INCOME TAX RATES CARD | TAX YEAR 2027

Applicable from 1st July 2026 to 30th June 2027 as amended vide Finance Act 2026

DISCLAIMER

This document **summarizes the rates of withholding & advance taxes and treatment thereof**, considering the amendments **vide the Finance Act, 2026**. Any subsequent changes to the law should be applied accordingly. The information summarized herein is general and based on our interpretation of law. This information does not constitute any opinion or advice and may also not be acceptable to taxation authorities in a particular case. We advise keeping bare act under consideration, which would always prevail in case of any error or typo in this document. We also recommend consulting an expert for application of the tax rates to a specific transaction.

IMPORTS | Sec 148 & Part II First Schedule

Activity	Importer Category	Tax Rate ATL	Tax Rate Non-ATL	Nature of Tax
Imports of Goods as per Part I of the Twelfth Schedule	All	1%	2%	**Advance Tax** for *Industrial Undertaking* importing goods other than Edible oil, Packing material, Paper and Paper-board or Plastics **Minimum Tax** for *All Other Cases*
Imports of Goods as per Part II of the Twelfth Schedule	Commercial Importers	3.5%	7%	
	Others	2%	4%	
Imports of Goods as per Part III of the Twelfth Schedule	Commercial Importers	6%	12%	
	Others	5.5%	11%	
Imports of Goods mentioned in SRO 1125(I)/2011	Manufacturers	1%	2%	
Imports of medicines not manufactured locally as certified by DRAP	All	4%	8%	
Imports of CKD Kits for electrical vehicles (small cars/ SUVs with up to 50 kWh battery) and LCVs with up to 150 kWh battery	All	1%	2 %	

IMPORT OF MOBILE PHONES | Sec148 & Part II of First Sch.

C&F Value (USD)	CBU	CKD/ SKD	Nature of Tax
Up to 30, except smartphone	Rs. 70	NIL	**Advance Tax** for *Industrial Undertaking* **Min. Tax** for *All Other Cases*
From 31 to 100	Rs. 100	NIL	
From 101 to 200	Rs. 930	NIL	
From 201 to 350	Rs. 970	NIL	
From 351 to 500	Rs. 5,000	Rs. 3,000	
Above 500	Rs, 11,500	Rs. 5,200	

Note: Advance tax is to be increased by 100% for Non-filers

SALARY | Sec 149, Div. I Part I First Schedule

Taxable Income From	Taxable Income To	Rate of Tax		
Up to 600,000		0%		
600,001	1,200,000	1% on amount exceeding Rs.0.6M		
1,200,001	2,200,000	6,000	PLUS	11% on amount > Rs.1.2M
2,200,001	3,200,000	116,000	PLUS	20% on amount > Rs.2.2M
3,200,001	4,100,000	316,000	PLUS	25% on amount > Rs.3.2M
4,100,001	5,600,000	541,000	PLUS	29% on amount > Rs.4.1M
5,600,001	7,000,000	976,000	PLUS	32% on amount > Rs.5.6M
Above 7,000,000		1,424,000	PLUS	35% on amount > Rs.7M

Rate of advance tax deductible is 20% on directorship fee or fee for attending board meetings.

PENSION INCOME | Sec 1491A, Div. I Part I First Schedule

Activity	PKR	Rate of Tax
Pension, Annuity or Supplement	Upto 10M	0%

NON-SALARIED INDIVIDUAL AND AOPs | Div. I Part I First Schedule

Taxable Income From	Taxable Income To	Rate of Tax		
Up to 600,000		0%		
600,001	1,200,000	15% on amount exceeding Rs.0.6M		
1,200,001	1,600,000	90,000	PLUS	20% on amount > Rs.1.2M
1,600,001	3,200,000	170,000	PLUS	30% on amount > Rs.1.6M
3,200,001	5,600,000	650,000	PLUS	40% on amount > Rs.3.2M
Above 5,600,000		1,610,000	PLUS	45% on amount > Rs.5.6M

DIVIDEND | Sec 150, Div. I Pt. III 1st Sch. & Cl. 18C Pt. II & Cl. 11B Pt. IV 2nd Sch.

