

Chapter / Part	Division	Clause	THE FIRST SCHEDULE Finance Act 2023 New / inserted Omitted and deleted <u>Substituted</u> Gazette Finance Act 2023
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I	I	(1)	Rates of Tax for Individuals and Association of Persons
			Subject to clause (2), the rates of tax imposed on income of every individual and association of persons except a salaried individual shall be as set out in the following Table, namely:—

TABLE

S.No	Taxable Income	Tax Year 2022-23	Taxable Income	Tax Year 2023-24
1.	Where taxable income does not exceed Rs. 600,000	0%	Where taxable income does not exceed Rs. 600,000	0%
2.	Where the taxable income exceeds Rs.600,000 but does not exceed Rs. 800,000	5% of the amount exceeding Rs. 600,000	Where the taxable income exceeds Rs.600,000 but does not exceed Rs. 800,000	7.5% of the amount exceeding Rs. 600,000
3.	Where the taxable income exceeds Rs.800,000 but does not exceed Rs.1,200,000	Rs. 10,000 + 12.5% of the amount exceeding	Where the taxable income exceeds Rs.800,000 but does not exceed Rs.1,200,000	Rs. 15,000 + 15% of the amount exceeding Rs. 800,000
4.	Where taxable income exceeds Rs. 1,200,000 but does not exceed Rs. 2,400,000	Rs. 800,000	Where taxable income exceeds Rs. 1,200,000 but does not exceed Rs. 2,400,000	Rs. 75,000 + 20% of the amount exceeding Rs. 1,200,000
5.	Where taxable income exceeds Rs. 2,400,000 but does not exceed Rs. 3,000,000	Rs.60,000 + 17.5% of the amount exceeding Rs. 1,200,000	Where taxable income exceeds Rs. 2,400,000 but does not exceed Rs. 3,000,000	Rs. 315,000 + 25% of the amount exceeding Rs. 2,400,000
6.	Where taxable income exceeds Rs. 3,000,000 but does not exceed Rs. 4,000,000	Rs. 270,000 + 22.5% of the amount exceeding Rs. 2,400,000	Where taxable income exceeds Rs. 3,000,000 but does not exceed Rs. 4,000,000	Rs. 465,000 + 30% of the amount exceeding Rs. 3,000,000
7.	Where taxable income exceeds Rs. 4,000,000 but does not exceed Rs. 6,000,000	Rs. 405,000 + 27.5% of the amount exceeding Rs. 3,000,000	Where taxable income exceeds Rs. 4,000,000	Rs. 765,000 + 35% of the amount exceeding Rs. 4,000,000.
8.	Where taxable income exceeds Rs. 6,000,000	Rs. 680,000 + 32.5% of the amount exceeding Rs. 4,000,000		

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I	I	(2)	Individual chargeable under the head "SALARY"
			Where the income of an individual chargeable under the head "salary" exceeds seventy-five per cent of his taxable income, the rates of tax to be applied shall be as set out in the following Table, namely:—

TABLE

S.No	Taxable Income	Tax Year 2022-23	Taxable Income	Tax Year TY 2023-24
1.	Where taxable income does not exceed Rs. 600,000	0%	Where taxable income does not exceed Rs. 600,000	0%
2.	Where taxable income exceeds Rs. 600,000 but does not exceed Rs. 1,200,000	2.5% of the amount exceeding Rs 600,000	Where taxable income exceeds Rs. 600,000 but does not exceed Rs. 1,200,000	2.5% of the amount exceeding Rs. 600,000
3.	Where taxable income exceeds Rs. 1,200,000 but does not exceed Rs. 2,400,000	Rs 15,000 + 12.50% of the amount exceeding Rs. 1,200,000	Where taxable income exceeds Rs. 1,200,000 but does not exceed Rs. 2,400,000	Rs. 15,000 + 12.5% of the amount exceeding Rs. 1,200,000
4.	Where taxable income exceeds Rs. 2,400,000 but does not exceed Rs. 3,600,000	Rs. 165,000 + 20% of the amount exceeding Rs. 2,400,000	Where taxable income exceeds Rs. 2,400,000 but does not exceed Rs. 3,600,000	Rs. 165,000 + 22.5% of the amount exceeding Rs. 2,400,000
5.	Where taxable income exceeds Rs. 3,600,000 but does not exceed Rs. 6,000,000	Rs. 405,000 + 25% of the amount exceeding Rs. 3,600,000	Where taxable income exceeds Rs. 3,600,000 but does not exceed Rs. 6,000,000	Rs. 435,000 + 27.5% of the amount exceeding Rs. 3,600,000
6.	Where taxable income exceeds Rs. 6,000,000 but does not exceed Rs. 12,000,000	Rs. 1,005,000 + 32.50% of the amount exceeding Rs. 6,000,000	Where taxable income exceeds Rs. 6,000,000	Rs. 1,095,000 + 35% of the amount exceeding Rs. 6,000,000.
7.	Where taxable income exceeds Rs. 12,000,000	Rs. 2,955,000 + 35% of the amount exceeding Rs. 12,000,000."		

