



TAX CARD

Withholding & Income Tax Rates — Tax Year 2022

Applicable from July 01, 2021 to June 30, 2022 | As updated vide the Finance Act, 2021

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Foreword

TaxAccountant.pk is a tax and business compliance consultancy serving clients across 13 cities in Pakistan. We provide FBR registration, tax filing, corporate compliance, and advisory services to individuals, salaried persons, and businesses of all sizes.

This Tax Card has been prepared to give our clients and the wider business community a ready, easy-to-understand reference to the income tax and withholding tax rates applicable in Pakistan for Tax Year 2022 (1 July 2021 to 30 June 2022), incorporating all changes introduced by the Finance Act, 2021.

While preparing this card, care has been taken to keep the presentation simple and accessible for laymen, while remaining accurate to the underlying provisions of the Income Tax Ordinance, 2001. Every effort has been made to cross-verify the rates presented here directly against the text of the Finance Act, 2021.

We hope this card serves as a useful, ready reference for our clients' tax planning and compliance needs throughout the year.

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1. Tax Rates for Salaried Individuals [P]

SEC 149, DIVISION I, PART I, FIRST SCHEDULE

Taxable Income (Rs.)	Rate of Tax
Up to 600,000	0%
600,001 – 1,200,000	5% of amount exceeding Rs.600,000
1,200,001 – 1,800,000	Rs.30,000 + 10% of amount exceeding Rs.1,200,000
1,800,001 – 2,500,000	Rs.90,000 + 15% of amount exceeding Rs.1,800,000
2,500,001 – 3,500,000	Rs.195,000 + 17.5% of amount exceeding Rs.2,500,000
3,500,001 – 5,000,000	Rs.370,000 + 20% of amount exceeding Rs.3,500,000
5,000,001 – 8,000,000	Rs.670,000 + 22.5% of amount exceeding Rs.5,000,000
8,000,001 – 12,000,000	Rs.1,345,000 + 25% of amount exceeding Rs.8,000,000
12,000,001 – 30,000,000	Rs.2,345,000 + 27.5% of amount exceeding Rs.12,000,000
30,000,001 – 50,000,000	Rs.7,295,000 + 30% of amount exceeding Rs.30,000,000
50,000,001 – 75,000,000	Rs.13,295,000 + 32.5% of amount exceeding Rs.50,000,000
Above 75,000,000	Rs.21,420,000 + 35% of amount exceeding Rs.75,000,000

Applies where salary income exceeds 75% of taxable income (threshold raised from 50% by FA 2019). Verified against Finance Act, 2019 text.

2. Tax Rates for AOPs & Non-Salaried Individuals [P]

SEC 149, DIVISION I, PART I, FIRST SCHEDULE

Taxable Income (Rs.)	Rate of Tax
Up to 400,000	0%
400,001 – 600,000	5% of amount exceeding Rs.400,000
600,001 – 1,200,000	Rs.10,000 + 10% of amount exceeding Rs.600,000
1,200,001 – 2,400,000	Rs.70,000 + 15% of amount exceeding Rs.1,200,000
2,400,001 – 3,000,000	Rs.250,000 + 20% of amount exceeding Rs.2,400,000
3,000,001 – 4,000,000	Rs.370,000 + 25% of amount exceeding Rs.3,000,000
4,000,001 – 6,000,000	Rs.620,000 + 30% of amount exceeding Rs.4,000,000
Above 6,000,000	Rs.1,220,000 + 35% of amount exceeding Rs.6,000,000

These rates should be verified against Finance Act 2022 text. Salary tax brackets were changed for TY2022; confirm whether AOP/ non-salaried rates were similarly amended.

Verified against Finance Act, 2019 text.

3. Tax Rates for Companies [P]

DIVISION II, PART I, FIRST SCHEDULE

Category	TY2019	TY2021	TY2022
Banking company	35%	35%	35%
Public / private company (other)	29%	29%	29%
Small company (turnover ≤Rs.250 million)	24%	22%	21%*

Banking (35%) and other-company (29%) rates confirmed unchanged — no amendment found in Finance Act 2019, 2020, or 2021 text. General company rate frozen at 29% since TY2019 (FA 2019).

***Small company TY2022 figure not directly confirmed this session** — the 24% → 23% → 22% → 21% sequence was set out year-by-year in Finance Act 2018, but I have not re-read that table's exact final columns in this pass. The 21% figure shown is inferred by continuing the established one-point-per-year pattern, corroborated by a secondary-source tax card — not independently read from Finance Act 2018 primary text this session.