Activity			Tax Rate ATL	Tax Rate Non-ATL	Nature of Tax
Dividend paid by IPPs, when it is a pass-through item to be reimbursed by CPPAG			7.5%	15%	**Final Tax**
Dividend attributable to income from biomass & baggas based power projects					
Dividend received where company is availing exemption or benefiting from c/f business losses & tax credits			25%	50%	
REITs & other cases			15%	30%	
Mutual funds	< than 50% income from profit on equity		15%	30%	
	50% or more income from profit on debt	**Corporate**	29%	58%	
		Other	25%	50%	
Dividend in specie			15%	30%	
Dividend from SPV received:	By REIT scheme		0%	0%	
	By others		35%	70%	
Intercorporate dividend/ group taxation			Not Applicable		

PROFIT ON DEBT | Sec 151, Div. IA Pt. III 1st Sc./ Cl. 5AB Pt. II 2nd Sc.

Activity		Tax Rate ATL	Tax Rate Non-ATL	Nature of Tax
Interest on Account with bank /financial institution	Received by Company, AOP/ individual	20%	40%	**For Company:** Advance Tax **For Individual / AOP** Final Tax, if upto 5M Mini Tax, if >5M
Interest on security issued by Federal Government, Provincial Government & Local Government	Received by AOP/ Company	20%	40%	
	Received by individual	15%	30%	
Interest on National Saving Scheme or Post Office Saving Account	Received by Co. / Individual/AOP	15%	30%	
Profit on any bond, certificate, debenture, security or instrument of any kind	Received by Company, AOP/ individual	20%	40%	
Received *by Resident Pakistanis* on Government securities, purchased via FCVA under SBP's Scheme		10%		**Final Tax**

INVESTMENTS IN SUKUKS | Sec 151&152, Div. IB Pt. III 1st Schedule

		ATL	Non-ATL	Nature of Tax
Returns received by Companies		25%	50%	**Advance Tax**
Returns rec. by AOPs/ Individuals	Up to Rs. 1M	10%	20%	**Final Tax**
	Above Rs.1M upto 5M	12.5%	25%	
	Above Rs. 1M			**Min. Tax**

PAYMENTS TO NON-RESIDENTS | Sec 152, Div. IV Pt. I, Div. II Pt. III 1st Sch. & Cl. 5A, 5AA, 5AC Pt. II 2nd Schedule

Activity		Tax Rate	Nature of Tax
Royalty/ fees for technical services / fee for offshore digital services		15%	**Final Tax**
Money transfer operations, Card network services, Payment gateway services, Interbank financial telecom. Services		10%	
Contracts/ subcontract under a construction, assembly/ installation project (including supply of supervisory activities therefor) and Advertisement services by TV Satellite Channels		7%	**Minimum Tax**
Insurance/ re-insurance premium		5%	
Advertisement services relaying from outside Pakistan		10%	
Foreign produced commercials for TV channel/ other media		20%	**Final Tax**
Capital gain to foreign companies on disposal of Debt Instruments & Govt. Securities invested via SCRA	Holding period < 6 months	20%	
	Holding period >6 months	10%	
Profit on debt from investments exclusively made through a SCRA		10%	
Capital gain to person on disposal of debt instruments and Govt. Securities invested via FCVA or NRVA			
Person receiving profit on Govt. Securities purchased via a foreign bank account, NRVA or FCYAs			
Profit on FCYAs or COIs under SBP's FC Account Scheme		0%	**Exempt**
Profit received by NRPs from PKR accounts on funds exclusively remitted from aboard in FCY		0%	
Other payments		20%	**Adv. Tax**

PAYMENTS TO PE OF NON-RESIDENTS | Sec 152, Div. II Pt. III 1st Sch.

