors.

Note: Salary rate applicable where salary income exceeds 75% of total taxable income.

TAX RATES OF COMPANIES

Banking Company	35%
Public & Private Company	29%
Alternate Corporate Tax	17%
Small Company	21%

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

Upto Rs.300,000	NIL
Rs.300,001 to Rs.600,000	5.0% of the gross amount Exceeding Rs.300,000
Rs.600,001 to Rs.2,000,000	Rs.15,000 + 10.0% of the gross amount Exceeding Rs.600,000
Exceeding Rs.2,000,000	Rs.155,000 + 25.0% 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 shall be 15% of gross amount of rent.

FINAL DISCHARGE OF TAX

Nature of Payment	Section	Rate (ATL)
Dividend	150	7.5% to 25.0%
Exports	154	1.0%
Prize Bond (Winnings from raffle, lottery, quiz @ 20% u/s 156(2))	156(1)	15.0%
Commission on Petroleum Products	156A	12.0%

RATE FOR PROFIT ON DEBT - SECTION 7B

Ind. & AOP except Company where profit on debt does not exceed Rs.5,000,000	15%
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TAXATION OF COTTON GINNERS New

Minimum Tax / Normal Tax above of 1% of total turnover from cotton lint, cotton seed, cotton seed oil and cotton seed cake shall be reduced. **Clause (17), Part III of 2nd Sch.**
Note: Total Income can be worked out through imputable formula. This clause is applicable onwards from Tax Year 2020 on cotton ginners / composite units only.

SPECIAL TAX REGIME FOR SMALL & MEDIUM ENTERPRISES New

Category	Opting NTR	Opting FTR
Annual turnover does not exceeds Rs.100,000,000	7.5% of taxable income	0.25% of gross turnover
Annual turnover exceeds Rs.100,000,000 but does not exceeds Rs.250,000,000	15% of taxable income	0.5% of gross turnover

Note: 1) Definition 2(59A), Section 100E & Fourteenth Schedule inserted vide Finance Act, 2021.
 2) SME should be engaged in manufacturing as defined in clause (iv) of sub-Sect 7) of Section 153.
 3) SME should be registered either with FBR or SMEDA. (4) Section 113 shall not apply to SMEs.
 5) Tax deducted u/s 153 shall not be minimum tax. (6) SMEs opting FTR will be excluded from audit u/s 177 and 214C. (7) NTR or FTR once opted will be irrevocable for next three years.

*** A word of caution:** Due care and caution has been taken to print this paper and if any error, mistake or omission 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.

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ADJUSTABLE TAX

Nature of Payment	Section	Rate (ATL)
Profit on debt (Company)	151	15.0%
Royalty to Resident Persons	153(B)	15.0%

