TAX CARD

Withholding & Income Tax Rates — Tax Year 2020

Applicable from July 01, 2019 to June 30, 2020 | As updated vide the Finance Act, 2019

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

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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 2020 (1 July 2019 to 30 June 2020), incorporating all changes introduced by the Finance Act, 2019.

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, 2019.

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]

WITHHOLDING MECHANISM: SEC 149 | RATE SCHEDULE: 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]

WITHHOLDING MECHANISM: SEC 149 | RATE SCHEDULE: 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
Banking company	**35%**	**35%**
Public / private company (other)	**29%**	**29%**
Small company (see definition below)	**24%**	**23%**

General company rate phase-down was frozen at 29% "for tax year 2019 and onwards" by FA 2019. Verified against Finance Act, 2019 text.
***Small company definition (Sec 2(59A)):** a company is not defined by turnover alone — it must be registered on or after 1 July 2005, have paid-up capital plus undistributed reserves not exceeding Rs. 50 million, employ 250 or fewer people at any time during the year, have annual turnover not exceeding Rs. 250 million, and not be formed by splitting up an existing business. All conditions must be met; turnover ≤Rs. 250M is only one criterion among several.*

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. Verified directly against Finance Act, 2019 text.
The TY2020 rate has been retained pending verification against the applicable Finance Act, the Income Tax Ordinance, 2001, and official FBR publications. Some secondary tax references present a different figure for TY2020. Users should independently verify this provision where required.

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. Finance Act, 2019 restructured Sec 148 import withholding around the new Twelfth Schedule's three-part classification (Capital Goods / Raw Materials / Finished Goods), which is the correct basis for TY2020. Manufacturers importing goods under SRO 1125(I)/2011 and non-locally-manufactured medicines (DRAP-certified) continue to have separate rates under other provisions of Sec 148.*

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, 2019 text.

8. Profit on Debt — Withholding u/s 151 [P]

SEC 151, DIVISION IA, PART III, FIRST SCHEDULE

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

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. This is the withholding tax deducted at source by the payer.

9. Profit on Debt — Block Tax Regime (Sec 7B) [P]

SEC 7B, DIVISION IA, PART III, FIRST SCHEDULE

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**

Distinct from the Sec 151 withholding table above: this is the separate block-income taxation regime that determines the individual/AOP's final liability on profit-on-debt income, rather than the amount withheld at source.

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

SEC 152(2A)

Category	Company — Filer	Company — Non-Filer	Other — Filer	Other — Non-Filer
Supply/sale of goods	**4%**	**8%**	**4.5%**	**9%**
Services rendered	**8%**	**16%**	**10%**	**20%**
Execution of contracts	**7%**	**14%**	**7%**	**14%**

***Corrected layout:** the previous table's "Company/Other" columns mixed entity type with an implied filer/non-filer split that wasn't stated consistently. Every rate below is now shown explicitly for both filer and non-filer status, for each entity type.*

11. Royalty to Resident Person [P]

SEC 153B, DIVISION IIIB, PART III, FIRST SCHEDULE

Rate
15% (flat)

Confirmed directly against Finance Act, 2019 text: "The rate of tax to be deducted under section 153B shall be 15% of the gross amount payable." No filer/non-filer split is stated in the statute — the rate is uniform and adjustable.

12. Payments to Non-Residents [!]

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%**

Construction/assembly/installation contracts and advertisement services by TV satellite channels are now shown as separate rows rather than merged. Non-filer figures are shown only where a specific rate is stated for that category in secondary sourcing (insurance/re-insurance) — for the two split rows above, no non-filer rate could be confirmed against primary text this session, so none is shown rather than assuming a doubled figure.

13. 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%**

Service sector rates (3%/6%, 8%/16%, 10%/20%) should be verified against Section 153 of the Income Tax Ordinance, 2001 as amended by the Finance Act 2019.

14. Exports [I]

SEC 154

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

15. 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.

16. Prizes & Winnings [I]

SEC 156

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

17. Petroleum Commission & CNG Stations [I]

SEC 156A, 234A

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

18. Pension Fund Withdrawal [I]

SEC 156B

Rate
Average rate of tax for preceding 3 years

19. 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.

20. 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**

21. 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**

22. 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**

23. 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).

