

**Amendments in Income Tax Ordinance, 2001 by Finance Act, 2014**  
**Applicability of Indirect taxes**  
**With effect from 1st July 2014**

**CAPITAL GAINS ON DISPOSAL OF SECURITIES**

- 10% where holding period is less than 6 months.
- 8% where holding period is more than 6 months but less than 12 months
- 12.5% where holding period is less than 12 months
- 10% where holding period is 12 months or more but less than 24 months.
- 0% where holding period is 24<sup>th</sup> months or more.

**CAPITAL GAINS ON DISPOSAL OF IMMOVABLE PROPERTY**

- 10% where holding period is upto one year
- 5% where holding period is more than one year but not more than two years
- 0% where holding period is more than two years.

**MINIMUM TAX UNDER SECTION 113**

- 0.5% Oil marketing companies, Oil refineries, Sui Southern Gas Company Limited and Sui Northern Gas Pipelines Limited ( for the cases where annual turnover exceeds rupees one billion.);
- 0.5% Pakistan International Airlines Corporation; and
- 0.5% Poultry industry including poultry breeding, broiler production, egg production and poultry feed production
- 0.2% Distributors of pharmaceutical products, fertilizers ,consumer goods including fast moving consumer goods and cigarettes;
- 0.2% Petroleum agents and distributors who are registered under the Sales Tax Act, 1990;
- 0.2% Rice mills and dealers; and
- 0.2% Flour mills.
- 0.25% Motorcycle dealers registered under the Sales Tax Act, 1990.
- 1% In all other cases.

## ADVANCE TAX

### ON IMPORT STAGE UNDER SECTION 148

S.No	Persons	Rate
1	<ul style="list-style-type: none"> <li>- (i) Industrial undertaking importing re-meltable steel (PCT Heading 72.04) and directly reduced iron for its own use;</li> <li>- (ii) Persons importing potassic fertilizers in pursuance of Economic Coordination Committee of the cabinet's decision No. ECC-155/12/2004 dated the 9th December, 2004;</li> <li>- (iii) Persons importing urea; and</li> <li>- (iv) Manufacturers covered under Notification No. S.R.O. 1125(I)/2011 dated the 31st December, 2011.</li> </ul>	1% of import value as increased by customs-duty, sales tax and federal excise duty.
2	Persons importing pulses	2% of import value as increased by customs-duty, sales tax and
3	Commercial importers covered under Notification No. S.R.O. 1125(I)/2011 dated the 31st December, 2011.	3% of import value as increased by customs-duty, sales tax and federal excise duty
4	Ship breakers on import of ships	4.5%
5	Industrial undertakings not covered under S. Nos. 1 to 4	5.5%
6	Companies not covered under S. Nos. 1 to 5	5.5%
7	Persons not covered under S. Nos. 1 to 6	6%

## DEDUCTION OF TAX AT SOURCE

### ADVANCE TAX ON DEIVIDEND

- 7.5% Power project privatized by WAPDA or on shares of a company setup for power generation or on shares of company supplying coal exclusively to power generation projects.
- 10% for filers other than mentioned in (a) above;
- 15% for non-filers other than mentioned in (a) above;
- Collective investment scheme or a mutual fund shall be

	Stock Fund	Money market Fund, Income Fund or any other fund
Individual	10%	10%
Company	10%	25%
AOP	10%	10%

- 12.5% in case of a stock fund if dividend receipts of the fund are less than capital gains.

### PROFIT ON DEBT

- 10% of the yield or profit for filers and
- 15% of the yield or profit paid, for non-filers; (if the yield or profit paid is Rs. 500,000 or less, the rate shall be 10%)

### PAYMENTS FOR GOODS OR SERVICES

- Sales of goods
  - 1.5% of the gross amount payable, in the case of the sale of rice, cotton seed or edible oils; or
  - in the case of sale of goods,—
    - a. 4% of the gross amount payment in the case of companies; and
    - b. 4.5% of the gross amount payable in the case of other taxpayers.
- Services
  - 2% of the gross amount payable, in the case of transport services; or
  - in the case of rendering of or providing of services, —
    - a. 8% of the gross amount payment in the case of companies; and
    - b. 10% of the gross amount payable in the case of other taxpayers.
- Execution of contract
  - 7% of the gross amount payment in the case of companies; and
  - 7.5% of the gross amount payable in the case of other taxpayers.
  - 10% of the gross amount payable in case of sports persons.

## EXPORTS

- 1% of the proceeds of the export under sub-sections (1), (3), (3A), (3B) or (3C) of section 154.
- 5% of the proceeds of the indenting commission agent, under sub-section (2) of section 154.
- 1% Every export or export house for rendering of or providing services of
  - Stitching
  - Dying
  - Printing
  - Embroidery
  - Washing
  - Sizing and
  - weaving

## PETROLEUM PRODUCTS

- 12% Every person selling petroleum products to a petrol pump operator

## BROKERAGE AND COMMISSION

- 7.5% of the amount of the payment in case of advertising agents;
- 12% of the amount of payment in all other cases.