MINIMUM TAX

Nature of Payment	Section	Rate (ATL)
Individuals & AOPs [having annual turnover Rs.100 Million or more] and Companies (Except otherwise specified) OMC, SSGCL, SNGPL, PIA & Poultry Industry	113	1.25% of Turnover
113	0.75% of Turnover	
Distributors of Pharma / FMCG / Cigarettes; Petroleum Agent (ST); Rice Mills & dealers; Flour Mills; Tier-I retailer of FMCG (POS); online market place; Sale & Purchase of used vehicles; Distributors, dealers, sub-dealers, wholesalers or retailers of FMCG, fertilizer, mobile phones (local), sugar, electronics excluding imported mobile phones, cement and edible oil (ATL in ST & IT) (24D)	113	0.25% of Turnover
Oil refinery; Motorcycle dealers (ST); Ind Yarn Trader (28E)	113	0.50% of Turnover
Goods Classified in Part-I of the Twelfth Schedule and manufacturers covered under SRO 1125(1)/2011	148	1.0%
Goods Classified in Part-II of the Twelfth Schedule	148	2.0%
Goods Classified in Part-III of the Twelfth Schedule	148	5.5%
Persons importing finished Pharmaceutical Products	148	4.0%
Profit on debt exceeding Rs.5,000,000 (Ind & AOP)	151	15.0%
Contracts by non-residents	152(1A)	7.0%
Sale of Goods including toll mafg. (Companies)	153(1)(a)	4.0%
Sale of Goods including toll mafg. (Other than Companies)	153(1)(a)	4.5%
Sale of cigarette and pharma products by distributors (24A)	153(1)(a)	1.0%
Sale of Rice, Cotton Seed Oil & Edible Oils	153(1)(a)	1.5%
Sale by distributors, dealers, sub-dealers, wholesalers and retailers of FMCG, fertilizer, electronics excluding mobile phones, sugar, cement and edible oil (ATL in IT & ST) (24C)	153(1)(a)	0.25%
Sale by manufacturer-cum-exporter (45) ; Purchase of used vehicle from general public (45B) ; Commercial Importer (47A)	153(1)(a)	NA
Services (Companies)	153(1)(b)	8.0%
Services (Other than Companies)	153(1)(b)	10.0%
Transport Services, freight, air cargo, courier, hotel, security guards, manpower outsourcing, car rental, advertising excluding electronic & print media, software development, IT, tracking, building maintenance & allied.	153(1)(b)	3.0%
Electronics & Print Media advertising Services	153(1)(b)	1.5%
Local sales, supplies and services provided to textile, Carpets, leather, surgical and sports good - 5 Sectors (45A)	153(1)	1.0%
Local sales & services by yarn traders to 5 sectors (45A)	153(1)	0.5%
Contracts (Companies)	153(1)(c)	6.5%
Contracts (Other than Companies)	153(1)(c)	7.0%
Contracts (Sportspersons)	153(1)(c)	10.0%
Services of Stitching, Dyeing, Printing, Embroidery, Washing, Sizing & Weaving to Exporters or export house	153(2)	1.0%
Advertising Agents Commission	233(1)	10.0%
Life Insurance Agent Commission less than Rs.500,000	233(1)	8.0%
Online Market Place - Section 2(38B) - Clause 28C	233(1)	5.0%
Brokerage & Commission (Other than above)	233(1)	12.0%
Electricity Bill	For Ind. and AOP, upto higher of Tax calculated in formula is minimum and above tax is adjustable.	235(4)(a)
	Upto Bill Rs.360,000 P.A	
	Upto Bill Rs.30,000 P.M	

* Tax collected u/s 148 is adjustable on import of goods on which tax is required to be collected at the rate of 1% or 2% by an industrial undertaking for its own use.

* Tax deducted u/s 153(1)(a) not be minimum in case of manufacturer or listed company.

* Tax deducted u/s 153(1)(c) is adjustable in case of listed company.

TRANSITIONAL ADVANCE TAX - Division II Part IV of First Schedule

Nature of Payment	Section	Rate (ATL)
Sale by auction (right to collect tolls shall be final tax)	236A	10%
Sale or transfer of Immovable property (Minimum tax in case if property is acquired and disposed off within the same tax year)	236C	1.0%
Sale to distributors, dealers or wholesalers *		
Fertilizers (Note: in case of ATL in ST & IT @ 0.25%)	236G	0.7%
Sale to distributors, dealers or wholesalers - Others		0.1%
Sale to retailers *	236H	0.5%
Educational Institution - Non ATL & annual fee > Rs.200,000	236I	5%
Purchase of immovable property	236K	1% of FMV
Payment to resident for right to use machinery and equip	236Q	10%

* **236G:** Pharmaceuticals, poultry and animal feed, edible oil and ghee, auto-parts, tyres, varnishes, chemicals, cosmetics, IT equipment, electronics, sugar, cement, iron and steel products, fertilizer, motorcycles, pesticides, cigarettes, glass, textile, beverages, paint or foam sector

* **236H:** All categories of 236G above except Fertilizer which was omitted vide Finance Act, 2015

Note: All rates defined in this card for persons appearing in Active Taxpayer's List. In case of person not appearing in the ATL, the rate of tax required to be deducted or collected, as the case may be, shall be increased by 100% of the rate specified in First Schedule.

Exclusion: Above provision will not apply on withholding of following sections: Section 149, 152 other than sub-section (2A)(a),(b),(c), 152(2) read with clause (5A) & (5AA) of Part II of 2nd Sch., 154, 156B, 235, 236, 236I & 236Q.