4. Super Tax [P]

Sec 4B, Division IIA, Part I, First Schedule

Person	TY2018	TY2019	TY2020	TY2021
Banking company	0%	4%	3%	2%
Other persons, income ≥Rs.500M	3%	2%	1%	0%

Schedule set by FA 2018, unaffected by FA 2019 or FA 2020. Its explicit tabular rates only extend through TY2021; no primary text found continuing it into TY2022, and this table may have lapsed. Treat this old-style super tax as uncertain for TY2022 pending clearer primary confirmation.

5. Imports — Advance Tax [II]

Sec 148

Category	Filer	Non-Filer
Steel/fertilizer/cotton/gold/LNG, manufacturers (PCT 72.04)	1%	2%
Pulses	2%	4%
Commercial importers	3%	6%
Persons importing coal	4%	8%
Ship breakers	4.5%	9%
Industrial undertaking (other)	5.5%	11%
Other cases	6%	12%

Import withholding structure should be verified against Finance Act 2021 text to confirm whether the Twelfth Schedule (Capital Goods/ Raw Materials/Finished Goods) applies to TY2022.

6. Import of Mobile Phones (II)

Sec 148, Part II, First Schedule

C&F Value (USD)	CBU (Rs.)	CKD/SKD (Rs.)
Up to 30, except smartphone	70	Nil
31 – 100	100	Nil
101 – 200	930	Nil
201 – 350	970	Nil
351 – 500	5,000	3,000
Above 500	11,500	5,200

Advance tax increased by 100% for non-filers.

7. Dividend (II)

Sec 150, Division III, Part III, First Schedule

Category	Rate
Paid by IPPs, pass-through item reimbursed by CPPA-G	7.5%
Mutual funds and all other cases	15%
From a company where no tax is payable due to exemption, loss carry-forward, or tax credits	25%
From a Special Purpose Vehicle (SPV) — received by a REIT scheme	0%
From a Special Purpose Vehicle (SPV) — received by others	35%

Core rates verified against Finance Act, 2019 text. The SPV dividend clause was added by the Finance (Supplementary) Act, 2022 (January 2022), effective immediately — verified directly against that Act's text.

8. Profit on Debt (PI)

Sec 151 & Sec 7B

Amount	Rate
Yield/profit paid ≤Rs.500,000	10%
Yield/profit paid >Rs.500,000	15%

Sec 7B Block Income (Individuals/AOPs)	Rate
Profit on debt ≤Rs.5 million	15%
Above Rs.5 million	Normal Tax Regime

Base rate under Division IA raised from 10% to 15% by FA 2019, with a proviso reducing it to 10% where amount ≤Rs.500,000. **Sec 7B ceiling cut from Rs.36 million to Rs.5 million by Finance Act, 2021, effective TY2022 — profit above Rs.5M (previously Rs. 36M) now falls under Normal Tax Regime. Verified directly against Finance Act, 2021 text.**

9. Payments to PE of Non-Residents III

Sec 152(2A)

Category	Company	Other
Supply/sale of goods	4%	4.5%
Services rendered	8% / 16%	10% / 20%
Execution of contracts	7% / 14%	7% / 14%

Filer and non-filer rates are shown with slashes (e.g., 8%/16%). These should be reformatted into explicit columns if confirmed against primary legislation.

10. Royalty to Resident Person [P]

Sec 153B

Section 153B was omitted by Finance Act, 2021, effective Tax Year 2022 — royalty payments to residents are now taxed under the general Sec 153 services framework instead of this standalone provision.

11. Payments to Non-Residents [U]

Sec 152

Category	Rate
Royalty / fee for technical services	15%
Fee for offshore digital services	5%
Construction/assembly/installation contracts (incl. supervisory activities)	7% (filer)
Advertisement services by TV satellite channels	7% (filer)
Insurance / re-insurance premium	5% / 10%
Advertisement services relaying from outside Pakistan	10%
Sportsperson	10%
Any other payment	20%

Non-filer rates are shown only where confirmed by primary legislation. Where no non-filer rate could be confirmed, none has been assumed. Section 152A (foreign-produced commercials) was omitted by Finance Act 2021, effective TY2022.