## TAX ON MOTOR VEHICLES

- In Case of other private motor cars shall be as following;

S.No	Engine capacity	Tax year 2013	Tax year 2014	
			for filers	for non-filer
A	Upto 1000cc	750	Rs. 1,000	Rs. 1,000
B	1001cc to 1199cc	1,250	RS. 1,800	Rs. 3,600
C	1200cc to 1299cc	1,750	Rs. 2,000	Rs. 4,000
D	1300cc to 1499cc	3,000	Rs. 3,000	Rs. 6,000
E	1500cc to 1599cc	3,000	Rs. 4,500	Rs. 9,000
E	1600cc to 1999cc	4,000	Rs. 6,000	Rs. 12,000
F	2000cc and above	8,000	Rs. 12,000	Rs. 24,000

- Where the motor vehicle tax is collected in lump sum

S.No	Engine capacity	Tax year 2013	Tax year 2014	
			for filers	for non-filer
A	Upto 1000cc	7,500	Rs. 10,000	Rs. 10,000
B	1001cc to 1199cc	12,500	Rs. 18,000	Rs. 36,000
C	1200cc to 1299cc	17,500	RS. 20,000	Rs. 40,000
D	1300cc to 1499cc	30,000	Rs. 30,000	Rs. 60,000
E	1500cc to 1599cc	30,000	Rs. 45,000	Rs. 90,000
E	1600cc to 1999cc	40,000	Rs. 60,000	Rs. 120,000
F	2000cc and above	80,000	Rs. 120,000	Rs. 240,000

## TELEPHONE USERS

- 10% in the case of a telephone subscriber (other than mobile phone subscriber) where the amount of monthly bill exceeds Rs. 1,000
- 14% in the case of subscriber of mobile telephone and pre-paid telephone card.

## CASH WITHDRAWAL FROM A BANK

- 0.3% of the cash amount withdrawn for filers and
- 0.5% of the case amount withdrawn for non-filers.

## PURCHASE OF MOTOR CARS AND JEEPS

- Advance tax on purchase of private motor car and jeep

Engine capacity	Amount of Tax		
	for Tax Year 2013	for Tax Year 2014	
		Tax for filer	Tax for non-filer
(1)	(2)	(3)	(4)
Upto 800cc	Rs. 10,000	Rs. 10,000	Rs. 10,000
851cc to 1000cc	Rs. 20,000	Rs. 20,000	Rs. 25,000
1001cc to 1300cc	Rs. 30,000	Rs. 30,000	Rs. 40,000
1301cc to 1600cc	Rs. 50,000	Rs. 50,000	Rs. 100,000
1601cc to 1800cc	Rs. 75,000	Rs. 75,000	Rs. 150,000
1801cc to 2000cc	Rs. 100,000	Rs. 100,000	Rs. 200,000
Above 2001cc to 2500 cc	Rs. 150,000	Rs. 150,000	Rs. 300,000
2501cc to 3000cc	Rs. 150,000	Rs. 200,000	Rs. 400,000
Above 3000cc	Rs. 150,000	Rs. 250,000	Rs. 450,000

- The rate of tax to be collected under sub-section (2) of section 231B, shall be reduced by 10% each year from the date of first registration in Pakistan.

## SALE OR TRANSFER OF IMMOVABLE PROPERTY

- 0.5% of the gross amount of the consideration received for filers and
- 1% of the gross amount of the consideration received for non-filers.

## TAX ON FUNCTIONS AND GATHERINGS

- 5% tax shall deduct by every owner, a lease-holder, an operator or a manager of a marriage hall, marquee, hotel restaurant, commercial lawn, club, a community place or other place used for such purpose.

## DEDUCTION OR COLLECTION OF ADVANCE TAX

### SALE TO DISTRIBUTORS, DEALERS AND WHOLESALERS

- Every manufacturer or commercial importer of electronics, sugar, cement, iron and steel products, fertilizer, motorcycles, pesticides, cigarettes, glass, textile, beverages, paint or foam sector, at the time of sales to distributors, dealers and wholesalers shall collect advance tax as

Category of sale	Rate of Tax	
	Filer	Non-Filer
Fertilizer	0.2%	0.4%
Other then fertilizer	0.1%	0.2%

### ON PURCHASE OF IMMOVABLE PROPERTY

S.No	Period	Rate of Tax	
(1)	(2)	(3)	
1	Where value of Immovable property is up to 3 million.	0%	
2	Where the value of Immovable property is more than 3 million	Filer	Non filer
		1%	2%

Provided that the rate of tax for Non-Filer shall be 1% upto the date appointed by the Board through notification in official gazette.

### ON DOMESTIC ELECTRICITY CONSUMPTION

- 7.5% if the amount of monthly bill is Rs.100,000 or more; and
- 0% the amount of monthly bill is less than Rs.100,000.

### ON INTERNATIONAL AIR TICKET

- 4% every airline, operating in Pakistan collect advance tax on issuing of First/ Business / Club class tickets.