Chapter / Part	Division	Clause	**THE SECOND SCHEDULE (Amended Bill 2013-14)**
			EXEMPTIONS AND TAX CONCESSIONS [See section 53]
I			**Exemption from Total Income**
		53A	The following perquisites received by an employee by virtue of his employment, namely:-
			~~(i) free or concessional passage provided by transporters including airlines to its employees (including the members of their household and dependents);~~
			sub-clause (xxviii) shall be re-numbered as (xxviiia); sub-clause (xxix) shall be re-numbered as (xxixa);
I		58A	Income of a university or other educational institution being run by a non-profit organization existing solely for educational purposes and not for purposes of profit.;
		~~92~~	~~Any income of any university or other educational institution established solely for educational purposes and not for purposes of profit.~~
		~~98A~~	
		~~103B~~	~~Any dividend in specie derived in the form of shares in a company, as defined in the Companies Ordinance, 1984 (XLVII of 1984);~~ ~~Provided that when such shares are disposed off by the recipient, the amount representing the dividend in specie shall be taxed in accordance with provisions of section 5 of this Ordinance and the amount, representing the difference between the consideration received and the amount hereinabove, shall be treated in accordance with provisions of section 37 or section 37A, as the case may be.~~
		126E	~~Corporate income tax holiday for a period of five years for projects from the date of start of commercial operations, and for developers of the Zone for a period of ten years from the date of start of developmental activity in the Special Economic Zones as announced by the Federal Government.~~ income derived by a zone enterprise as defined in Special Economic Zones Act, 2012 (XX of 2012) for a period of ten years starting from the date the developer certifies that the zone enterprise has commenced commercial operation and for a period of ten years to a developer of zone starting from the date of signing of the development agreement in the special economic zone as announced by the Federal Government.”;
II			**Reduction in Tax Rates**
		28	The rate of tax under section 148 on import of hybrid cars shall be reduced as below:-

Engine capacity	Rate of reduction
Upto 1200cc	100%
1201 to 1800cc	50%
1801 to 2500cc	25%

III			**Reduction in Tax Liabilities**
		1	Any amount received as- (a) flying allowance by pilots, flight engineers, navigators of Pakistan Armed Forces, Pakistani Airlines or Civil Aviation Authority, Junior Commissioned Officers or other ranks of Pakistan Armed Forces; and (b) submarine allowance by the officers of the Pakistan Navy, shall be taxed @ 2.5% as a separate block of income. Provided that the reduction under this clause shall be available to so much of the flying allowances or the submarine allowance as does not exceed an amount equal to the basic salary.
		2	The tax payable by a full time teacher or a researcher, employed in a non profit education or research institution duly recognized by Higher Education Commission, a Board of Education or a University recognized by the Higher Education Commission, including government training and research institution, shall be reduced by an amount equal to ~~75%~~ 40% of tax payable on his income from salary
		7	Where any ~~company~~ taxpayer engaged in the business of distribution of cigarettes manufactured in Pakistan is required to pay minimum tax on the amount representing its turnover under section 113, the amount of tax payable under the said section shall be reduced by eighty percent.
IV			**Exemption from Specific Provisions**
		56A	The provisions of sub-section (7) of section 148 and clause (a) of sub-section (1) of section 169 shall not apply to a person who is liable to withholding tax under section 236E.”;
		59 59(iv)	The provisions of section 151, regarding withholding tax on profit on debt, shall not apply— in the case of any resident individual, no tax shall be deducted from income or profits paid on,- ~~(a) Defence Savings Certificates, Special Savings Certificates, Savings Accounts or Post Office Savings Accounts, or Term Finance Certificates (TFCs), where such deposit does not exceed one hundred and fifty thousand rupees; and~~ (b) Investment in monthly income Savings Accounts Scheme of Directorate of National Savings, where monthly installment in an account does not exceed one thousand rupees.]
		72A	The provisions of clause (l) of section 21, sections 113 and 152 shall not apply in case of a Hajj Group Operator in respect of Hajj operations provided that the tax has been paid at the rate of Rs.3,500 per Hajji for the tax year 2013 and Rs.5,000 per Hajji for the tax year 2014 in respect of income from Hajj operations.

		72B	~~the provisions of section 148 shall not apply to an industrial undertaking if the tax liability for the current tax year, on the basis of determined tax liability for any of the preceding two tax years, whichever is the higher, has been paid and a certificate to this effect is issued by the concerned Commissioner.~~ Circular 08 of 2013 dated 3rd September 2013. Clause 72B reintroduced In order to facilitate manufacturing sector, a new clause (72B) has been introduced in Part IV of the Second Schedule to the Income Tax Ordinance 2001 through Finance Act 2013.The said clause reintroduces the facility of exemption certificate granting exemption from collection of tax u/s 148 on import of raw material made by an industrial undertaking. A system based exemption certificate shall be issued by the Commissioner under clause (b) of sub-section (3) of section 159 of the Income Tax Ordinance 2001.