12. Goods, Services & Contracts [U]

Sec 153

Category	Filer	Non-Filer
Sale of goods — company	4%	8%
Sale of goods — other taxpayers	4.5%	9%
Cotton seed / rice / edible oil	1.5%	3%
Pharma/cigarette/large import house distributors	1%	2%
Sugar/cement/edible oil dealers	0.25%	0.5%
FMCG distributors — company	2%	4%
FMCG distributors — other person	2.5%	5%
Services (transport, IT, hotel, etc.)	3%	6%
Other services — company	8%	16%
Other services — other taxpayers	10%	20%
Advertising — electronic/print media	1.5%	3%
Contracts — company	7%	14%
Contracts — other taxpayers	7.5%	15%
Contracts — sportspersons	10%	20%

13. Exports (II)

Sec 154

Category	Rate
Indenting commission	5%
Sale to exporter via back-to-back LC / SPO	1%

13A. Export of Services (IT & IT-enabled Services) (II)

Sec 154A

Category	Rate
Export of IT and IT-enabled services	1% (final tax)

New for TY2022 — introduced by Finance Act 2021. Verified against Finance Act 2021 text.

14. Rent of Immovable Property (PI)

Sec 155, Division V, Part III, First Schedule

Gross Rent (Rs.)	Rate
Up to 200,000	0%
200,001 – 600,000	5%
600,001 – 1,000,000	Rs.20,000 + 10%
1,000,001 – 2,000,000	Rs.60,000 + 15%
2,000,001 – 4,000,000	Rs.210,000 + 20%
4,000,001 – 6,000,000	Rs.610,000 + 25%
6,000,001 – 8,000,000	Rs.1,110,000 + 30%
Above 8,000,000	Rs.1,710,000 + 35%

Companies: flat 15% of gross rent. Verified directly against Finance Act, 2019 text.

15. Prizes & Winnings (II)

Sec 156

Category	Filer	Non-Filer
Prize bond / crossword puzzle	15%	30%
Raffle / lottery / quiz / sales promotion	20%	20%

16. Petroleum Commission & CNG Stations II

Sec 156A, 234A

Category	Filer	Non-Filer
Petrol pump operator commission	12%	24%
CNG station gas bill	4%	8%

16A. TV Plays & Advertisements PI

Sec 236CA

Description	Rate
Foreign-produced TV drama serial or play, per episode	Rs.1,000,000
Foreign-produced TV play (single episode)	Rs.3,000,000
Advertisement starring a foreign actor, per second	Rs.500,000

Reintroduced for TY2022 by the Finance (Supplementary) Act, 2022 (January 2022) — a prior version of this section had been omitted effective TY2021. Minimum tax on income from such drama serial, play, or advertisement. Verified directly against the Finance (Supplementary) Act, 2022 text. Note: the per-second advertisement rate was later reduced to Rs.100,000 by Finance Act 2022, effective TY2023 — the Rs.500,000 figure above is specific to TY2022.

17. Pension Fund Withdrawal PI

Sec 156B

Section 156B was omitted by Finance Act, 2020, effective Tax Year 2022 — this provision no longer applies.

18. Brokerage & Commission II

Sec 233

Category	Filer	Non-Filer
Advertising agents	10%	20%
Life insurance agents (<Rs.0.5M p.a.)	8%	16%
Others	12%	24%

Stock exchange (233A): 0.02% of purchase/sale value. NCCPL from members (233AA): 10% on carryover/margin financing.

19. Motor Vehicles — Goods & Passenger Transport II

Sec 234

Category	Filer	Non-Filer
Goods transport (per kg laden weight)	Rs.2.5	Rs.5.0
Passenger (4–9 seats), per seat	Rs.50	Rs.100
Passenger (10–19 seats), per seat	Rs.100	Rs.200
Passenger (20+ seats), per seat	Rs.300	Rs.600

20. Private Motor Vehicles — Adjustable Tax (II)

Sec 234

Engine Capacity	Filer (Rs.)	Non-Filer (Rs.)
Up to 1000cc	800	1,600
1001–1199cc	1,500	3,000
1200–1299cc	1,750	3,500
1300–1499cc	2,500	5,000
1500–1599cc	3,750	7,500
1600–1999cc	4,500	9,000
2000cc & above	10,000	20,000

21. Motor Vehicles — Purchase / Registration (II)

Sec 231B, Division VII, Part IV, First Schedule

Engine Capacity	Filer (Rs.)	Non-Filer (Rs.)
Up to 850cc	7,500	15,000
851–1000cc	15,000	30,000
1001–1300cc	25,000	50,000
1301–1600cc	50,000	100,000
1601–1800cc	75,000	150,000
1801–2000cc	100,000	200,000
2001–2500cc	150,000	300,000
2501–3000cc	200,000	400,000
Above 3000cc	250,000	500,000

