

Federal Budget

2022 - 2023



WITHHOLDING CHART PRO *(REVISED)*

(SUBJECT WISE WITH PAYMENT CODES)

(TAX YEAR 2023 with effect from July 01, 2022)

IMPORT. SALARY. DIVIDEND. INTEREST. NON-RESIDENT.

EXPORT OF GOODS & SERVICES. GOODS, SERVICES & CONTRACTS. RENT.

PETROL. PRIZE AND WINNINGS. MOTOR VEHICLES. BROKERAGE AND COMMISSION.

PHONE & INTERNET. ELECTRICITY. PROPERTY SALE & PURCHASE.

DISTRIBUTORS, DEALERS, WHOLESALERS & RETAILERS. OTHERS. NO WITHHOLDING.



MOORE Shekha Mufti

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INCOME TAX
WITHHOLDING CHART PRO
(SUBJECT WISE WITH PAYMENT CODES)
TAX YEAR 2023

SECTIONS		PAYMENT / TRANSACTION	WITHHOLDING TAX RATES						
A. IMPORT			Part I of 12th Schedule [Annexure I]		Part II of 12th Schedule [Annexure II]		Part III of 12th Schedule [Annexure III]		
IMPORT	148	Import (Final Tax except for manufacture)	Filer	Non-Filer	Filer	Non-Filer	Filer	Non-Filer	
			1%	2%	2%	4%	5.5%	11%	
			64010052		Commercial Importer		64010062		
					4%	8%			
					64010054				
			Manufacturers Covered Under Rescinded S.R.O. 1125 of 2011					1%	2%
								64010052	
			Pharmaceutical Finished Goods					4%	8%
								64060008	
			Importers of CKD Kits of Electric Vehicles for Small Cars (SUVs with 50 kwh battery and LCVs with 150 kwh battery)					1%	2%
					64010052				

B. SALARY			Slab Rates					
SALARY	149	Salary	Slab	Rate on Exceeding Amount	Fixed Tax			
			Up to 600,000	Nil	Nil			
			600,001 to 1,200,000	Nil	100			
			1,200,001 to 2,400,000	7%	Nil			
			2,400,001 to 3,600,000	12.5%	84,000			
			3,600,001 to 6,000,000	17.5%	234,000			
			6,000,001 to 12,000,000	22.5%	654,000			
			12,000,001 and above	32.5%	2,004,000			
			Salary of Federal Government Employees u/s 149			64020001		
			Salary of Provincial Government Employees u/s 149			64020002		
			Salary of Corporate Sector Employees u/s 149			64020003		
			Salary of Other Employees u/s 149			64020004		
			149(3)	BoD Meeting Fee	20% on Gross amount to Director			
					Salary of Other Employees u/s 149			64020003

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C. DIVIDEND			Individual / AOP		Companies			
DIVIDEND	150	Power Generation *Subject to the implementation & Purchase Agreements	Filer	Non-Filer	Filer	Non-Filer		
		7.5%	15%	7.5%	15%	64030052		
		Cash Dividend	15%	30%	15%	30%	64030055	
		Specie Dividend (Shares of Group Company)	15%	30%	15%	30%	64030055	
		Mutual Fund; Stock Fund	15%	30%	15%	30%	64030055	
		Mutual Fund; Money Market Fund / Income Fund	15%	30%	15%	30%	64030055	
		REIT, Modaraba or any Other Collective Scheme	15%	30%	15%	30%	64030055	
		Exempt company OR Non tax payable Companies	25%	50%	25%	50%	64030081	
		D. INTEREST			Companies / Individual / AOP			
		INTEREST	151	Interest	Filer		Non-Filer	
151(1)(a)	Interest on National Saving Scheme (NSS)		15%		30%			
151(1)(b)	Interest on Bank Account		15%		30%			
151(1)(c)	Interest on Federal Government, Provincial Government & Local Government Bonds		15%		30%			
151(1)(d)	Interest on Company Loans		15%		30%			
151(1A)	Interest on Investment in Sukuks		Companies		Individual / AOP			
			Filer	Non-Filer	Filer	Non-Filer		
			25%	50%	10% < 1million	20%		
			64030081		64030082			

