TAX YEAR 2026 TO 2027

Income Tax Rate Card

Ready reference of withholding, advance and final tax rates for Active Taxpayer List (ATL) and non-ATL persons.

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+92 329 6325872

Sialkot & Karachi, Pakistan

Rates compiled from the Income Tax Ordinance, 2001 as amended up to the Finance Act, 2026. General reference only. Confirm current figures before relying on them for a specific transaction.

Export of Goods and Services

Sections 154, 154A, 152, 153

Export Proceeds Realisation, s.154

Basis	ATL	Non-ATL
Rate applied	1.25%	Double

Minimum tax on export proceeds, realised through banking channel.

Export of Services, s.154A

Category	ATL	Non-ATL
Software/IT, PSEB registered	0.25%	Double*
All other services	1%	Double*

**Tenth Schedule, Rule 1 doubles rates for persons not on the ATL. Confirm applicability to the specific transaction.*

Finishing Services (Exporters), s.153

Stitching, dyeing, printing, embroidery, washing, sizing, weaving	ATL	Non-ATL
Rate applied	1.25%	2.5%

Exporters, as withholding agents, must deduct this rate at the time of payment to these service providers.

Payments to Non-Residents, s.152

Payments abroad for royalties, technical services, contracts or other non-resident income require withholding before release. See the Payment to Non-Resident table later in this card.

Banking Channel Discipline, s.21(l), 21(m)

Expenditure above Rs. 250,000 to a single account head must be paid through a banking channel, or the expense is disallowed (expenditure up to Rs. 25,000 and specified items such as utilities, freight and statutory payments are excluded). Salary above Rs. 32,000 per month must be paid through a bank account, or the expense is disallowed.

Salaried Individual

Section 12, 149 and Clause 2, Div-I of 1st Schedule

Taxable Income	Rate
Up to Rs. 600,000	0%
600,001 to 1,200,000	1% of exceeding 600,000
1,200,001 to 2,200,000	6,000 + 11% exceeding 1,200,000
2,200,001 to 3,200,000	116,000 + 20% exceeding 2,200,000
3,200,001 to 4,100,000	316,000 + 25% exceeding 3,200,000
4,100,001 to 5,600,000	541,000 + 29% exceeding 4,100,000
5,600,001 to 7,000,000	976,000 + 32% exceeding 5,600,000
Above 7,000,000	1,424,000 + 35% exceeding 7,000,000
Director fee for Board Meeting	20% of gross amount

Salaried person: salary income exceeds 75% of total taxable income. No surcharge on salaried individuals w.e.f. Tax Year 2027.

Tax on Pension, s.12, 149

Pension Amount	Rate
Up to Rs. 10,000,000	0%
Above Rs. 10,000,000	5% of exceeding

Exempt: persons above 70 years; families/dependents of public servants or armed forces members who die in service.

AOP and Individual Other Than Salaried

Section 18, Clause 1 and 2nd Schedule

Taxable Income	Rate
Up to Rs. 600,000	0%
600,001 to 1,200,000	15% of exceeding 600,000
1,200,001 to 1,600,000	90,000 + 20% exceeding 1,200,000
1,600,001 to 3,200,000	170,000 + 30% exceeding 1,600,000
3,200,001 to 5,600,000	650,000 + 40% exceeding 3,200,000
Above 5,600,000	1,610,000 + 45% exceeding 5,600,000

40% for professional firms barred from incorporation. 100%-women-owned enterprise income reduced by 25%.

Surcharge on Tax Payable

Section 4AB and 1st Schedule

Condition	Rate
Business/AOP income above Rs. 10m annually	10% of tax payable
Salaried individuals	Nil, w.e.f. TY 2027

Tax on Companies (Corporate Tax)

Section 18, 100A, 113C, Div-II of 1st and 7th Schedule

Category	Rate
Banking company, normal rate	42%
Small companies	20%
Other companies	29%
Alternate Corporate Tax	17%

Super Tax on High Earning Persons

Section 4C and Div-IIB of 1st Schedule

Income Level	Rate
Up to Rs. 500 million	0%
Above Rs. 500 million	8%
Banking/Oil and Gas/Fertilizer, above Rs. 150m	10%

Small and Medium Enterprises

Section 2(59A), 100E, 14th Schedule

Regime, Turnover	Rate
Normal, up to Rs. 100m	7.5% of income
Normal, Rs. 100 to 250m	15% of income
Final, up to Rs. 100m	0.25% of turnover
Final, Rs. 100 to 250m	0.50% of turnover

Sukuk (Special Purpose Vehicle)

Section 5AA, 151(1A) and Div-IB of 1st Schedule

Recipient	ATL	Non-ATL
Company	25%	50%
Ind/AOP, profit above Rs. 1m	12.5%	25%
Ind/AOP, profit up to Rs. 1m	10%	20%