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Division I I B

SUPER Tax on high earning persons

The rate of tax under section 4C shall be:-

S.NO	Income under section 4C	Rate of tax	
		For the Tax Year 2022	For tax year 2023 and onwards
(1)	(2)	(3)	(4)
1	Where income does not exceed Rs. 150 million	0% of the income	0% of the income
2	Where income exceeds Rs. 150 million but does not exceed Rs. 200 million	1% of the income	1% of the income
3	Where income exceeds Rs. 200 million but does not exceed Rs. 250 million	2% of the income	2% of the income
4	Where income exceeds Rs. 250 million but does not exceed Rs. 300 million	3% of the income	3% of the income
5	Where income exceeds Rs. 300 million but does not exceeds Rs. 350 million	4% of the income	4% of the income
6	Where income exceeds Rs. 350 million but does not exceeds Rs. 400 million		6% of the income
7	Where income exceeds Rs. 400 million but does not exceeds Rs. 500 million		8% of the income
8	Where income exceeds Rs. 500 million		10% of the income

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I	VII		CAPITAL GAINS ON DISPOSAL OF SECURITIES

The rate of tax to be paid under section 37A shall be as follows. –

TABLE

S.No	Holding Period	Rate of Tax for Tax year 2023 and onwards
(1)	(2)	(3)
1	Where the holding period does not exceed one year	15%
2	Where the holding period exceeds one year but does not exceed two years	12.50%
3	Where the holding period exceeds two years but does not exceed three years	10%
4	Where the holding period exceeds three years but does not exceed four years	7.50%
5	Where the holding period exceeds four years but does not exceed five years	5%
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%
8	Future commodity contracts entered into by members of Pakistan Mercantile Exchange	5%

		<p>Provided that for securities except at S. No. 8 of the table, -</p> <p>(i) the reduced rates of tax on capital gain arising on disposal shall apply where the securities are acquired on or after the first day of July, 2022; and</p> <p>(ii) <u>the rate of 12.5% tax shall be charged on capital gain arising on disposal where the securities are acquired on or before the 30th day of June, 2022 irrespective of holding period of such securities:</u> the rate of 12.5% tax shall be charged on capital gain arising on disposal where the securities are acquired on or after the first day of July, 2013 but on or before the 30th day of June, 2022; and</p> <p>(iii) the rate of 0% tax shall be charged on capital gain arising on disposal where the securities are acquired before the first day of July, 2013:</p>
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PART II

RATES OF ADVANCE TAX

(See Division II of Part V of Chapter X)

The rate of advance tax to be collected by the Collector of Customs under section 148 shall be-

S.No	Persons	Rate
(1)	(2)	(3)
1	Persons importing goods classified in Part I of the Twelfth Schedule	1% of the import value as increased by customs-duty, sales tax and federal excise duty
2	Persons importing goods classified in Part II of the Twelfth Schedule	2% of the import value as increased by customs-duty, sales tax and federal excise duty and 3.5% of the import value as increased by customs duty, sales tax and federal excise duty in case of commercial importer
3	Persons importing goods classified in Part III of the Twelfth Schedule	5.5% of the import value as increased by customs-duty, sales tax and federal excise duty and 6% of the import value as increased by customs duty sales tax and federal excise duty in case of a commercial importer";