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E. NON-RESIDENT			Companies / Individual / AOP				
			Filer		Non-Filer		
NON - RESIDENT	152(1)	Royalty or Fee for Technical Services	15%		30%		
			64050051				
	152(IA)	Construction Services	7%		7%		
			64050052				
	152(IA)	Advertisement by TV Satellite Channels	7%		7%		
			64050054				
	152(1AAA)	Media Person Advertisement Services	10%		10%		
			64050006				
	152(1C)	Fee for Offshore Digital Services	10%		10%		
			64050014				
	152(2)	Any Other Services	20%		40%		
			64050007				
	152(2A)	(a)	Supply of Goods	Companies		Individual / AOP	
				Filer	Non-Filer	Filer	Non-Filer
				4%		4.5%	
				64050009			
		(b)	Services	8%		10%	
				64050011			
		(c)	Contract	7%		7%	
64050012							
Sportsman			10%		20%		
			64050013				
152(1BA)	Foreign Produced Commercial	Filer		Non-Filer			
		20%		40%			
		64050100					
			Companies		Individual / AOP		
			Filer	Non-Filer	Filer	Non-Filer	
152(5)(I)	1	Transport Services	3%	6%	3%	6%	
	2	Freight Forwarding Services					
	3	Air Cargo Services					

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4	Courier Services	64050069			
5	Manpower Outsourcing Services				
6	Hotel Services	3%	6%	3%	6%
7	Security Guard Services				
8	Software Development Services				
9	Information Technology (IT) Services i. Software Development ii. Software Maintenance iii. System Integration iv. Web Design v. Web Development vi. Web Hosting vii. Network Design				
10	IT Enabled Services	3%	6%	3%	6%
	i. Inbound or Outbound Call Centers ii. Medical Transcription iii. Remote Monitoring iv. Graphics Design v. Accounting Services vi. Human Resource (HR) Services vii. Telemedicine Centers viii. Data Entry Operations ix. Cloud Computing Services x. Data Storage Services xi. Locally Produced TV Programs xii. Insurance Claims Processing				
11	Tracking Services	3%	6%	3%	6%
12	Advertising Services (Other than Print & Electronic Media)				
13	Share Registrar Services				
14	Engineering Services				
15	Car Rental Services				
16	Building Maintenance Services				
17	Services Rendered by Pakistan Stock Exchange Limited	64050069			
18	Services Rendered by Pakistan Mercantile Exchange Limited				
19	Inspection Services				
20	Certification Services				
21	Testing Services				
22	Training Services				
23	Oilfield Services				

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F. GOODS, SERVICES & CONTRACTS		Companies		Individual / AOP				
		Filer	Non-Filer	Filer	Non-Filer			
153(1)(a)	Rice, Cotton Seed Oil, Edible Oils (if Annual Payment > 75K)	1.5%	3%	1.5%	3%			
	64060003							
	Other Goods including Toll Manufacturing (if Annual Payment > 75K)	4%	8%	4.5%	9%			
			64060008		64060009			
	Distributors, Dealers, Sub-Dealers, Wholesalers & Retailers		Companies / Individual / AOP		Companies		Individual / AOP	
	<ul style="list-style-type: none"> i. FMCG ii. Fertilizer iii. Electronics (excluding Mobile Phones) iv. Sugar v. Cement vi. Edible Oil vii. Steel 		ATL in both Sales Tax & Income Tax		Filer	Non-Filer	Filer	Non-Filer
			0.25%		4%	8%	4.5%	9%
			64060032		64060008		64060009	
	Traders of Yarn		Companies		Individual / AOP			
			Filer	Non-Filer	Filer	Non-Filer		
0.5%			1%	0.5%	1%			
64060051								
153(1)(b)	Services (if Annual Payment > 30K)		8%	16%	10%	20%		
			64060166		64060170			
	1	Transport Services	3%	6%	3%	6%		
	2	Freight Forwarding Services						
	3	Air Cargo Services						
	4	Courier Services						
	5	Manpower Outsourcing Services	64060106					
	6	Hotel Services						
	7	Security Guard Services						
	8	Software Development Services						
	9	Information Technology (IT) Services	3%	6%	3%	6%		
		<ul style="list-style-type: none"> i. Software Development ii. Software Maintenance iii. System Integration iv. Web Design v. Web Development vi. Web Hosting vii. Network Design 					64060106	
	10	IT Enabled Services	3%	6%	3%	6%		
<ul style="list-style-type: none"> i. Inbound / Outbound Call Centers ii. Medical Transcription iii. Remote Monitoring iv. Graphics Design 								