Profit on Debts

Section 7B, 151, Div-IA of 1st Schedule

Source	ATL	Non-ATL
Bank/financial institution deposit	20%	40%
Govt securities (non-individuals)	20%	40%
All other cases	15%	30%

Builders and Developers

Section 7F(2), 100D, 147, 11th Schedule

Activity	Rate
Construction and sale of buildings	10% of receipt
Development and sale of plots	15% of receipt
Both combined	12% of receipt

Tax on Builders, Commercial (per Sq.Ft)

City Tier	Rate
Karachi/Lahore/Islamabad	Rs. 250
Tier-2 cities	Rs. 230
Other urban areas	Rs. 210

Tax on Builders, Residential (per Sq.Ft)

City Tier	Up to 3000 Sq.Ft	3000+ Sq.Ft
Karachi/Lahore/Islamabad	Rs. 80	Rs. 125
Tier-2 cities	Rs. 65	Rs. 110
Other urban areas	Rs. 50	Rs. 100

Tax on Developers (per Sq.Yd)

City Tier	Entire Project	Industrial Area
Karachi/Lahore/Islamabad	150	20
Tier-2 cities	130	20
Other urban areas	100	10

Dividend Income

Section 5, 150, Div-I of Part III, 1st Schedule

Category	ATL	Non-ATL
Independent power producers	7.5%	15%
REIT and general cases	15%	30%
Mutual funds, debt income	25%	50%
Mutual funds, equity income	15%	30%
Dividend from SPV (REIT regs)	35%	70%
Where paying company bears no tax	25%	50%

Mutual fund rate depends on the proportion of debt and equity income. Company recipients: 29% on the debt component.

Minimum Tax

Section 113, Div-IX of 1st Schedule

Category	% of turnover
SSGCL, SNGPL (turnover above Rs. 1bn), PIA, poultry	0.75%
Oil refineries, motorcycle dealers, OMCs	0.50%
Petroleum agents, rice mills/dealers, Tier-1 FMCG retailers, e-commerce, used vehicles, flour mills	0.25%
All other cases	1.25%

Capital Gain, Immovable Property

Section 37(1A), Div-VIII of 1st Schedule

Acquired On/After 1 July 2024

Status	Rate
Active taxpayer, any holding period	15%
Not on ATL, Ind/AOP	Normal slab, not less than 15%

Acquired Before 30 June 2024

Holding	Open Plot	Constructed	Flat
Up to 1yr	15%	15%	15%
1-2yr	12.5%	10%	7.5%
2-3yr	10%	7.5%	0%
3-4yr	7.5%	5%	0%
4yr+	0-5%	0%	n/a

Capital Gain, Securities

Section 37A, Div-VII of 1st Schedule

Holder (acquired after 30 Jun 2024)	Rate
Active taxpayer, any holding period	15%
Ind/AOP not on ATL	Normal slab, not less than 15%
Companies	Normal Tax Regime

Holding-period bands (2022-2024 acquisitions): 15% down to 0% over 6 years. Mutual fund/REIT redemption: 15% (stock fund), 15-25% (other fund).

Import

Section 148, Part-II of 1st Schedule

Category	ATL	Non-ATL
Material/machinery	1%	2%
Parts/components	2%	4%
Commercial (parts)	3.5%	7%
Other items	5.5%	11%
Commercial (other)	6%	12%
Pharma, not local mfg.	4%	8%
EV CKD kits	1%	2%

Mobile Phone C&F Value

1st Schedule, Part II (Rs. per phone)

Value	CBU	CKD/SKD
Up to USD 30*	Rs. 70	Rs. 0
USD 30-100	Rs. 100	Rs. 0
USD 100-200	Rs. 100	Rs. 0
USD 200-350	Rs. 970	Rs. 0
USD 350-500	Rs. 5,000	Rs. 3,000
Above USD 500	Rs. 11,500	Rs. 5,200

**Except smart phones; smart phones up to USD 100 fall in the USD 30-100 band.*

E-commerce Digital Transactions

Section 6A, Div-IVA of 1st Schedule

Channel	ATL	Non-ATL
Digital/banking channel	1%	2%
Cash on delivery	2%	4%

Payment to Non-Resident

Section 6, 7, 152, Div-IV of 1st Schedule

Nature of Payment	Rate
Royalty, technical fee, offshore digital services	15%
Other income under s.6	10%
Construction/contracts, TV satellite channel ads	7%
Insurance/re-insurance premium	5%
Advertisement to non-resident media	10%
Capital gain, debt instrument	10%
All other payments	20%

Non-Resident PE and Resident Goods

Section 152 (PE), 153 (Goods)

PE Category	Rate
Supply of goods, companies	5%
Supply of goods, others	5.5%
Specified services	8%
IT/IT-enabled services	4%
Other services	15%

Tenth Schedule, Rule 1 doubles rates for persons not on the ATL.