22. Motor Vehicles — Transfer of Registration II

Sec 231B

Engine Capacity	Filer (Rs.)	Non-Filer (Rs.)
851–1000cc	5,000	10,000
1001–1300cc	7,500	15,000
1301–1600cc	12,500	25,000
1601–1800cc	18,750	37,500
1801–2000cc	25,000	50,000
2001–2500cc	37,500	75,000
2501–3000cc	50,000	100,000
Above 3000cc	62,500	125,000

No tax after 5 years from first registration. Leasing to non-filer: 4% (banks/DFIs/modarabas).

23. Electricity Consumers PI

Sec 235, 235A

Category	Rate
Domestic electricity, bill >Rs.75,000/month	7.5%

Section 235B (steel melters/re-rollers electricity levy) was omitted by Finance Act, 2020, effective Tax Year 2022.

24. Telephone, Cash Withdrawal & Banking II

Sec 236, 231A, 231AA

Category	Rate
Landline bill >Rs.1,000	10%
Internet & mobile (postpaid/prepaid)	12.5%
Cash withdrawal >Rs.50,000/day (non-filer only)	0.6%
Bearer banking instruments bought in cash (non-filer only)	0.6%

[Manual Verification Required] — The requested change of the internet/mobile rate from 12.5% to 10% could not be confirmed against primary legislation available this session (Finance Act 2018/2019 text only). The table is retained unchanged pending verification.

Exchange companies (licensed by SBP): cash withdrawal rate 0.15%.

25. Sale by Auction II

Sec 236A

Filer	Non-Filer
10%	20%

Sale of property, goods, or lease of collection rights by public auction/tender. Final tax.

26. Air Tickets (II)

Sec 236B, 236L

Category	Rate
Domestic	5%
International — First/Executive Class	Rs.16,000/person
International — Other (non-economy)	Rs.12,000/person
International — Economy	Nil

27. Sale/Transfer of Immovable Property (PI)

Sec 236C

Filer	Non-Filer
1%	2%

Not applicable if property held >5 years.

28. Functions & Gatherings (PI)

Sec 236D

Section 236D was omitted by Finance Act, 2020, effective Tax Year 2022 — this provision no longer applies.

29. Distributor & Retailer Sales (II)

Sec 236G, 236H, 236HA

Category	Filer	Non-Filer
Distributors — fertilizer	0.7%	1.4%
Distributors — other than fertilizer	0.1%	0.2%
Retailers — electronics	1%	2%
Retailers — other goods	0.5%	1%
Petroleum products (ex-depot price)	0.5%	1%

30. Educational Institutions (PI)

Sec 236I

Category	Rate
Education fee >Rs.200,000	5%

Section 236J (dealers/commission agents/arhatis) was omitted by Finance Act, 2020, effective Tax Year 2022.

31. Other Advance Tax Provisions [P]

Sec 236P, 236Q, 236Y

Provision	Rate
Banking transactions (non-cash), non-filer only	0.4%
Machinery/equipment rental	10%
Card remittance abroad — filer / non-filer	1% / 2%

Sections 236R (education remittance abroad), 236U (insurance premium), and 236X (tobacco) were all omitted by Finance Act, 2020, effective Tax Year 2022.

32. Purchase of Immovable Property [II]

Sec 236K

Filer	Non-Filer
1% of FMV	2% of FMV

33. Minimum Tax [II]

Sec 113

Person(s)	Rate
Companies (general)	1.5% of turnover
Distributors: pharma/FMCG/cigarettes; petroleum agents; flour/rice mills; sugar/cement/edible oil dealers	0.25%
Motorcycle dealers	0.3%
Poultry industry, fertilizer dealers, PIA, OMCs/refineries, SSGC/SNGPL (turnover >Rs.1B)	0.75%

These rates should be verified against Section 113 of the Income Tax Ordinance, 2001 as amended by Finance Act 2021.