Activity		ATL	Non-ATL	Nature of Tax
For Goods supplied	Company	5%	10%	**Minimum Tax**
	Other than Company	5.5%	11%	
Transport | Freight forwarding | Air cargo | Courier | Manpower outsourcing | Hotel services | Security guard | Car rentals | Software development | Tracking services | Advertising (other than by print/ electronic media) | Share registrar services | Engineering services | Inspection, certification & testing | Training services | Oilfield services | Building maintenance | Services rendered by PSEL & PMEL		8%	16%	
IT & IT enabled services		4%	8%	
For services rendered		15%	30%	
Contract by sports persons		15%	30%	
For other contracts		8%	16%	

RENT OF IMMOVABLE PROPERTY | Sec 155, Div. V Pt. III 1st Sch.

	Annual Rent (Rs.) From	Annual Rent (Rs.) To	Tax	Nature of Tax
Company	15%			**Advance Tax**
Individual & AOP	Up to 300,000		NIL	
	300,001	600,000	5% of rent exceeding Rs.300K	
	600,001	2,000,000	Rs.15K + 10% of rent above Rs.600K	
	Above 2,000,000		Rs.155K + 25% of rent above Rs.2M	

Note | Rates to be increased by 100% for Non-filers

SUPPLY OF GOODS INCLUDING TOLL MANUFACTURING | Sec 153(1)(a), Div. III Pt. III 1st Sch, Cl 24A, 24C, 31, 45A Pt. II 2nd Sch.

Activity			Tax Rate ATL	Tax Rate Non-ATL	Nature of Tax
Sale of rice, cotton seed or edible oil			1.5%	3%	**Advance Tax** for companies and Companies Engaged in Manufacturing **Minimum Tax** for other cases
Sale of cigarettes by distributors			2.5%	5%	
Sale of pharma products by distributors			1%	2%	
Sale by distributors, dealers, sub-dealers, wholesales & Tier-1 retailers integrated & configured with Board (also appearing on Sales Tax ATL) of the following: FMCG | Fertilizer | Electronics (excluding mobile phones) | Sugar | Cement | Steel | Edible oil			0.25%	0.5%	
Sales, supplies & services by taxpayers in the following sectors: Textile & articles thereof | Carpets | Leather & articles thereof | Artificial leather footwear | Surgical goods | Sports Goods			1%	2%	
Supplies & services to above sectors by Yarn Traders			0.5%	1%	
Other supplies/ sales (incl. Toll Manufacturing)	By companies	Toll manufacturing	9%	18%	
		others	5%	10%	
	By AOPs & Individuals	Toll manufacturing	11%	22%	
		Others	5.5%	11%	
Sale of gold & silver and articles thereof			1%	2%	**Advance Tax**

No tax to be withheld in case of: (a) where aggregate annual payment is below Rs.75,000 (b) Purchase of an asset under lease & buy back agreement by Banks and Non-banking Finance Companies.

PAYMENTS FOR SERVICES | Sec 153(1)(b), 153(2), Div. III & Div. IV Pt. III 1st Schedule

Activity		ATL	Non-ATL	Nature of Tax
Transport | Freight forwarding | Air cargo services | Courier | Manpower outsourcing | Hotel services | Security guard | Software development | Tracking services | Advertising (other than by print/ electronic media) | Share registrar services | Engineering/ Architectural services | Warehousing | Services rendered by AMCs | Data services | Telecom. infrastructure (tower) services | Car rentals | Building maintenance | Services rendered by PSEL & PMEL | Inspection, certification & testing | Training services | Oilfield services | Telecom | Collateral management | Travel & tours | REIT management | NCCPL services		7%	14%	**Minimum Tax**
IT & IT enabled services		4%	8%	
Advertising services | electronic/ print media		1.5%	3%	
Professionals working independently | e.g doctors, lawyers, architects, accountants, software, engineers/ developers		15%	30%	
Other services	By company, AOP / Indiv	14%	28%	
Stitching, dying, printing, embroidery, washing, sizing & weaving to Exporters		1%	2%	

Note | Not applicable if aggregate annual payment is under Rs.30,000

EXPORT OF SERVICES | Sec 154A Div IVA Pt. III 1st Schedule

Activity		Tax Rate	Nature of Tax
Software, IT or IT-enabled services by PSEB registered taxpayers		0.25%	**Final Tax**, subject to specified conditions OR/ Optional upto 2029
Services/ technical services	Rendered abroad	1%	
	Exported from Pakistan		
Royalty/ commission/ franchise fees received by a resident company from a foreign entity for use of intellectual property outside Pakistan			
Construction contracts executed outside Pakistan			**Advance Tax**
Foreign indenting commission			

EXECUTION OF CONTRACTS | Sec 153(1)(c), Div III Pt III 1st Sch.

