TAX CARD

Withholding & Income Tax Rates — Tax Year 2008

Applicable from July 01, 2007 to June 30, 2008 | As updated vide the Finance Act, 2007

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

Foreword

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 2008 (1 July 2007 to 30 June 2008), as reflected in the source material provided for this compilation.

Important note on this historical edition: Tax Year 2008 predates the earliest primary legislative text available to us in this compilation session (Finance Act, 2018). Every rate in this card is therefore sourced from the reference material supplied to us rather than independently confirmed against the Finance Act, 2007 or the Income Tax Ordinance, 2001 as it stood at that time. All sections are accordingly marked **[I]** (secondary source) rather than **[P]** (primary-verified) — see the Legend on the final page.

Additional provenance note: the source material supplied for this specific edition identifies itself as a paraphrased rewrite of an unspecified original document, rather than a direct transcription of a primary source. This adds a further layer of remove between this card and the underlying law, beyond what applies to our other historical-year cards. This card is intended as a historical reference only and should not be relied upon for any current compliance purpose.

Umair A R Mughal
FBR-Registered Income Tax Practitioner (ITP)
TaxAccountant.pk — Tax & Business Compliance Consultancy

Table of Contents

1. Tax Rates for Individuals (Non-Salaried)
2. Tax Rates for Salaried Class
3. Special Provisions
4. Small Companies & Minimum Tax
5. Company Tax Rates
6. Dividend, Savings & Government Securities
7. Prizes & Winnings
8. Rent, Brokerage & Commission
9. Contracts, Telephone & Cash Withdrawal
10. Supply of Goods
11. Imports
12. Services Rendered
13. Payments to Non-Residents
14. Advertisement, Petroleum & Royalties
15. Other Payments & Sale of Shares
16. Shipping & Air Transport
17. Appeal Fees

1. Tax Rates for Individuals (Non-Salaried) [!]

INCOME TAX ORDINANCE, 2001, AS PER FINANCE ACT, 2007 (PER SUPPLIED SOURCE MATERIAL)

Income Group	Rate
Up to Rs. 100,000	**0%**
Rs. 100,001 – Rs. 110,000	**0.5%**
Rs. 110,001 – Rs. 125,000	**1%**
Rs. 125,001 – Rs. 150,000	**2%**
Rs. 150,001 – Rs. 175,000	**3%**
Rs. 175,001 – Rs. 200,000	**4%**
Rs. 200,001 – Rs. 300,000	**5%**
Rs. 300,001 – Rs. 400,000	**7.5%**
Rs. 400,001 – Rs. 500,000	**10%**
Rs. 500,001 – Rs. 600,000	**12.5%**
Rs. 600,001 – Rs. 800,000	**15%**
Rs. 800,001 – Rs. 1,000,000	**17.5%**
Rs. 1,000,001 – Rs. 1,300,000	**21%**
Rs. 1,300,001 and above	**25%**

[Manual Verification Required] — Sourced from a paraphrased secondary document; not independently confirmed against Finance Act, 2007 or Income Tax Ordinance, 2001 primary text. Identical to the TY2007 non-salaried table in the supplied material — no change indicated.

2. Tax Rates for Salaried Class [i]

Income Group	Rate
Up to Rs. 150,000	**0%**
Rs. 150,001 – Rs. 200,000	**0.25%**
Rs. 200,001 – Rs. 250,000	**0.5%**
Rs. 250,001 – Rs. 300,000	**0.75%**
Rs. 300,001 – Rs. 350,000	**1.5%**
Rs. 350,001 – Rs. 400,000	**2.5%**
Rs. 400,001 – Rs. 500,000	**3.5%**
Rs. 500,001 – Rs. 600,000	**4.5%**
Rs. 600,001 – Rs. 700,000	**6%**
Rs. 700,001 – Rs. 850,000	**7.5%**
Rs. 850,001 – Rs. 950,000	**9%**
Rs. 950,001 – Rs. 1,050,000	**10%**
Rs. 1,050,001 – Rs. 1,200,000	**11%**
Rs. 1,200,001 – Rs. 1,500,000	**12.5%**
Rs. 1,500,001 – Rs. 1,700,000	**14%**
Rs. 1,700,001 – Rs. 2,000,000	**15%**
Rs. 2,000,001 – Rs. 3,150,000	**16%**
Rs. 3,150,001 – Rs. 3,700,000	**17.5%**
Rs. 3,700,001 – Rs. 4,450,000	**18.5%**
Rs. 4,450,001 – Rs. 8,400,000	**19%**
Rs. 8,400,001 and above	**20%**

Changed vs. TY2007: TY2007's "Rs. 600,001–850,000" single band (6%) is split here into two bands (600,001–700,000 at 6%, 700,001–850,000 at 7.5%), with each subsequent band's marginal rate correspondingly one step higher than the equivalent TY2007 band. Top rate remains 20% above Rs. 8,400,000 in both years.

