

INCOME TAX

Amendments are effective from July 01, 2009 specified otherwise.

SECTION	PRESENT POSITION AS ON 30 TH JUNE, 2009	AMENDMENTS THROUGH FINANCE ACT, 2009
2(19)f	<p>Dividend Includes:</p> <p>any after tax profit of a branch of a foreign company operating in Pakistan.</p> <p>(iv) Non-existent</p>	<p>The word any has been substituted by word “remittance of”, the amended provision shall be read as under:</p> <p>remittance of after tax profit of a branch of a foreign company operating in Pakistan;</p> <p>New sub-clause has been inserted;</p> <p>“Remittance of after tax profit by a branch of Petroleum Exploration and Production (E&P) foreign company, operating in Pakistan.”</p> <p>Now the remittance after tax in case of petroleum exploration and production foreign company shall not include in the definition of dividend.</p>
30AA	<p>Non-existent</p>	<p>“KIBOR” means Karachi Inter Bank Offered Rate prevalent on the first day of each quarter of the financial year.”</p> <p>The concept of KIBOR has been introduced in case of additional tax.</p>
2(70A)	<p>Non-existent</p>	<p>Now the turnover tax has been re-introduced under section 113, which was omitted in tax year 2008. The definition of turnover has been inserted.</p> <p>“Turnover” means turnover as defined in sub-section (3) of section 113.</p>

INCOME TAX

5(1)	<p>Tax on Dividends</p> <p>(1) Subject to this Ordinance, a tax shall be imposed, at the rate specified in Division III of Part I of the First Schedule, on every person who receives a dividend from a company.</p>	<p>To make rationalize this section deemed dividend u/s. 2(19) has also been inserted, the newly amended provision is as under;</p> <p>(1) Subject to this Ordinance, a tax shall be imposed, at the rate specified in Division III of Part I of the First Schedule, on every person who receives a dividend from a company or treated dividend under clause (19) of section 2.</p>
5(1)	<p>Tax on Dividends</p> <p>(1) Subject to this Ordinance, a tax shall be imposed, at the rate specified in Division III of Part I of the First Schedule, on every person who receives a dividend from a company.</p>	<p>To make rationalize this section deemed dividend u/s. 2(19) has also been inserted, the newly amended provision is as under;</p> <p>(1) Subject to this Ordinance, a tax shall be imposed, at the rate specified in Division III of Part I of the First Schedule, on every person who receives as a dividend from a company or treated dividend under clause (19) of section 2.</p>
12(2)(a)	<p>Salary Income</p> <p>Non-existent</p>	<p>New proviso has been inserted whereby the tax on bonus paid or payable to corporate employees receiving salary income of one million rupees or more (excluding bonus) in tax year 2010, shall be chargeable to tax at the rate 30%. The bonus to employee shall be separately taxed @ 30% of their amount of bonus; this is one year tax only.</p>
20(1A)	<p><i>Non-Existent:</i></p>	<p>Deductions from business income</p> <p>New sub-clause has been added, namely;</p> <p>“subject to this Ordinance, where animals which have been used for the purposes of the business or profession otherwise than as stock-in-trade and have died or become permanently useless for such purposes, the difference between the actual cost to the taxpayer of the animals and the amount, if any, realized in respect of the carcasses or animals.”</p>
22(13)(a)	<p>Depreciation on passenger transport</p> <p>The cost of a depreciable asset being a passenger transport vehicle not plying for hire shall not exceed one million rupees.</p> <p>Provided that the prescribed limit of one million rupees shall not apply to passenger transport vehicles, not plying for hire, acquired on or after the first day of July, 2005.</p>	<p>The cost of depreciable passenger transport vehicle not plying for hire has been limited to Rs. 1.5 million and proviso has been omitted.</p> <p>Since the life of proviso has been expired therefore, after amendment in the clause, position shall remain unchanged.</p>

