

TAX YEAR 2014

INCOME TAX ORDINANCE, 2001 RATE OF TAX

THE FIRST SCHEDULE

PART I

DIVISION 1

RATE OF TAX FOR AOPs & BUSINESS INDIVIDUALS

S.No	Taxable income	Rate of tax
(1)	(2)	(3)
1.	Where the taxable income does not exceed Rs.400,000	0%
2.	Where the taxable income exceeds Rs.400,000 but does not exceed Rs.750,000	10% of the amount exceeding Rs.400,000
3.	Where the taxable income exceeds Rs.750,000 but does not exceed Rs.1,500,000	Rs.35,000 + 15% of the amount exceeding Rs.750,000
4.	Where the taxable income exceeds Rs.1,500,000 but does not exceed Rs.2,500,000	Rs.147,500 + 20% of the amount exceeding Rs.1,500,000
5.	Where the taxable income exceeds Rs.2,500,000 but does not exceed Rs.4,000,000	Rs.347,500 + 25% of the amount exceeding Rs.2,500,000
6.	Where the taxable income exceeds Rs.4,000,000 but does not exceed Rs.6,000,000	Rs. 722,500 + 30% of the amount exceeding Rs.4,000,000
7.	Where the taxable income exceeds Rs.6,000,000	Rs. 1,322,500 + 35% of the amount exceeding Rs.6,000,000"; and

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PART I

DIVISION 1

SALARIED INDIVIDUALS

S.No	Taxable income.	Rate of tax.
(1)	(2)	(3)
1.	Where the taxable income does not exceed Rs.400,000	0%
2.	Where the taxable income exceeds Rs.400,000 but does not exceed Rs.750,000	5% of the amount exceeding Rs.400,000
3.	Where the taxable income exceeds Rs.750,000 but does not exceed Rs.1,400,000	Rs.17,500 + 10% of the amount exceeding Rs.750,000
4.	Where the taxable income exceeds Rs.1,400,000 but does not exceed Rs.1,500,000	Rs.82,500 + 12.5% of the amount exceeding Rs.1,400,000
5.	Where the taxable income exceeds Rs.1,500,000 but does not exceed Rs.1,800,000	Rs.95,000 + 15% of the amount exceeding Rs.1,500,000
6.	Where the taxable income exceeds Rs.1,800,000 but does not exceed Rs.2,500,000	Rs.140,000 + 17.5% of the amount exceeding Rs.1,800,000
7.	Where the taxable income exceeds Rs.2,500,000 but does not exceed Rs.3,000,000	Rs.262,500 + 20% of the amount exceeding Rs.2,500,000
8.	Where the taxable income exceeds Rs.3,000,000 but does not exceed Rs.3,500,000	Rs.362,500 + 22.5% of the amount exceeding Rs. 3,000,000
9.	Where the taxable income exceeds Rs.3,500,000 but does not exceed Rs.4,000,000	Rs.475,000 + 25% of the amount exceeding Rs. 3,500,000
10.	Where the taxable income exceeds Rs.4,000,000 but does not exceed Rs.7,000,000	Rs.600,000 + 27.5% of the amount exceeding Rs.4,000,000
11.	Where the taxable income exceeds Rs.7,000,000	Rs.1,425,000 + 30% of the amount exceeding Rs.7,000,000";

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Part I **DIVISION II**

Rate Of Tax for Companies

The rate of tax imposed on the taxable income of a company for the tax year 2007 and onward shall be 35%

[Provided that the rate of tax imposed on the taxable income of a company other than a banking company, shall be 34% for the tax year 2014.]

where the taxpayer is a small company as defined in section 2, tax shall be payable at the rate of [25]%

DIVISION III

Rate of Dividend Tax

The rate of tax imposed under section 5 on [dividend] received from a company shall be 10%.

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Part II

Rate Of Advance Tax on Imports

(a) In the case of industrial undertakings	5%
(b) All other cases of companies	5%
(c) All taxpayers other than above	5.5%
(d) Foreign produced film	12%

Part III

Division I

Profit on Debt

The rate of tax to be deducted under section 151 shall be 10% of the yield or profit paid.

Division III

Payments for Goods & Services

	Companies	Other than Companies
sale of rice, cotton seed or edible oils	1.5%	1.5%
Supplies(Goods)	3.5%	4%
Service	6%	7%
Transport	2%	2%
Contractor	6%	6.5%

Division IV

Exports

	Rated of tax
Export of Goods	1%
Foreign Indenting Commission	5%
Services rendered to Exporter or Export House of Stitching, Dyeing, Printing, Embroidery Washing Sizing and Weaving	0.5%

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Div. V Income from Property Individual and Association of Persons

S.No.	Gross amount of rent	Rate of tax
(1)	Where the gross amount of rent does not exceed Rs.150,000.	Nil
(2)	Where the gross amount of rent exceeds Rs.150,000 but does not exceed Rs.1,000,000.	10 percent of the gross amount exceeding Rs.150,000.
(3)	Where the gross amount of rent exceeds Rs.1,000,000.	Rs.85,000 plus 15% percent of the gross amount exceeding Rs.1,000,000.

Companies

The rate of tax to be deducted under section 155 in case of company shall be 15% of the gross amount of rent

Div. VI Prizes and winnings

The tax rate on prizes and winnings is 15% of the gross amount paid.

Div. VI Cash Withdrawal from Bank

0.3% on cash withdrawal in a day exceeding Rs. 50,000/-

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SALES TAX RATE FOR GOODS IS 17%

SALES TAX RATE FOR SERVICES IS 16%