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		v. Accounting Services vi. Human Resource Services vii. Telemedicine Centers viii. Data Entry Operations ix. Cloud Computing Services x. Data Storage Services xi. Locally Produced TV Programs xii. Insurance Claims Processing	64060106			
	11	Tracking Services	3%	6%	3%	6%
	12	Advertising Services (Other than Print & Electronic Media)				
	13	Share Registrar Services				
	14	Engineering Services				
	15	Architectural Services				
	16	Warehousing Services	64060106			
	17	Services Rendered by Asset Management Companies				
	18	Data Services provided under License issued by PTA				
	19	Telecommunication Infrastructure (Tower) Services				
	19	Car Rental Services				
	20	Building Maintenance Services	64060106			
	21	Services Rendered by Pakistan Stock Exchange Limited				
	22	Services Rendered by Pakistan Mercantile Exchange Limited				
	23	Inspection Services				
	24	Certification Services				
	25	Testing Services	64060106			
	26	Training Services				
	27	Oilfield Service				
	28	Telecommunication Services				
	29	Collateral Management Services				
	30	Travel and Tour Services				
	31	REIT Management Services				
	32	Services Rendered by National Clearing Company Pakistan Limited				
	❖ The Above reduce Tax rate shall be applicable only where the payment for services are subjected to withholding tax on gross receipts and the service provider has not contested taxation of gross receipts before any Court.		Companies		Individual / AOP	
	Electronic and Print Media Advertising Services		Filer	Non-Filer	Filer	Non-Filer
			1.5%	3%	1.5%	3%
			64060153			
			6.5%	13%	7%	14%
153(1)(c)	Contracts (if Annual Payment > 10K)		64060263		64060264	

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			Filer	Non-Filer
		Sportsman	10%	20%
			64060270	
	153(2)	i. Stitching ii. Dying iii. Printing iv. Embroidery	Company/ AOP/Individual	
		v. Washing vi. Sizing vii. Weaving	Filer	Non-Filer
			1%	2%
			64060231	

G. (I) EXPORT OF GOODS			Company/ AOP/Individual	
			Filer / Non-Filer	
EXPORTS	154	Exports	1%	
			64070054	
	154(1)	Export of Goods	1%	
			64070054	
	154(2)	Export Commission	5%	
			64070151	
	154(3)	Inland Bank to Bank Letter of Credit	1%	
			64070054	
	154(3A)	Export Processing Zone	1%	
			64070054	
	154(3B)	Indirect Exporter; SPO	1%	
			64070054	

G. (II) EXPORT OF SERVICES				Company/ AOP/Individual		
				Filer / Non-Filer		
EXPORTS OF SERVICES	154A	(a)	Exports of Computer Software	0.25%		
				64070201		
			Information Technology (IT) Services	0.25%		
			i. Software Development ii. Software Maintenance iii. System Integration iv. Web Design	v. Web Development vi. Web Hosting vii. Network Design	64070201	
			IT Enabled Services	0.25%		
		i. Inbound / Outbound Call Centers ii. Medical Transcription iii. Remote Monitoring iv. Graphics Design v. Accounting Services vi. Human Resource Services	viii. Telemedicine Centers ix. Data Entry Operations x. Cloud Computing Services xi. Data Storage Services xii. Insurance Claims Processing	64070201		
		(b)	Services or Technical Services Rendered Outside Pakistan	1%		
				64070201		
			Services or Technical Services Exported from Pakistan	1%		
				64070201		

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ROYALTY, COMMISSION OR FEES	(c)	Royalty, Commission or Fees by Resident Company from Foreign Enterprise for the Use Outside Pakistan of;		1%
		i. Patent ii. Invention iii. Model iv. Design v. Secret Process	vi. Secret Formula vii. Similar Property Right viii. Information Concerning Industrial, Commercial or Scientific Knowledge, Experience or Skill	64070201
	(d)	Construction Contracts Executed Outside Pakistan		1%
				64070201
	(e)	Other Services Rendered Outside Pakistan As Notified by the Board from Time to Time		1%
				64070201

