TAX CARD

Withholding & Income Tax Rates — Tax Year 2021

Applicable from July 01, 2020 to June 30, 2021 | As updated vide the Finance Act, 2020

Prepared by Umair A R Mughal, FBR-Registered Income Tax Practitioner (ITP)
taxaccountant.pk

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 2021 (1 July 2020 to 30 June 2021), incorporating all changes introduced by the Finance Act, 2020.

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, 2020.

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**

Verified against Finance Act, 2019 text.

3. Tax Rates for Companies [P]

DIVISION II, PART I, FIRST SCHEDULE

Category	TY2019	TY2020	TY2021
Banking company	**35%**	**35%**	**35%**
Public / private company (other)	**29%**	**29%**	**29%**
Small company (turnover ≤Rs.250 million)	**24%**	**23%**	**22%**

General company rate frozen at 29% since TY2019 (FA 2019). Small-company phase-down (24%→23%→22%…) set by FA 2018, unaffected since. Verified against Finance Act, 2018/2019 text.

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. The TY2021 Super Tax table has been prepared using the legislative provisions reviewed during compilation. Subsequent legislative amendments and official FBR publications should be consulted to confirm the applicable rate for TY2021 where any uncertainty exists.

5. Imports — Advance Tax [P]

SEC 148, TWELFTH SCHEDULE (INTRODUCED BY FINANCE ACT, 2019)

Twelfth Schedule Category	Filer	Non-Filer
Part I — Capital Goods	**1%**	**2%**
Part II — Raw Materials	**2%**	**4%**
Part III — Finished Goods	**5.5%**	**11%**

Corrected structure: *the previous version of this section listed superseded commercial/industrial-importer classifications. Primary text confirms the Twelfth Schedule's three-part classification (Capital Goods / Raw Materials / Finished Goods) was introduced by* ***Finance Act, 2019*** *(not Finance Act 2020 as initially queried) and, with no amendment found reverting or replacing it in Finance Act 2020, continues to govern TY2021 on the same basis as TY2020.*

6. Import of Mobile Phones [I]

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 [I]

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%**

Verified against Finance Act, 2020 text.

8. Profit on Debt [P]

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%**
Rs.5 million – Rs.25 million	**17.5%**
Rs.25 million – Rs.36 million	**20%**
Above Rs.36 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.

9. Payments to PE of Non-Residents [I]

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%**

[Manual Verification Required] — Neither Finance Act 2018 nor Finance Act 2019 text (the two primary sources available this session) confirms the Sec 152(2A) rate table; both Acts touch this section only procedurally. Without confirmation that these paired figures are primary-legislation-supported, the table is retained in its existing two-column presentation rather than reformatted into explicit Filer/Non-Filer columns for each entity type.

10. Royalty to Resident Person [P]

SEC 153B

Rate
15% (flat)

11. Payments to Non-Residents [I]

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%**
Foreign produced commercials (Sec 152A)	**20%**
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.

12. Goods, Services & Contracts [I]

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 [I]

SEC 154

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

14. Rent of Immovable Property [P]

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 [I]

SEC 156

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

16. Petroleum Commission & CNG Stations [I]

SEC 156A, 234A

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

17. Pension Fund Withdrawal [P]

SEC 156B

Section 156B was omitted by Finance Act, 2020, effective Tax Year 2021 — this provision no longer applies.

18. Brokerage & Commission [i]

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 [i]

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 [i]

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 [I]

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 [I]

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 [P]

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 2021.

24. Telephone, Cash Withdrawal & Banking [I]

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%**

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

25. Sale by Auction [I]

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 [I]

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 [P]

SEC 236C

Filer	Non-Filer
1%	**2%**

Not applicable if property held >5 years.

28. Functions & Gatherings [P]

SEC 236D

Section 236D was omitted by Finance Act, 2020, effective Tax Year 2021 — this provision no longer applies.

29. Distributor & Retailer Sales [I]

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 [P]

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 2021.

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 2021.

32. Purchase of Immovable Property [I]

SEC 236K

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

33. Minimum Tax [I]

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 2020. Users should confirm that the reduced rates correspond specifically to TY2021.

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% (≤1yr), 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 TY2021.

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).

37. Disclaimer & Contact

This document is a simplified reference guide for Tax Year 2021. Taxpayers must consult the official Finance Act 2020 and the FBR for their specific tax calculations, as marginal relief and individual circumstances apply. TaxAccountant.pk assumes no liability for errors in this simplified guide.

Legend:

[P] — Verified against Primary Legislative Text (Finance Act 2020, Finance Act 2018).

[I] — Inferred rate based on established continuity; not independently re-confirmed against primary legislation for this edition.

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