TAX RATES FOR THE TAX YEAR 2022

GAIN ON IMMOVABLE PROPERTY U/S 37 (Part-I, Div-III, 1st Sch)

Where the holding period does not exceed 1 year	100%
Where the holding period exceeds 1 year but does not exceed 2 years	75%
Where the holding period exceeds 2 year but does not exceed 3 years	50%
Where the holding period exceeds 3 year but does not exceed 4 years	25%
Where the holding period exceeds 4 years	0

CALCULATION OF TAX ON GAIN OF IMMOVABLE PROPERTY

Where the gain does not exceed Rs.5 million	3.5%
Where the gain exceeds Rs.5 million but does not exceed Rs. 10 million	7.5%
Where the gain exceeds Rs.10 million but does not exceed Rs. 15 million	10%
Where the gain exceed Rs.15 million	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	Rate/ Sq.Ft	Area in 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 & more	Rs.70	1501 & more	Rs.55	1501 & more	Rs.35

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	Rate/ Sq.Yd	Area in 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 & more	Rs.70	201 & more	Rs.55	201 & more	Rs.35

TAX ON ELECTRICITY CONSUMPTION U/S 235 New

1. upto Rs.500	Rs.0
2. exceeds Rs.500 but does not exceed Rs.20,000	10% of the amount
3. exceeds Rs.20,000	
Commercial consumers	
Industrial consumers	Rs.1,950 + 5% of above
Domestic Electricity Consumption	
1. Less than Rs.25,000	0%
2. Rs. 25,000 or above	7.5%

Section 182(29) - Failure of declaration of Bank Accounts in registration application:
Such person shall pay a penalty of Rs. 10,000 for each day of default since the date of submission of application of registration or date of opening of undeclared business bank account which ever is later. This clause is applicable from 1st day of Oct, 2021.

SALES TAX WITHHOLDING - ELEVENTH SCHEDULE

	Withholding Agent	Supplier Category	Rate
1.	(a) Federal and provincial government departments; autonomous bodies; and public sector organizations. (b) Companies as defined in the Income Tax Ordinance, 2001	Active Taxpayers	1/5th of Sales Tax shown on invoice
2.	(a) Federal and provincial government departments; autonomous bodies; and public sector organizations. (b) Companies as defined in the Income Tax Ordinance, 2001	Active taxpayers registered as a wholesaler, dealer or distributor	1/10th of Sales Tax as shown on invoice
3.	Federal and provincial government departments; autonomous bodies; and public sector organizations.	Person other than Active Taxpayer	Whole of the tax involved or as applicable to supplies on the basis of gross value of supplies
4.	Companies as defined in ITO, 2001	Person other than Active Taxpayer	5% of gross value of supplies
5.	Registered persons as recipient of advertisement services	Person providing advertisement services	Whole of Sales Tax applicable
6.	Registered persons purchasing cane molasses	Person other than Active Taxpayer	Whole of Sales Tax applicable
7.	Registered persons manufacturing lead batteries	Persons supplying any kind of lead under chapter 78 or scrap batteries under chapter 85.	75% of the sales tax applicable
8.	Online Market Place	Persons other than active taxpayers	2% of gross value of supplies. Provided that the provisions of this entry shall be effective from the date as notified by the Board.

Exclusion:

(a) Electrical energy (b) Natural Gas (c) Petroleum products as supplied by petroleum production and exploration companies, oil refineries, Oil Marketing Companies and dealers of motor spirit and high speed diesel (d) Vegetable ghee and cooking oil (e) Telecommunication Services (f) Goods specified in the Third Schedule of the Sales Tax Act, 1990 (g) Supplies made by importers who paid value addition tax on such goods at the time of import (h) Supplies made by an Active Taxpayer as defined in the Sales Tax Act, 1990 to another registered persons with exception of advertisement services (i) Supply of sand, stone, gravel/crush and clay to low cost housing schemes or approved by Naya Pakistan Housing and Development Authority (j) electric vehicles (4 wheelers) CKD kits for small cars/SUVs, with 50 kwh battery (k) Electric vehicles (4 wheelers) small cars/SIVs (l) Electric vehicles (2-3 wheelers) (m) Motor cars of cylinder capacity upto 850cc.