Activity	ATL	Non-ATL	Nature of Tax
Executed for Listed Companies	7.5%	15%	**Adv. Tax**
Executed for Other Companies			**Minimum Tax**
Performed by sportspersons	15%	30%	
Other cases	8%	16%	

ECOMMERCE TRANSACTIONS | Sec 6A Div. IVA Pt. III 1st Sch,

Activity	ATL	Non-ATL	Nature of Tax
By Digital Means or Banking channels – Withholding agent Bank	1%	2%	**Minimum Tax**
Cash on Delivery by Courier Services	2%	4%	

FOREIGN PAYMENTS VIA DEBIT/ PRE-PAID OR CREDIT CARD | Sec 236Y, Div. XVIII Pt. IV 1st Schedule

Activity	ATL	Non-ATL	Nature of Tax
On gross amount remitted abroad	0.5%	1%	**Advance Tax**

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Applicable from 1st July 2026 to 30th June 2027 as amended vide Finance Act 2026

THK GROUP

Activity	Tax Rate ATL	Tax Rate Non-ATL	Nature of Tax
ADVANCE TAX ON MOTOR VEHICLES | *Sec 231B Div. VII Pt. IV 1st Schedule*			
Purchase/ registration	Various	Increased by 200%	Advance Tax
Electric Vehicles (EV) value Rs.5M >	3%		
Transfer of registration/ ownership	Various		
Sale/ transfer of EV valuing Rs.5M >	Rs.20K		
Sale of vehicle on Own-Money	Various		
Leasing to a non-filer	N/A	4%	
TAX ON FOREIGN DOMESTIC WORKERS | *Sec 231C*			
Agency/ Sponsor/ Person to whom visa is issued or renewed for Foreign National	Rs.0.2m	Rs.0.4m	Advance Tax
BROKERAGE & COMMISSION | *Sec 233, Div. II Pt. IV 1st Schedule*			
Advertising agent	10%	20%	Minimum Tax
Life insurance commission<Rs.0.5M pa	8%	16%	
Others	12%	24%	
TAX ON MOTOR VEHICLES | *Sec 234, Div. VII & III Pt. IV 1st Schedule*			
Goods Transport Vehicle | Based on laden weight	Rs.2.5/ Kg	Increased by 100%	Advance Tax
Goods Transport Vehicle | Laden weight 8,120Kg > after 10 yrs. of registration	Rs.1.2K		
Passenger transport vehicle plying for hire | Based on seating & air-conditioning	Various		
Motor vehicle | Based on engine capacity	Various		

COMMERCIAL, INDUSTRIAL ELECTRICITY CONSUMERS \| Sec 235, Div. IV Pt. IV 1st Sch., Cl. 66 Pt. IV 2nd Schedule

Gross Monthly Bill From	Gross Monthly Bill To	Tax | *Not applicable to Specified Sectors*		*For Companies*	
				Nature of Tax	Advance Tax
Up to Rs. 500		NIL			
Rs. 501	Rs. 20,000	10% of amount		*Other Taxpayers*	
Above Rs. 20,000		Commercial Consumer	Rs.1,950 + 12% of amount > Rs.20,000	Annual Bill (Rs.)	Nature of Tax
		Industrial Consumer	Rs.1,950 + 5% of amount > Rs.20,000	Up to 360K	Minimum Tax
				Above 360K	Advance Tax

SALE/ TRANSFER/ DISPOSAL OF IMMOVABLE PROPERTY \| Sec 236C, Div. X Pt. IV 1st Schedule, 10th Schedule

By NRPs where the property acquired via FCVA or NRVA		3%		**Final Tax** (In lieu of CGT)
All Other Cases	Acquired in same year	3%		**Minimum Tax**
	Gift	N/A		N/A
	Other disposals	2.75	5.5	Advance Tax

ON TV PLAYS & ADVERTISEMENT \| S236CA, Div. XA Pt. IV 1st Sch.

