

Taxcel LLP

Taxation | Accountancy | Advisory | Corporate

INCOME TAX WITHHOLDING CHART 2023-24



Tax Withholding Chart
Tax Year 2024
w.e.f 1st July 2023



Tax Rates for Salaried Individuals

SECTION	SLAB	RATE ON EXCEEDING AMOUNT	FIXED AMOUNT
149	Up to 600,000	0%	-
	600,001 to 1,200,000	2.5%	-
	1,200,001 to 2,400,000	12.5%	15,000
	2,400,001 to 3,600,000	22.5%	165,000
	3,600,001 to 6,000,000	27.5%	435,000
	Above 6,000,000	35%	1,095,000

Tax Rates for Dividend

SECTION	PAYMENT / TRANSACTION	COMPANY		INDIVIDUAL/AOP	
		Filer	Non-Filer	Filer	Non-Filer
150	Power Purchasers, being a pass-through item under Implementation/ Power/ Energy	7.5%	15%	7.5%	15%
	Received from mutual funds & others	15.0%	30%	15.0%	30%
	Dividend if no tax is payable by the Co. due to exemption, c/f loss, tax credits	25.0%	50%	25.0%	50%

Tax Rates for Profit on Debt

SECTION	PAYMENT / TRANSACTION	COMPANY		INDIVIDUAL/AOP	
		Filer	Non-Filer	Filer	Non-Filer
151	Profit on debt	15%	30%	15%	30%

Tax Rates for Payment to Non-Residents					
SECTION	PAYMENT / TRANSACTION	COMPANY		INDIVIDUAL/AOP	
		Filer	Non-Filer	Filer	Non-Filer
152 (2A)	Royalty / fee for technical services	15%	30%	15%	30%
	Fee for offshore digital services, Money transfer operation, card network services	10%	20%	10%	20%
	Advertisement services	20%	40%	20%	40%
	Insurance/ re-insurance premium	5%	10%	5%	10%
	Payment to non-residents (Having Permanent Establishment)				
	Supply of Goods	5%	10%	5.5%	11%
	Services	9%	18%	11%	22%
	Contract	8%	16%	8%	14%
	Sportsman	10%	20%	10%	20%
152 (1BA)	Foreign Produced Commercial	20%	40%	20%	40%
152 (5)(1)	Transport services, freight forwarding services, air cargo services, courier services, manpower outsourcing services, hotel services, security guard services, software development services, IT services and IT enabled services, tracking services, advertising services (other than by print or electronic media), share registrar services, engineering services, car rental services, building maintenance services, services rendered of Pakistan Stock Exchange Limited and Pakistan, Inspection, Certification, Testing, Training Services, Oilfield Services	4%	8%	4%	8%

Tax Rates for Supply of Goods					
SECTION	PAYMENT / TRANSACTION	COMPANY		INDIVIDUAL/AOP	
		Filer	Non-Filer	Filer	Non-Filer
153 (1a)	Sale of rice, cottonseed & edible oil	1.5%	3%	1.5%	3%
	Sale of FMCG, fertilizer, electronics excluding mobile phones, sugar, cement, steel & edible oil by distributors, dealers, sub-dealers, wholesales & retailers	0.25%	0.5%	0.25%	0.5%
	Sale of other goods	5%	10%	5.5%	11%
	Traders of Yarn	0.5%	1%	0.5%	1%

Tax Rates for Services					
SECTION	PAYMENT / TRANSACTION	COMPANY		INDIVIDUAL/AOP	
		Filer	Non-Filer	Filer	Non-Filer
153 (1b)	Transport Services	4%	8%	4%	8%
	Freight Forwarding Services				
	Air Cargo Services				
	Courier Services				
	Manpower Outsourcing Services				
	Hotel Services				
	Security Guard Services				
	Software Development Services				
	IT Services and IT Enabled Services				
	Tracking Services				
	Advertising Services (Other than Print/Electronic Media)				
	Share Registrar Services				
	Engineering Services				
	Warehousing Services				
	Services Rendered by Asset Management Companies				
	Data Services provided under License issued by PTA				
	Telecommunication Infrastructure (Tower) Services				
	Car Rental Services				
	Building Maintenance Services				
	Services Rendered by Pakistan Stock Exchange Limited and Pakistan Mercantile Exchange Limited				
	Inspection, Certification, Testing, Training Services				
	Oilfield Services				
	Travel and Tour Services				
Collateral Management Services					
Advertising services (Print & Electronic Media)	1.5%	3%	1.5%	3%	
Payment to service providers of stitching, dying, printing, embroidery, washing, sizing and weaving	1%	2%	1%	2%	
Other Services	9%	18%	11%	22%	