H. RENT			COMPANY		Individual / AOP			
RENT			Filer	Non-Filer	Slabs	Rate on Exceeding Amount	Fixed Tax	Non-Filer
			Filer					
RENT	155	Rent (On Gross Rental Payment)	15%	30%	Up to 300,000	Nil	Nil	-
		(If the payer is Individual or AOP, withholding only if annual rent > 1.5M)			300,000 to 600,000	5%	Nil	Double Tax
					600,000 to 2,000,000	10%	15,000	Double Tax
					2,000,000 and above	25%	155,000	Double Tax
			64080001	64080001				

I. PRIZE & WINNINGS			Companies / Individual / AOP			
PRIZE & WINNING			Filer		Non-Filer	
			15%	30%	20%	40%
PRIZE & WINNING	156	Prize Bonds	64090051			
		(Winnings from a raffle, lottery, prize on winning a quiz, prize offered by companies for promotion of sale or cross-word puzzle)	Raffles 64090053			
			Lottery 64090054			
			Quiz 64090053			
			64090051			
			64090051			

J. PETROL			Companies / Individual / AOP			
PETROL			Filer		Non-Filer	
			12%	24%		
PETROL	156A	Petrol & Petroleum Products (Lubricants)	64090151			
			64090151			

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K. MOTOR VEHICLES		Engine Capacity	Filer (Per Annum)	Non-Filer (Per Annum)	
PURCHASE	231B(1A)	At the time of Motor Vehicle Leasing	Any Motor Vehicle	-	12%
	231B(1) & (3)	On Registration by Excise & Taxation Dept. & On Sale by Manufacturer (Car or Jeep)	Up to 850cc	10,000	30,000
			851cc to 1000cc	20,000	60,000
			1001 to 1300cc	25,000	75,000
			1301cc to 1600cc	50,000	150,000
			1601cc to 1800cc	150,000	450,000
			1801cc to 2000cc	200,000	600,000
			2000cc to 2500cc	300,000	900,000
			2500cc to 3000cc	400,000	1,200,000
			Above 3000cc	500,000	1,500,000
			Motor Vehicle Registration Fee u/s 231B(1)		64100301
	Motor Vehicle Sale u/s 231B(3)		64100303		
	Engine capacity is not applicable / Value of vehicle is 5 million or more [Imported Vehicle / Locally Manufactured or Assembled]		Filer	Non-Filer	
			3%	9%	
	Engine capacity is not applicable / Value of vehicle is 5 million or more *Tax rate reduced by 10% for each year from the 1st registration in Pakistan		20,000	60,000	
231B(2)	Transfer or Ownership (Tax rate shall be reduced by 10% each year from the date of 1st registration)	Engine Capacity	Filer (Per Annum)	Non-Filer (Per Annum)	
		Up to 850cc	-	-	
		851cc to 1000cc	5,000	15,000	
		1001 to 1300cc	7,500	22,500	
		1301cc to 1600cc	12,500	37,500	
		1601cc to 1800cc	18,750	56,250	
		1801cc to 2000cc	25,000	75,000	
		2000cc to 2500cc	37,500	112,500	
		2500cc to 3000cc	50,000	150,000	
		Above 3000cc	62,500	187,500	
		64100302			
SALE	231B(2A)	Sold Locally Manufactured Motor Vehicles	Engine Capacity	Filer	Non-Filer
			Up to 1000cc	100,000	300,000
			1001cc to 2000cc	200,000	600,000
			2001cc and above	400,000	1,200,000

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ANNUAL PAYMENT	234	Motor Vehicles	Engine Capacity	Filer (Per Annum)	Non-Filer (Per Annum)		
			Up to 1000cc	800	1,600		
			1001cc to 1199cc	1,500	3,000		
			1200cc to 1299cc	1,750	3,500		
			1300cc to 1499cc	2,500	5,000		
			1500cc to 1599cc	3,750	7,500		
			1600cc to 1999cc	4,500	9,000		
			2000cc & above	10,000	20,000		
						64130003	

L. BROKERAGE AND COMMISSION			Companies / Individual / AOP			
BROKERAGE & COMMISSION	233	Advertising Commission	Filer	Non-Filer		
			10%	20%		
					64120070	
		Life Insurance Agent (If < 500,000)	8%	16%		
						64120066
		Other Commissions	12%	24%		
			64120074			