Payment to Resident, Goods

Category	ATL	Non-ATL
General goods, companies	5%	10%
General goods, others	5.5%	11%
Rice, cotton seed, edible oils	1.5%	3%
Toll manufacturing, companies	9%	18%
Toll manufacturing, others	11%	22%

Payment to Resident, Services

Section 153, Div-III of 1st Schedule

Service Category	ATL	Non-ATL
Listed services (transport, courier, hotel, engineering, telecom etc.)	7%	14%
IT and IT-enabled services	4%	8%
Independent professionals*	15%	30%
Electronic/print media advertising	1.5%	3%
Port and terminal operating companies	12%	24%
Other services	14%	28%
Execution of contracts, companies	7.5%	15%
Execution of contracts, others	8%	16%
Sportspersons	15%	30%

**Doctors, lawyers, architects, accountants, software engineers/developers working independently.*

Social Media Platforms

Section 154B, Div-IIIAB of 1st Schedule

Revenue from YouTube/Facebook/Instagram/TikTok	ATL	Non-ATL
Rate applied	5%	10%

Prize Bond and Petroleum Commission

Section 156, 156A of 1st Schedule

Category	ATL	Non-ATL
Prize bonds/cross-word	15%	30%
Raffle/lottery/promotion	20%	40%
Petroleum to pump operators	12%	24%

Cash Withdrawal and Foreign Workers

Section 231AB, 231C

Condition	ATL	Non-ATL
Cash withdrawal above Rs. 50,000/day	0.0%	0.8%
Foreign domestic worker, per worker	Rs. 200,000	Rs. 400,000

Motor Vehicles, Purchase

Section 231B, Div-VII of 1st Schedule

Engine Capacity	ATL	Non-ATL
Up to 1000cc	0.5-1% value	1.5-3% value
1001-1800cc	1.5-3% value	4.5-9% value
1801-2500cc	5-7% value	15-21% value
Above 2500cc	9-12% value	27-36% value

Motor Vehicles, Transfer

Engine Capacity	ATL	Non-ATL
Up to 1000cc	Rs.0-5,000	Rs.0-15,000
1001-1800cc	Rs.7,500-18,750	Rs.22,500-56,250
1801-2500cc	Rs.25,000-37,500	Rs.75,000-112,500
Above 2500cc	Rs.50,000-62,500	Rs.150,000-187,500

Brokerage and Commission

Section 233, Div-II of 1st Schedule

Category	ATL	Non-ATL
Advertising agents	10%	20%
Life insurance agents (<Rs.0.5m/yr)	8%	16%
Others	12%	24%

Motor Vehicle Tax Collection

Section 234, Div-III of 1st Schedule

Private Vehicle (p.a.)	ATL	Non-ATL
Up to 1000cc	Rs.800	Rs.1,600
1300-1599cc	Rs.2,500-3,750	Rs.5,000-7,500
2000cc+	Rs.10,000	Rs.20,000

Electricity Consumption

Section 235, Div-IV of 1st Schedule

Consumer/Bill	Rate
Comm/Industrial, up to Rs.500	0%
Comm/Industrial, Rs.500-20,000	10% of amount
Commercial, above Rs.20,000	1,950 + 12%
Domestic, above Rs.25,000 (Non-ATL)	7.5%

Property (Rental) Income

Section 15, 155, Div-V of 1st Schedule

Annual Income	Rate
Up to Rs. 300,000	NIL
300,000 to 600,000	5% of exceeding
600,000 to 2,000,000	15,000 + 10%
Above 2,000,000	155,000 + 25%

Life Insurance and Takaful Payouts

Section 7G and 1st Schedule

Timing	ATL	Non-ATL
Within 1 year of issuance	15%	30%
1-4 years from issuance	10%	20%
Death/disability/4yr+	0%	0%

Property Sale and Purchase

Section 236C, 236K, Div-X/XIII

Sale (236C), any value	ATL	Non-ATL
Rate applied	2.75%	11.5%

Purchase (236K)

Fair Market Value	ATL	Non-ATL
Up to Rs.50m	1.25%	10.5%
Rs.50-100m	1.25%	14.5%
Above Rs.100m	1.25%	18.5%

Advance Withholding Tax, Miscellaneous

Section 236 and 1st Schedule

Transaction	ATL	Non-ATL
Auction, property/goods	10%	20%
Functions and gatherings	10.0%	20.0%
Sale by retailer/dealer	0.5%	2.5%
Remittance abroad via cards	0.5%	1%
Bonus shares	10%	20%

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