Tax Rates for Contracts					
SECTION	PAYMENT / TRANSACTION	COMPANY		INDIVIDUAL/AOP	
		Filer	Non-Filer	Filer	Non-Filer
153 (1c)	In case of Sportsman	-	-	10%	20%
	Execution of Contract	7.5%	15%	8%	16%

Tax Rates for Contracts					
SECTION	PAYMENT / TRANSACTION	COMPANY		INDIVIDUAL/AOP	
		Filer	Non-Filer	Filer	Non-Filer
154	Exports, Export of Goods, Inland Bank to Bank Letter of Credit, Export Processing Zone, Indirect Exporter; SPO, Export of Services	1%	1%	1%	1%
	Export of services including computer software or IT services or IT enabled services by person registered with Pakistan software export board.	0.25%	0.25%	0.25%	0.25%
	All other Export services	1%	1%	1%	1%

Tax Rates for Property Rent					
SECTIONS	SLAB	RATE ON EXCEEDING AMOUNT		FIXED RATE	
		Filer	Non-Filer	Filer	Non-Filer
155	PROPERTY OWNER BEING INDIVIDUAL / AOP				
	Up to 300,000	Nil	Nil	Nil	Nil
	300,001 to 600,000	5%	10%	Nil	Nil
	600,001 to 2,000,000	10%	20%	15,000	30,000
	2,000,001 and above	25%	50%	155,000	310,000
	PROPERTY OWNER BEING COMPANY				
In case of Company withholding tax on property rent would be 15% in case of filer and 30% in case of non-filer on gross amount of rent.					

Tax Rates for Prize & Winnings

SECTION	PAYMENT / TRANSACTION	COMPANY		INDIVIDUAL/AOP	
		Filer	Non-Filer	Filer	Non-Filer
156	On prize bonds & crossword puzzle	15%	30%	15%	30%
	Raffle, lottery, winning quiz & prizes on sales promotion schemes	20%	40%	20%	40%

Tax Rates for Cash Withdrawals

SECTION	PAYMENT / TRANSACTION	COMPANY		INDIVIDUAL/AOP	
		Filer	Non-Filer	Filer	Non-Filer
231AB	Cash withdrawal of more than Rs. 50,000 per day on aggregate basis	0%	0.6%	0%	0.6%

Tax Rates for Brokerage & Commission

SECTION	PAYMENT / TRANSACTION	COMPANY		INDIVIDUAL/AOP	
		Filer	Non-Filer	Filer	Non-Filer
233	Brokerage & Commission Income	12%	24%	12%	24%
	Advertising Commission	10%	20%	10%	20%
	Life Insurance Agent (upto 500,000)	8%	16%	8%	16%

Tax Rates for Immovable Property Sale & Purchase

SECTION	PAYMENT / TRANSACTION	COMPANY		INDIVIDUAL/AOP	
		Filer	Non-Filer	Filer	Non-Filer
236K	Purchase of Immovable Property	3%	10.5%	3%	10.5%
236C	Sale of Immovable Property	3%	6%	3%	6%

Tax on Capital Gains arising on disposal of Immovable Property SEC 37(1A)

S. NO	Holding Period	Rate of Tax		
		Open Plots	Constructed Property	Flats
1	where the holding period does not exceed one year	15%	15%	15%
2	where the holding period exceeds one year but does not exceed two years	12.5%	10.0%	7.5%
3	where the holding period exceeds two years but does not exceed three years	10%	7.5%	0%
4	where the holding period exceeds three years but does not exceed four years	7.5%	5%	
5	where the holding period exceeds four years but does not exceed five years	5%	0%	
6	where the holding period exceeds five years but does not exceed six years	2.5%		
7	where the holding period exceeds six years	0%		

Tax Rates for Sale to Distributor, Dealers, Wholesalers by Manufacturer & Commercial Importer