3. Special Provisions [i]

Provision	Detail
Senior citizen rebate	**75% of tax payable — age 60+, income up to Rs. 400,000/annum**
Presumptive Tax Regime — Sec 113A	**0.5% of turnover, where turnover does not exceed Rs. 5 million**
Presumptive Tax Regime — Sec 113B	**Rs. 25,000 flat (turnover up to Rs. 5M); Rs. 25,000 + 0.5% of excess (Rs. 5M–10M); Rs. 50,000 + 0.75% of excess (above Rs. 10M)**
Working women — non-salaried	**Income exempt up to Rs. 125,000**
Working women — salaried	**Income exempt up to Rs. 200,000**

Changed vs. TY2007: Sec 113A rate reduced from 0.75% to 0.5% of turnover. Sec 113B restructured entirely — TY2007 was a flat 0.1% of turnover above Rs. 5M; TY2008 introduces a tiered fixed-plus-marginal structure (Rs. 25,000 / Rs. 25,000+0.5% / Rs. 50,000+0.75%). These are genuine structural changes per the supplied material, not carried over unchanged.

4. Small Companies & Minimum Tax [i]

Category	Rate
Small companies — taxable income	**20%**
Minimum tax (Sec 113) — of turnover, or tax otherwise payable, whichever higher	**0.5%**

5. Company Tax Rates [i]

Flat rate: **35%** for all company types, 2007 and 2008

Consistent with TY2007's phase-down schedule, which concluded at a flat 35% across all company types by 2007 — TY2008 continues at the same rate, per the supplied material.

6. Dividend, Savings & Government Securities [i]

Category	Rate
Dividend income — general	**10%**
Dividend income — public/insurance companies	**5%**
National Savings Certificates	**10%**
Bank deposit interest	**10%**
Government/local authority securities	**20%**
Bonds/debentures/securities (financial institutions)	**10%**

7. Prizes & Winnings [i]

Raffle, lottery, promotion schemes: **20%**

8. Rent, Brokerage & Commission [i]

Category	Rate
Rent	**5%**
Brokerage & commission (general)	**10%**
Brokerage & commission — travel/insurance agents	**10%**
Export of raw cotton and cotton yarn	**1%**

Changed vs. TY2007: export of raw cotton/yarn reduced from 1.5% to 1%. A separate general "brokerage & commission" line (10%) is now listed alongside the travel/insurance agents line, which was the only brokerage category in TY2007's material.

9. Contracts, Telephone & Cash Withdrawal [i]

Category	Rate
Contracts of all types	**6%**
Telephone bills / prepaid cards	**10%**
Cash withdrawal from bank	**0.2%**

10. Supply of Goods [i]

Category	Rate
Rice, cotton, and cotton seed	**1.5%**
Edible oils	**1%**
Other supplies	**3.5%**

11. Imports [I]

Category	Rate
Imports (general)	**5%**
Tractors	**2%**
DAP (Di-Ammonium Phosphate)	**2%**
Plant and machinery	**0%**
Edible oils	**2%**

Changed vs. TY2007: general imports rate reduced from 6% to 5%.

12. Services Rendered [I]

Category	Rate
Transport services	**2%**
Other services	**6%**
Gas consumption (CNG stations)	**6%**
Motorcars	**5%**

"Gas consumption (CNG stations)" and "Motorcars" are new line items not present in the TY2007 supplied material.

13. Payments to Non-Residents [I]

Turnkey, hydel, transmission, and other contracts: **6%** (all categories, per supplied material)

14. Advertisement, Petroleum & Royalties [I]

Category	Rate
Advertisement by private TV channels	**6%**
Petroleum products	**10%**
Royalties / fee for technical services	**15%**

15. Other Payments & Sale of Shares [I]

Category	Rate
Payments other than salary, dividend, contracts, prizes	**30%**
Sale & purchase of shares	**0.01%**

16. Shipping & Air Transport [I]

Category	Rate
Shipping	**8% of gross receipts**
Air transport	**3% of gross receipts**

17. Appeal Fees [I]

Forum	Fee
Commissioner (Appeals) / Additional Commissioner	**Rs. 1,000 or 10% of tax, whichever less**
— where no tax payable	**Rs. 1,000 (companies) / Rs. 200 (others)**
Income Tax Appellate Tribunal	**Rs. 2,500 or 10% of tax, whichever less**
— where no tax payable	**Rs. 2,000 (companies) / Rs. 500 (others)**

18. Disclaimer & Contact

This document is a simplified historical reference guide for Tax Year 2008, compiled from source material supplied for this purpose. As noted in the Foreword, this material identifies itself as a paraphrased rewrite rather than a direct transcription of a primary source. It is not independently verified against the Finance Act, 2007, the Income Tax Ordinance, 2001 (as it stood at that time), or official FBR publications from that period. This card should not be relied upon for any current compliance, filing, or advisory purpose. TaxAccountant.pk assumes no liability for errors in this simplified historical guide.

Legend:

[P] — Verified against Primary Legislative Text. *(Not used in this edition — no primary source available for Tax Year 2008.)*

[I] — Sourced from supplied reference material (a paraphrased secondary document for this edition); not independently confirmed against primary legislation.

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