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Part IIB

Rates of Advance Tax
[see sub-section (5C) of section 147]
TABLE

Rate in respect of			
(1)	(2)	(3)	(4)
Area in	Karachi, Lahore and Islamabad	Hyderabad, Sukkur, Multan, Faisalabad, Rawalpindi, Gujranwala, Sahiwal, Sialkot, Bahawalpur, Peshawar, Mardan, Abbottabad, Quetta	Urban Areas not specified in columns (2) and (3)
TAX ON PERSONS FALLING UNDER SECTION 147(5C)(i) FOR COMMERCIAL BUILDINGS			
Sq. Ft.	-	-	-
Any size	Rs.250 per Sq. ft.	Rs. 230 per Sq. ft.	Rs. 210 per Sq. ft.
TAX ON PERSONS FALLING UNDER SECTION 147(5C)(i) FOR RESIDENTIAL BUILDINGS			
Sq. Ft.	-	-	-
upto 3000	Rs.80 per Sq. ft.	Rs. 65 per Sq. ft.	Rs. 50 per Sq. ft.
3000 and above	Rs. 125 per Sq. ft.	Rs. 110 per Sq. ft.	Rs. 100 per Sq. ft.
TAX ON PERSONS FALLING UNDER SECTION 147(5C)(ii)			
Sq. Yds.	-	-	-
Any size	Rs. 150 per Sq. yd	Rs. 130 per Sq. yd	Rs. 100 per Sq. yd
TAX ON PERSONS FALLING UNDER SECTION 147(5C)(ii) FOR DEVELOPMENT OF INDUSTRIAL AREA			
Sq. Yds.	-	-	-
Any size	Rs. 20 per Sq. yd	Rs. 20 per Sq. yd	Rs. 10 per Sq. yd:

Provided that in case of mixed use buildings having both commercial and residential areas, respective rates mentioned above shall apply:

Provided further that in case of development of plots and constructing buildings on the same plots as one project, both rates shall apply;

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III			DEDUCTION OF TAX AT SOURCE (See Division III of Part V of Chapter X)
	II		Payments to non-residents
		(4)	The rate of tax to be deducted from a payment referred to in clause (a) of sub-section (2A) of section 152 shall be— (i) in case of a company, 4% 4.5% of the gross amount payable ; and (ii) in any other case, 5% 5.5% of the gross amount payable
		(5)	The rate of tax to be deducted from a payment referred to in clause (b) of sub-section (2A) of section 152 shall be— (i) 3% 4% of the gross amount payable, in the cases of 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 as defined in section 2, 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 Mercantile Exchange Limited inspection and certification, testing and training services , oilfield services; (ii) in cases other than sub-paragraph (i),— (a) in case of a company, 8% 10% of the gross amount payable; and (b) in any other case, 10% 11% of the gross amount payable,;
		(6)	The rate of tax to be deducted from a payment referred to in clause (c) of sub-section (2A) of section 152 shall be,— (i) 10% of the gross amount payable in case of sportspersons; (ii) 7% 8% of the gross amount payable .