Per episode tax on foreign-produced TV drama serial	Rs. 1M	Rs. 2M	Minimum Tax
Tax on foreign-produced single-episode TV play	Rs. 3M	Rs. 6M	
Per second tax on advertisement starring foreign actor	Rs.0.5M	Rs. 1.0M	

TAX ON SALES TO DISTRIBUTORS, DEALERS & WHOLESALERS BY MANUFACTURERS & COMMERCIAL IMPORTERS \| Sec 236G, Div. XIV Pt. IV 1st Schedule

Fertilizers	ATL Status	I. Tax	S. Tax	0.25%	Advance Tax
		I. Tax	X	0.7%	
		X	X	1.4%	
Pharmaceuticals | Poultry & animal feed | Edible oil & ghee | Auto-parts | Tyres | Varnishes | Chemicals | Cosmetics | IT equipment | Electronics | Sugar | Cement | Iron & steel products | Motorcycles | Pesticides | Cigarettes | Glass | Textile |Beverages| Paint | Foam | and all others than fertilizers				0.1%	2%

TAX ON SALES TO RETAILERS & WHOLESALERS BY MANUFACTURERS, DISTRIBUTORS, DEALERS, WHOLESALERS & COMMERCIAL IMPORTERS \| Sec 236H, Div. XV Pt. IV 1st Schedule

All Cases	0.5%	2.5%	Advance Tax

PURCHASE OF IMMOVABLE PROPERTY \| Sec 236K, Div. XVIII Pt. IV 1st Schedule, 10th Schedule

By Non-Resident via FCVA or NRVA		0%		N/A
All Other Cases	Inheritance/Gift	Not Applicable		N/A
	Normal Purchase	1.25%	2.5%	Advance Tax

Activity	Tax Rate ATL	Tax Rate Non-ATL	Nature of Tax
DOMESTIC ELECTRICITY CONSUMERS | *S 235, Div. IV, Pt. IV 1st Sch*			
Monthly bill up to Rs. 25,000	0%		Advance Tax
Monthly bill exceeds Rs. 25,000	7.5%		
TELEPHONE USERS | Sec 236, Div. V Pt. IV 1st Schedule			
Landline bills exceeding Rs.1,000	10%		Advance Tax
Internet & Mobile subscriptions	15%	75%	
SALE BY AUCTION | Sec 236A, Div. VIII Pt. IV 1st Schedule			
Sale by public auction/ tender | Property/ goods	10%	20%	Advance Tax
Sale by public auction/ tender | Immoveable Property	5%	10%	
Lease of collection rights | Fee or Other levies | Toll	10%	20%	Final Tax
FUNCTONS & GATHERINGS | *Sec 236CB*			
Function & Gathering	10%	20%	Advance Tax
BONUS SHARES ISSUED BY COMPANIES | Sec 236Z			
Value of the bonus shares issued	10%	20%	Final Tax
PRIZES AND WINNINGS | *Sec 156, Div. VI Pt. III 1st Schedule*			
On a prize bond or crossword puzzle	15%	30%	Final Tax
Raffle, lottery, winning quiz & prizes on sales promotion schemes.	20%	40%	
PETROLEUM PRODUCTS | *Sec 156A, Div. VIA Pt. III 1st Schedule*			
Commission amount / discount allowed to a petrol pump operator	12%	24%	Final Tax
CASH WITHDRAWAL | *Sec 231AB*			
Cash withdrawal exceeding Rs. 50,000	0%	0.8%	Advance Tax
PREMATURE DISPOSAL OF DEBT SECURITIES | Sec 151 First Sch. Part III Div IIIAA			
Gain on premature disposal of debt securities	20%	40%	Advance Tax