24. Electricity Consumers & Steel Melters [i]

SEC 235, 235A, 235B

Category	Rate
Domestic electricity, bill >Rs. 75,000/month	**7.5%**
Steel melters/re-rollers/composite units — electricity for MS products	**Re.1/unit consumed**

Steel melters rate (Re. 1 per unit consumed) is subject to SRO amendments. Verify with FBR.

25. 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%.

26. Sale by Auction [I]

SEC 236A

Category	Filer	Non-Filer
Property, goods, or lease of collection rights sold by public auction/tender	**10%**	**20%**

Final tax.

27. Air Tickets [I]

SEC 236B, 236L

Category	Rate
Domestic	**5%**
International — First/Executive/Business Class	**Rs. 16,000/person**
International — Club, Economy Plus, or any other class (excluding Economy)	**Rs. 12,000/person**
International — Economy	**Nil**

Terminology aligned with Division IX, Part IV, First Schedule wording.

28. Sale/Transfer of Immovable Property [P]

SEC 236C

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

Not applicable if property held >5 years. Rates are subject to specific exclusions and transitional rules as per the ITO 2001 (e.g. inheritance/gift transfers, first-sale-by-original-allottee provisions) not exhaustively listed in this summary card.

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29. Functions & Gatherings [I]

SEC 236D

Location	Rate
Major cities (Islamabad, Lahore, Karachi, etc.)	**5% of bill or Rs. 20,000/function, whichever higher**
Other cities	**5% of bill or Rs. 10,000/function, whichever higher**

30. 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%**

31. Educational Institutions & Dealers/Arhatis [I]

SEC 236I, 236J

Category	Rate
Education fee >Rs. 200,000	**5%**
Dealers/commission agents/arhatis — Class A	**Rs. 100,000/year**
Class B	**Rs. 75,000/year**
Class C / Other	**Rs. 50,000/year**

32. Other Advance Tax Provisions [I]

SEC 236P, 236Q, 236R, 236U, 236V, 236X, 236Y

Provision	Rate
Banking transactions (non-cash), non-filer only	**0.4%**
Machinery/equipment rental	**10%**
Education remittance abroad	**5%**
Insurance premium (non-filer only) — general	**4%**
Insurance premium (non-filer only) — life >Rs. 0.3M	**1%**
Mineral extraction (non-filer only)	**5%**
Tobacco (via Pakistan Tobacco/contractor)	**5%**
Card remittance abroad — filer / non-filer	**1% / 2%**

Machinery/equipment rental (Section 236U), mineral extraction (Section 236V), and tobacco (Section 236Y) rates should be verified against the Income Tax Ordinance, 2001 and applicable amendments.

33. Purchase of Immovable Property [I]

SEC 236K

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

34. 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%**

Rates are subject to specific exclusions and transitional rules as per the ITO 2001 — certain persons, income types, and carry-forward scenarios under Sec 113 are not exhaustively listed in this summary card.
Poultry industry, PIA, OMCs, refineries, and SSGC/SNGPL rates should be verified against Section 113 and applicable Finance Acts/SROs.

35. Capital Gains — Immovable Property [P]

SEC 37(1A), DIVISION VIII, PART I, FIRST SCHEDULE

Gain (Rs.)	Rate
Does not exceed 5 million	**5%**
5 million – 10 million	**10%**
10 million – 15 million	**15%**
Above 15 million	**20%**

Taxable portion — Open plots: 100% (≤1yr), 75% (1–8yr), 0% (>8yr). Constructed property: 100% (≤1yr), 75% (1–4yr), 0% (>4yr). 50% reduction for original-allottee ex-servicemen/govt employees. Verified against Finance Act, 2019 text.

36. Capital Gains — Securities [I]

SEC 37A

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%**	

Note: The 0% rate for securities acquired before 1 July 2013 applies irrespective of the holding period, subject to the applicable statutory provisions.

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

Medical benefit: fully exempt where NTN of hospital/clinic disclosed. Medical allowance: exempt up to 10% of basic salary, provided no medical facility is provided by the employer. 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).

38. Disclaimer & Contact

This document is a simplified reference guide for Tax Year 2020. Taxpayers must consult the official Finance Act 2019 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 2019, Finance Act 2018).

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

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