SECTION	PAYMENT / TRANSACTION	COMPANY		INDIVIDUAL/AOP	
		Filer	Non-Filer	Filer	Non-Filer
236 G	Fertilizers	0.7%	1.4%	0.7%	1.4%
	Fertilizers (if appearing on ATL under ITO 2001 & ST Act 1990)	0.25%	0.5%	0.25%	0.5%
	Electronics Sugar Cement Iron & steel products Motorcycles Pesticides Cigarettes Glass Textile Beverages Paint or foam Pharmaceuticals Poultry & animal feed Edible oil & ghee Battery Tyres Varnishes Chemicals Cosmetics IT equipment	0.1%	0.2%	0.1%	0.2%

Tax Rates for Sale to Retailers by Manufacturers, Distributors, Dealers, Wholesalers & Commercial Importers

SECTION	PAYMENT / TRANSACTION	COMPANY		INDIVIDUAL/AOP	
		Filer	Non-Filer	Filer	Non-Filer
236 H	Electronics Sugar Cement Iron & steel products Motorcycles Pesticides Cigarettes Glass Textile Beverages Paint or foam Pharmaceuticals Poultry & animal feed Edible oil & ghee Battery Tyres Varnishes Chemicals Cosmetics IT equipment	0.5%	1%	0.5%	1%

Tax Rates for Individual Business / Non Salaries / AOPs

S. NO	Income Slabs	Rate of Tax
1	Upto Rs.600,000	0%
2	Rs.600,001 to Rs.800,000	7.5% exceeding 600,000
3	Rs.800,001 to Rs.1,200,000	Rs.15,000 + 15 % of the amount exceeding 800,000
4	Rs.1,200,001 to Rs.2,400,000	Rs.75,000 + 20% of the amount exceeding 1.2M
5	Rs.2,400,001 to Rs.3,000,000	Rs.315,000 + 25% of the amount exceeding 2.4M
6	Rs.3,000,001 to Rs.4,000,000	Rs.465,000 + 30% of the amount exceeding 3M
7	Above 4,000,000	Rs.765,000 + 35 % of the amount exceeding 4M

W.e.f 1st July 2023 SALES TAX WITHHOLDING CHART						
	Tax Authority	Standard Sales Tax Rate	Status	Registered Person	Un registered Person	Advertisement Services
FEDERAL	FBR (In case of Supplies)	18%	Active	No Withholding of GST	5% WH of Invoice Value	-
			Non Active	20% WH of GST	5% WH of Invoice Value	-
	ICT (In case of Services)	15%	Active	No Withholding of GST	5% WH of Invoice Value	100% Withholding of ICTST
			Non Active	20% WH of GST	5% WH of Invoice Value	100% Withholding of ICTST
PROVISIONAL	SRB (In case of Services)	13%	Active	20% WH of SST	100% WH of SST	100% WH of SST
			Non Active	100% WH of SST	100% WH of SST	100% WH of SST
	PRA (In case of Services)	16%	Active	No Withholding in case of Company *(100% in case of other than Company)	100% Withholding of PST	100% Withholding of PST
			Non Active	100% Withholding of PST	100% Withholding of PST	100% Withholding of PST
	KPRA (In case of Services)	15%	Active	50% WH of KST	100% Withholding of KST	100% Withholding of KST
			Non Active	100% Withholding of KST	100% Withholding of KST	100% Withholding of KST
	BRA (In case of Services)	15%	Active	20% WH of BST	100% Withholding of BST	100% Withholding of BST
			Non Active	100% Withholding of BST	100% Withholding of BST	100% Withholding of BST

Note: For the purpose withholding of Provincial ST, value is required to be worked out on the basis of gross value of taxable services under tax fraction formula.

Exclusion from WH : - Telecommunication - Banking Companies - Financial Institution - Insurance (except Re-Insurance) - Port operator, Airport operator - Terminal operator - Airport ground services. Sales tax reduced rates shall to apply on different class of services according to their Provincial Sales Tax Act on Services.

ONLINE MARKET PLACE

- In Finance Act 2022, the person running online marketplace will be liable to pay sales tax at 18%, who owns the goods.
- Further in Eleventh Schedule, whereby online marketplace shall withhold 1% of gross value of supplies from persons other than active taxpayer.