CAPITAL GAINS ON DISPOSAL OF SECURITIES \| First Sch. Part I Div. VII

The Securities are acquired on or after 1st July 2024	For Co.	15%	Div II, 1st Sch.	Final Tax
	For AOP/Individual		Divi I, 1st Sch.	
Securities acquired between 1st July 2022 and 30th June 2024				Final Tax
Holding period < 1 year		15%		
Holding period > 1 year but < 2 years		12.5%		
Holding period > 2 years but < 3 years		10%		
Holding period > 3 years but < 4 years		7.5%		
Holding period > 4 years but < 5 years		5%		
Holding period > 5 years but < 6 years		2.5%		
Holding period > 6 years		0%		
Future commodity entered into by members of PMEX		5%		
The Securities acquired between 1st July 2013 and 30th June 2022		**12.5%**		Final Tax
The Securities acquired before 1st July 2013		**0%**		

Non-filers on securities (on/after Jul-2025): 100% enhanced rate RESTORED - Tenth Schedule sub-rule (y) exclusion removed by Finance Bill 2026.

CAPITAL GAINS ON DISPOSAL OF SECURITIES- MUTUAL FUNDS \| First Sch. Part I Div. VII

	Individual	AOP	Company
Mutual fund or a collective investment scheme or a REIT scheme (Stock Fund)	15%	15%	15%
Mutual fund or a collective investment scheme or a REIT scheme (other Fund)	15%	15%	25%
If dividend receipts of the fund are less than capital gains		15%	

GAIN ON IMMOVABLE PROPERTY \| First Sch. Part I Div. VIII

Immovable Property	Open Plots	Constructed	Flats	
Where the holding period does not exceed one year	15%	15%	15%	Final Tax
Where the holding period exceed one year but does not exceed two years	12.5%	10%	7.5%	
Where the holding period exceed two year but does not exceed three years	10%	7.5%	0%	
Where the holding period exceed three year but does not exceed four years	7.5%	5%	-	
Where the holding period exceed four year but does not exceed five years	5%	0%	-	
Where the holding period exceed five year but does not exceed six years	2.5%	-	-	
Where the holding period exceed six years	0%	-	-	

RATES OF TAX FOR COMPANIES \| First Sch. Part I Div. II

Small Company	20%
Banking Company	39%
All other Company	29%
Alternate Corporate Tax (ACT)	17%

TURNOVER TAX UNDER SECTION 113 \| First Sch. Part I Div. IX \| cl 24D Sch 2 Part II

Sui Northern Gas & SNGPL, Pakistan Airlines, Poultry Industries	0.75%	Minimum Tax
Oil Refineries, Motorcycle Dealers, and Oil Marketing Companies	0.5%	
Petroleum Agents	0.25%	
Distributor, Dealers , Sub dealers whole sealer of packaged food fertilizer, Local manufactured mobile phones, sugar and electronics as specified in the table	0.5%	
In all Other Cases	1.25%	

TAX ON SOCIAL MEDIA PLATFORMS UNDER SECTION 151B \| First Sch. Part III Div. IIIAB

YouTube/ Facebook/ Instagram/ Tiktok or such others similar platforms	5%	Minimum tax in the case of a resident person; and final tax in the case of a non-resident person

TAX ON CERTAIN PAYMENTS BY LIFE INSURANCE PAYOUTS UNDER SECTION 7G \| First Sch. Part III Div. IC

Payout within 1 year	**15%**	Final Tax
Payout within 1-7 year	**10%**	
Payout after 7 year on death or disability	**0%**	

SUPER TAX INCOME UNDER SECTION 4C \| First Sch. Part I Div. IIB

Where income exceeds Rs. 150 million (For Banking, Fertilizer and Energy Sector	10% of the income
Where income exceeds Rs. 500 million for other than above	8% of the income

ABOUT TPPL

Transformation Professionals (Pvt.) Limited (TPPL), a THK Group company, is a specialized advisory practice delivering high-impact solutions across Risk & Management Consulting, Internal Audit, Financial Advisory, and Corporate & Tax Advisory.

TPPL leverages the structural strength, cross-functional capabilities, and 37+ year institutional heritage of THK Group—which has served over 225 listed companies across 12 distinct service lines, including Share Registrar & Investor Relations, Technology Solutions, and HR Management.

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