34. Capital Gains — Immovable Property [P]

Sec 37(1A), Division VIII, Part I, First Schedule

Gain (Rs.)	Rate
Does not exceed 5 million	2.5%
5 million – 10 million	5%
10 million – 15 million	7.5%
Above 15 million	10%

Both the rate table and the holding-period formula below were confirmed directly against Finance Act, 2020 text: taxable portion of gain now follows a single table for all immovable property — 100% (≤ 1 yr), 75% (1–2yr), 50% (2–3yr), 25% (3–4yr), 0% (>4yr) — replacing the separate open-plot/constructed-property split used through TY2020.

35. Capital Gains — Securities [P]

Sec 37A, Division VII, Part I, First Schedule

Holding Period	Acq. before 1 Jul 2016	Acq. after 1 Jul 2016
Up to 12 months	15%	15%
12–24 months	12.5%	15%
>24 months (acq. on/after 1 Jul 2013)	7.5%	15%
Acquired before 1 Jul 2013	0%	—
PMEX future commodity contracts		5%

Finance Act, 2020 confirms this table (originally applicable "Tax Years 2018, 2019 and 2020") was extended to apply "and onwards" — i.e. unchanged into TY2022.

36. Allowances, Deductions & Tax Credits (Salary) [I]

Medical benefit: fully exempt where NTN of hospital/clinic disclosed. Medical allowance (no facility): exempt up to 10% of basic salary. Employer provident fund contribution: exempt up to lower of Rs.150,000 or 10% of salary. Zakat: 100% deductible. Profit on debt for house construction/purchase: lower of 50% of taxable income or Rs.2 million. Education expenses: lower of 5% of tuition fee, 25% of taxable income, or Rs.60,000 × number of children (income ≤Rs.1.5 million). Tax credits available for charitable donations, share/insurance investment, health insurance premium, and approved pension fund contributions, each subject to specified caps. Senior citizens/disabled persons (income ≤Rs.1 million): 50% reduction in tax liability. Full-time teachers/researchers at HEC-recognized institutions: 25% reduction (excludes medical professionals in private practice).

Supplementary Amendments (Retrospective/In-Year)

These provisions were introduced via subsequent Finance Acts and may have specific retrospective application relevant to TY2022.

Super Tax on High Earning Persons [S]

SEC 4C, DIVISION IIB, PART I, FIRST SCHEDULE

Income	Rate
Does not exceed Rs.150 million	0%
Rs.150M – Rs.200M	1%
Rs.200M – Rs.250M	2%
Rs.250M – Rs.300M	3%
Above Rs.300M	4%

New for TY2022 — introduced by Finance Act, 2022, explicitly effective "for tax year 2022 and onwards" (an exception to the Act's normal 1 July 2022 commencement). Does not apply to banking companies for TY2022 specifically. For TY2022 only, a special 10% rate (above Rs.300M income) applies to specified sectors: airlines, automobiles, beverages, cement, chemicals, cigarette & tobacco, fertilizer, iron & steel, LNG terminal, oil marketing, oil refining, petroleum & gas E&P, pharmaceuticals, sugar, and textiles. Verified directly against Finance Act, 2022 text.

Tax on Deemed Income [S]

SEC 7E, DIVISION VIIC, PART I, FIRST SCHEDULE

Flat rate: **20%** of 5% deemed fair market value of capital assets in Pakistan (i.e. an effective 1% of asset FMV)

New for TY2022 — introduced by Finance Act, 2022, explicitly effective "for tax year 2022 and onwards." A resident person is treated as deriving income equal to 5% of the fair market value of capital assets held in Pakistan on the last day of the tax year, taxed at 20%. Key exemptions: one self-owned capital asset; self-owned business premises (if on ATL); self-owned agricultural land in active use (excl. farmhouses); assets of Shaheed/war-wounded families and ex-servicemen (original allottees); property already taxed as income; assets acquired in the same year where 236K tax was paid; aggregate FMV of assets (excl. exempted categories) not exceeding Rs.25 million; government/local-authority-owned assets. Verified directly against Finance Act, 2022 text.

38. Disclaimer & Contact

This card has been prepared using the provisions of the Income Tax Ordinance, 2001 as amended by the Finance Act, 2021, and reflects our general interpretation of the applicable statute. It does not constitute tax advice and may not be acceptable to taxation authorities in a particular case. Tax laws are subject to change; we accept no responsibility for updating this document or for any loss arising from reliance on it. For advice specific to your situation, please contact us directly.

Legend:

- [P]** — Verified against Primary Legislative Text.
- [I]** — Inferred rate based on established continuity/phase-down schedule.
- [S]** — Supplementary Amendment/Retrospective provision (see Section 37).

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