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III			DEDUCTION OF TAX AT SOURCE (See Division III of Part V of Chapter X)
	III		Payments for Goods or Services
		(1)	The rate of tax to be deducted from a payment referred to in clause (a) of sub-section (1) of section 153 shall be - (b) in the case of sale of goods including toll manufacturing,— (i) in case of a company, 4% 4.5% of the gross amount payable, ; and (ii) in any other case, 4.5% 5.5% of the gross amount payable,
		(2)	The rate of tax to be deducted from a payment referred to in clause (b) of sub-section (1) of section 153 shall be — (i) 3% 4% of the gross amount payable, in the cases of 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 as defined in section 2, tracking services, advertising services (other than by print or electronic media), share registrar services, engineering services including architectural services, warehousing services, services rendered by asset management companies, data services provided under license issued by the Pakistan Telecommunication Authority, 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 and training services, oilfield services, telecommunication services, collateral management services, travel and tour services 1[, REIT management services, services rendered by National Clearing Company of Pakistan Limited. Explanation:—The tax rate under this subparagraph shall be applicable only to a service provider whose services are subjected to withholding tax on gross receipts and the service provider has not agitated taxation of gross receipts before any court of law; (ii) in case of rendering of or providing of services other than sub-clause (i), - (a) in case of a company, 8% 10% of the gross amount payable; (b) in any other case, 10% 11% of the gross amount payable; and (c) in respect of persons making payments to electronic and print media for advertising services, 1.5% of the gross amount payable.
		(3)	The rate of tax to be deducted from a payment referred to in clause (c) of sub-section (1) of section 153 shall be - (i) 10% of the gross amount payable in case of sportspersons; (ii) in case of a company, 6.5% 7% of the gross amount payable ; and (iii) in any other case, 7.5% 8% of the gross amount payable

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III			DEDUCTION OF TAX AT SOURCE (See Division III of Part V of Chapter X)
	IVA		Export of Services
			The rate of tax to be deducted under section 154A shall be:-

S.No.	Types of Receipts	Rate of Tax
(1)	(2)	(3)
1.	Export proceeds of Computer software or IT services or IT Enabled services by persons registered with Pakistan Software Export Board	0.25% of proceeds for tax years 2024 up to tax year 2026
2.	Any other case	1% of proceeds

IV			Deduction or Collection of Advance Tax
	VII		Advance Tax on Purchase, Registration and Transfer of Motor Vehicles
		(1)	The rate of tax under sub-sections (1) and (3) of section 231B shall be as set out in the following Table:—

S.No	Engine Capacity	Rs. per seat per annum
(1)	(2)	(3)
1.	upto 850cc	Rs. 7,500 Rs 10,000
2.	851cc to 1000cc	Rs. 15,000
3.	1001cc to 1300cc	Rs. 25,000
4.	1301cc to 1600cc	Rs. 50,000
5.	1601cc to 1800cc	Rs. 75,000 Rs 150,000
6.	1801cc to 2000cc	Rs. 100,000 Rs 200,000
		Rate of Tax
7.	2001cc to 2500cc	Rs. 150,000 6% of the value
8.	2501cc to 3000cc	Rs. 200,000 8% of the value
9.	Above 3000cc	Rs. 250,000 10% of the value

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			<p>Provided that the value for the purpose of S. Nos. 7 to 9 of the above Table shall be in case of motor vehicle -</p> <p>(i) imported in Pakistan, the import value assessed by the Customs authorities as increased by customs duty, federal excise duty and sales tax payable at import stage;</p> <p>(ii) manufactured or assembled locally in Pakistan, the invoice value inclusive of all duties and taxes; or</p> <p>(iii) auctioned, the auction value inclusive of all duties and taxes:</p> <p>Provided further that in cases where engine capacity is not applicable and the value of vehicle is Rupees five million or more, the rate of tax collectible shall be 3% of the import value as increased by customs duty, sales tax and federal excise duty in case of imported vehicles or invoice value in case of locally manufactured or assembled vehicles.</p>

IV	VIII		Advance tax at the time of sale by auction
			The rate of collection of tax under section 236A shall be 10% of the gross sale price of any property or goods sold by auction :
			Provided that in case of immovable property sold by auction and sale by auction of train management services by Pakistan Railways, the rate of collection of tax under this section shall be 5% of the gross sale price.
	X		Advance tax on sale or transfer of Immovable property
			The rate of tax to be collected under section 236C shall be 2% 3% of the gross amount of the consideration received
	XVIII		Advance tax on purchase of immovable property
			The rate of tax to be collected under section 236K shall be 2% 3% of the fair market value.
IV			(See Chapter XII)
			DEDUCTION OR COLLECTION OF ADVANCE TAX
	XXVII		Advance tax on amount remitted abroad through credit, debit or prepaid cards
			The rate of tax to be deducted under section 236Y shall be 1% 5% of the gross amount remitted abroad.