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TAX ON MOTOR VEHICLE U/S 234

Goods Transport Vehicle	Rate (ATL)
Laden weight is less than 8120 Kg	Rs.2.5 per kg
Laden weight is equal or greater than 8120 Kg (after 10 years)	Rs.1,200 p.a
Passenger transport vehicles plying for hire	
Seating capacity of 4 or more persons but less than 10 persons	Rs.50 per seat p.a
Seating capacity of 10 or more persons but less than 20 persons	Rs.100 per seat p.a
Seating capacity of 20 or more persons	Rs.300 per seat p.a
Other Private motor vehicle	
1. upto 1000cc	Rs.800
2. 1001cc to 1199cc	Rs.1,500
3. 1200cc to 1299cc	Rs.1,750
4. 1300cc to 1499cc	Rs.2,500
5. 1500cc to 1599cc	Rs.3,750
6. 1600cc to 1999cc	Rs.4,500
7. Abvoe 2000cc	Rs.10,000
1. upto 1000cc	Rs.10,000
2. 1001cc to 1199cc	Rs.18,000
3. 1200cc to 1299cc	Rs.20,000
4. 1300cc to 1499cc	Rs.30,000
5. 1500cc to 1599cc	Rs.45,000
6. 1600cc to 1999cc	Rs.60,000
7. Abvoe 2000cc	Rs.120,000

TAX ON PURCHASE, REGISTRATION & TRANSFER OF VEHICLE

Engine Capacity	231B(1)(3)	231B(2)	231B(2A)
1. Upto 850cc	7,500	-	
2. 851cc to 1000cc	15,000	5,000	50,000
3. 1001cc to 1300cc	25,000	7,500	
4. 1301cc to 1600cc	50,000	12,500	100,000
5. 1601 cc to 1800cc	75,000	18,750	
6. 1801cc to 2000cc	100,000	25,000	
7. 2001cc to 2500cc	150,000	37,500	
8. 2501cc to 3000cc	200,000	50,000	200,000
9. Above 3000cc	250,000	62,500	

Note: Tax collected u/s 231B(2A) shall be reduced by 10% each year from the date of registration.

PUNJAB AGRICULTURAL INCOME TAX ACT, 1997 New

1st Schedule: Slab of total cultivated land, computed rate of tax as per acre as irrigated land, by treating one acre of irrigated land as equal to two acre of un-irrigated land, excluding mature orchards.

1. Not exceeding 12½ acres	Exempt
2. Exceeding 12½ acres but not exceeding 25 acres	Rs.300/- per acre
3. Exceeding 25 acres but not exceeding 50 acres	Rs.400/- per acre
4. Exceeding 50 acres	Rs.500/- per acre
Mature orchards	
1. Irrigated	Rs.600/- per acre
2. Unirrigated	Rs.300/- per acre

2nd Schedule: (The rate of tax on total agriculture income)

1. Upto Rs.400,000	0%
2. Rs.400,001 to Rs.800,000	Rs.1,000
3. Rs.800,001 to Rs.1,200,000	Rs.2,000
4. Rs.1,200,001 to Rs.2,400,000	5% of the amount exceeding Rs.1,200,000
5. Rs.2,400,001 to Rs.4,800,000	Rs.60,000 + 10% of the amount exceeding Rs.2,400,000
6. Exceeding Rs.4,800,000	Rs.300,000 + 15% of the amount exceeding Rs.4,800,000

MINIMUM TAX - TAX YEAR 2021

Nature of Payment	Section	Rate (ATL)
Trader having turnover upto 100 Million Rupees in TY 2020, if tax liability of TY 2019 & 2020 shall not be less than tax paid for TY 2018. (28D).	113	0.50% of Turnover

With compliments from

Asif Iqbal

Enrolled as an Advocate on 13th March 2015 later on as an Advocate High Court on 30th March, 2017.
Appointed as Vice Chairman Tax & Corporate Law Performers Committee Lahore Year 2020-2021.
Appointed as Senior Vice President Lahore Bar Association of Tax & Corporate Committee Year 2020.
Appointed as Chairman of Tax Law Reforms Committee by Lahore Bar Association Year 2022.
Appointed as Chairman of Tax Committee by Lahore Tax Bar Association Year 2022.

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