TAX CARD

Withholding & Income Tax Rates — Tax Year 2007

Applicable from July 01, 2006 to June 30, 2007 | As updated vide the Finance Act, 2006

Prepared by Umair A R Mughal, FBR-Registered Income Tax Practitioner (ITP)
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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 2007 (1 July 2006 to 30 June 2007), as reflected in the source material provided for this compilation.

Important note on this historical edition: Tax Year 2007 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, 2006 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. This card is intended as a historical reference only and should not be relied upon for any current compliance purpose.

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Table of Contents

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1. Tax Rates for Individuals (Other than Salaried & AOP) [!]

INCOME TAX ORDINANCE, 2001, AS PER FINANCE ACT, 2006 (PER 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	**1.0%**
Rs. 125,001 – Rs. 150,000	**2.0%**
Rs. 150,001 – Rs. 175,000	**3.0%**
Rs. 175,001 – Rs. 200,000	**4.0%**
Rs. 200,001 – Rs. 300,000	**5.0%**
Rs. 300,001 – Rs. 400,000	**7.5%**
Rs. 400,001 – Rs. 500,000	**10.0%**
Rs. 500,001 – Rs. 600,000	**12.5%**
Rs. 600,001 – Rs. 800,000	**15.0%**
Rs. 800,001 – Rs. 1,000,000	**17.5%**
Rs. 1,000,001 – Rs. 1,300,000	**21.0%**
Rs. 1,300,001 and above	**25.0%**

[Manual Verification Required] — Sourced from supplied reference material; not independently confirmed against Finance Act, 2006 or Income Tax Ordinance, 2001 primary text, which is outside the range of primary sources available in this compilation session.

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	**0.50%**
Rs. 250,001 – Rs. 300,000	**0.75%**
Rs. 300,001 – Rs. 350,000	**1.50%**
Rs. 350,001 – Rs. 400,000	**2.50%**
Rs. 400,001 – Rs. 500,000	**3.50%**
Rs. 500,001 – Rs. 600,000	**4.50%**
Rs. 600,001 – Rs. 850,000	**6.00%**
Rs. 850,001 – Rs. 950,000	**7.50%**
Rs. 950,001 – Rs. 1,050,000	**9.00%**
Rs. 1,050,001 – Rs. 1,200,000	**10.00%**
Rs. 1,200,001 – Rs. 1,500,000	**11.00%**
Rs. 1,500,001 – Rs. 1,700,000	**12.50%**
Rs. 1,700,001 – Rs. 2,000,000	**14.0%**
Rs. 2,000,001 – Rs. 3,150,000	**15.0%**
Rs. 3,150,001 – Rs. 3,700,000	**16.0%**
Rs. 3,700,001 – Rs. 4,450,000	**17.5%**
Rs. 4,450,001 – Rs. 8,400,000	**18.5%**
Rs. 8,400,001 and above	**20.0%**

Note: this schedule (18 income bands) differs structurally from TY2006's 5-band salaried table — per the supplied source material, TY2007 introduced a substantially more granular salary slab structure.

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	**0.75% of turnover, where turnover does not exceed Rs. 5 million p.a.**
Presumptive Tax Regime — Sec 113B	**0.1% of turnover, where turnover exceeds Rs. 5 million p.a.**
Working women — non-salaried	**Income exempt up to Rs. 125,000**
Working women — salaried	**Income exempt up to Rs. 200,000**

Senior citizen rebate age threshold shown as 60 in supplied source material for TY2007 (compared to 65 for TY2006) — flagged for awareness, not independently verified.

4. Small Companies [i]

Flat rate: **20%** of taxable income

5. Company Tax Rates — 2003–2007 Phase-Down [i]

Company Type	2003	2004	2005	2006	2007
Banking company	**47%**	**44%**	**41%**	**38%**	**35%**
Public company (other than banking)	**35%**	**35%**	**35%**	**35%**	**35%**
Private company (other than banking)	**43%**	**41%**	**39%**	**37%**	**35%**

TY2007 corresponds to the final (2007) column above — the phase-down schedule concludes at a flat 35% across all company types this year, per the source material.

6. Minimum Tax [i]

SEC 113

Flat rate: **0.5%** of turnover, or the tax otherwise payable, whichever is higher

7. Dividend, Savings & Government Securities [i]

Category	Rate
Dividend income — other	**10%**
Dividend income — public/insurance companies	**5%**
National Saving Certificates (incl. Defence Saving Certificates)	**10%**
Bank deposit interest	**10%**
Government/local authority securities (non-financial-institution persons)	**20%**
Bonds/certificates/debentures (banks/financial institutions/companies)	**10%**

8. Prizes & Winnings [i]

Raffle, lottery, crossword puzzle, sales promotion schemes: **20%**

9. Rent, Brokerage & Commission [i]

Category	Rate
Rent	**5%**
Brokerage & commission — travel and insurance agents	**10%**
Export of raw cotton and cotton yarn	**1.5%**

10. Contracts, Telephone & Cash Withdrawal [i]

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

Cash withdrawal rate shown as 0.2% in supplied source material for TY2007 (compared to 0.1% for TY2006) — flagged for awareness, not independently verified.

11. Supply of Goods [i]

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

12. Imports [i]

Category	Rate
Imports (general)	**6%**
Tractors	**2%**
DAP (Di-Ammonium Phosphate)	**2%**
Plant and machinery	**0%**
Edible oils	**2%**

13. Services Rendered [i]

Category	Rate
Transport services	**2%**
Other services	**6%**

"Other services" rate shown as 6% in supplied source material for TY2007 (compared to 5% for TY2006) — flagged for awareness, not independently verified.

14. Payments to Non-Residents [i]

Category	Rate
Turnkey contract	**6%**
Contract/sub-contract — design, construction, or supply of plant & equipment, hydel power/transmission line project	**6%**
Contract/sub-contract — any other power project	**6%**
Any other contract	**6%**

15. Advertisement, Petroleum & Royalties [i]

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

Private TV channel advertisement rate shown as 6% in supplied source material for TY2007 (compared to 5% for TY2006) — flagged for awareness, not independently verified.

16. Other Payments & Sale of Shares [i]

Category	Rate
Payments other than salary, dividend, supplies, services, execution of contracts, property, prize money, raffle/lottery/crossword winnings	**30%**
Purchase of cars	**6%**
Sale & purchase of shares	**0.01%**

"Sale & purchase of shares" (0.01%) is a new line item not present in the TY2006 source material.

17. Shipping & Air Transport [I]

SEC 7

Category	Rate
Shipping	**8% of gross amount received/receivable**
Air transport	**3% of gross amount received/receivable**

18. Appeal Fees [I]

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

19. Disclaimer & Contact

This document is a simplified historical reference guide for Tax Year 2007, compiled from source material supplied for this purpose. It is not independently verified against the Finance Act, 2006, the Income Tax Ordinance, 2001 (as it stood at that time), or official FBR publications from that period, as these fall outside the range of primary legislative text available in this compilation session. This card should not be relied upon for any current compliance, filing, or advisory purpose — tax laws referenced here have long since been superseded by subsequent Finance Acts. 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 2007.)*

[I] — Sourced from supplied reference material; not independently confirmed against primary legislation.

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