M. ELECTRICITY (ON GROSS)			Companies / Individual / AOP		
			Slabs	Rate on Exceeding Amount	Fixed Tax
ELECTRICITY	235	Commercial / Industrial Consumers	Up to 500	Nil	Nil
			500 to 20,000	10%	Nil
				64140101	
			Commercial Consumers	20,000 and above	12%
		64140001			
		Industrial Consumers	20,000 and above	5%	1,950
				64140002	
		Domestic / Residential	Not < 25,000	Filer	Non-Filer
				-	
			Exceeding > 25,000	-	7.5%
			64140102		

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		Tax Slab	Fixed Tax
235 (1A)	Commercial Electricity Connections from Retailers Other Than Tier-I Retailers as Defined in Sales Tax Act, 1990	Where the amount does not exceed Rs. 30,000	3,000
		Where the amount exceeds Rs. 30,000 but doesn't exceed Rs. 50,000	5000
		Where the amount exceeds Rs. 50,000 but doesn't exceed Rs. 100,000	10,000
		Specified retailers and service providers through Income Tax General Order	50,000

N. PHONE & INTERNET			Companies / Individual / AOP	
			Filer / Non-Filer	
PHONES & INTERNET	236	Telephone Bill, Internet Bills, Phone Cards	15%	
			Telephone Bill u/s 236(1)(a)	64150001
			Prepaid Telephone Card u/s 236(1)(b)	64150003
			Phone Unit u/s 236(1)(c)	64150004
			Internet Bill u/s 236(1)(d)	64150005
			Prepaid Internet Card u/s 236(1)(e)	64150006

O. PROPERTY SALE AND PURCHASE			Companies / Individual / AOP	
			Filer	Non-Filer
PROPERTY	236C	Sale of Property	2%	4%
			64150301	
	236K	Purchase of Property	2%	7%
			64151101	

P. DISTRIBUTORS, DEALERS, WHOLESALERS, RETAILERS			Companies / Individual / AOP		
			Filer	Non-Filer	
DISTRIBUTORS, DEALERS, WHOLESALERS, RETAILERS	236G	Sale to Distributors, Dealers, Wholesalers by Manufacture & Commercial Importer	0.1%	0.2%	
		<ul style="list-style-type: none"> i. Electronics ii. Sugar iii. Cement iv. Iron v. Steel Product vi. Motorcycles vii. Pesticides viii. Cigarettes ix. Glass x. Textile xi. Beverages xii. Paint or Foam Sector 			
		64150701			
		xxiv. Fertilizers			ATL in both Sales Tax & Income Tax
			0.25%	0.70%	1.4%
64150702					

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		Sale to Retailers by Manufacture, Distributors, Dealers, Wholesalers & Commercial Importer		Filer	Non-Filer
236H		i. Electronics	xiii. Pharmaceuticals	0.5%	1%
		ii. Sugar	xiv. Poultry		
		iii. Cement	xv. Animal Feed	64150803	
		iv. Iron	xvi. Edible Oil		
		v. Steel Product	xvii. Ghee		
		vi. Motorcycles	xviii. Auto-Parts		
		vii. Pesticides	xix. Tyres		
		viii. Cigarettes	xx. Varnishes		
		ix. Glass	xxi. Chemicals		
		x. Textile	xxii. Cosmetics		
		xi. Beverages	xxiii. IT Equipment		
		xii. Paint or Foam Sector			

Q. EDUCATION EXPENSES			Only Individual	
			Filer	Non-Filer
EDUCATION	236I	For Institutions in Pakistan	Omitted	

R. OTHER VARIOUS WITHHOLDING SECTIONS						
OTHERS	Clause 23A, Part-I, 2 nd Schedule	Voluntarily Pension Scheme; Withdrawal	3 years Average		3 years Average	
			64090201			
	235B	Steel Melter, Re-roller etc.	Rs.1/- per unit of electricity			
			64140201			
	236Q	Rent of Machinery and Equipment	Omitted			
			64151651			
	236A	Property Auction	Companies / Individual / AOP			
			Filer	Filer		
			5%	10%		
			64150103			
	Other Auction	10%	20%			
		64150101				
	236Y	On amount Remitted abroad through Credit, Debit or Prepaid Cards	1%	2%		
			64151905			

S. NO WITHHOLDING			
NO WITHHOLDING	236O	Advance tax under this chapter shall not be collected from	<ul style="list-style-type: none"> * Federal Government, Provincial Government * Foreign Diplomats, Diplomatic Mission * Withholding Exemption Certificate Holder

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If you need any clarification in respect to the above, kindly do contact our Income Tax Team as follows;

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Thanks & Regards,
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