23B	<p><i>Non-Existent:</i></p>	<p>Accelerated depreciation to alternate energy projects. (1) Any plant, machinery and equipments installed for generation of alternate energy by an industrial undertaking set up anywhere in Pakistan and owned and managed by a company shall be allowed first year allowance in lieu of initial allowance under section 23, at the rate of 90% against the cost of asset put to use after first day of July, 2009. The rate of first year allowance is 90% of the value of assets, now shall be available to alternate energy project.</p>
28(1) (g)	<p>Profit on debt, financial costs and lease payments;</p>	<p>The word Small and Medium Enterprise Bank hereinafter referred to as the SME Bank, shall be substituted in place of Small Business Finance Corporation.</p>
29A(1)	<p>Provision regarding consumer loans (1) A banking company non-banking finance company or the House Building Finance Corporation] shall be allowed a deduction, not exceeding three per cent of the income for the tax year, arising out of consumer loans for creation of a reserve to off-set bad debts arising out of such loans.</p>	<p>Banking company has been deleted for deduction under this head.</p>
57(4)&(5)	<p>Carry forward of business losses:</p>	<p>First year allowance u/s. 23A & 23B has been included for the purpose of carry forward business losses.</p>
61(2)(b)(ii)	<p>Charitable donations.- (1) A Company shall be entitled to a tax credit lesser of the total amount of the donation including the fair market value of any property given or 15% of the taxable income.</p>	<p>The limit for tax credit in respect of charitable donations has been extended to 20% of taxable income of the Company.</p>

INCOME TAX

<p>64(2)(b)</p>	<p>Profit on debt A person shall be entitled to a tax credit for a tax year in respect of any profit or share in rent and share in appreciation for value of house paid by the person in the year on a loan by a scheduled bank or non banking finance institution. Where the person utilizes the loan for the construction of a new house or the acquisition of a house.</p> <p>The tax credit lesser of</p> <ul style="list-style-type: none"> • 40% of the person’s taxable income for the year • Five hundred thousand rupees • Actual Interest 	<p>Now the tax credit in respect of profit on debt shall be lesser of:</p> <ul style="list-style-type: none"> • 50% of the person’s taxable income for the year • Seven hundred and fifty thousand rupees. • Actual Interest
<p>65A</p>	<p>Non-existent</p>	<p>Tax credit to a person registered under the Sales Tax Act, 1990.-</p> <p>The new section inserted whereby:</p> <p>(1) Every manufacturer, registered under the Sales Tax Act, 1990, shall be entitled to a tax credit of two and a half per cent of tax payable for a tax year, if ninety per cent of his sales are to the person who is registered under the afore-said Act during the said tax year.</p> <p>(2) For claiming of the credit, the person shall provide complete details of the persons to whom the sales were made.</p> <p>(3) No credit will be allowed to a person whose income is covered under final tax or minimum tax.</p> <p>(4) Carry forward of any amount where full credit may not be allowed against the tax liability for the tax year, shall not be allowed.”;</p>
<p>76(5)</p>	<p>Non-existent</p>	<p>Cost of Assets Explanation to be inserted namely: “Difference, if any, on account of foreign currency fluctuation, shall be taken into account in the year of occurrence for the purposes of depreciation.</p>

<p>113</p>	<p>Non-existent</p>	<p>Minimum tax on the income of certain persons.-</p> <p>The minimum tax was withdrawn in the tax year 2008 now the levy of minimum tax is at the rate 0.5% of the turnover. The new section is as under:-</p> <p>(1) This section shall apply to a resident company where, for any reason whatsoever allowed under this Ordinance, including any other law or for the time being in force –</p> <p>(a) loss for the year;</p> <p>(b) the setting off of a loss of an earlier year;</p> <p>(c) exemption from tax;</p> <p>(d) the application of credits or rebates; or</p> <p>(e) the claiming of allowances or deductions (including depreciation and amortization deductions) no tax is payable or paid by the person for a tax year or the tax payable or paid by the person for a tax year is less than one-half per cent of the amount representing the person’s turnover from all sources for that year:</p> <p>Provided that this sub-section shall not apply in the case of a company, which has declared gross loss before set off of depreciation and other inadmissible expenses under the Ordinance. If the loss is arrived at by setting off the aforesaid or changing accounting pattern, the Commissioner may ignore such claim and proceed to compute the tax as per historical accounting pattern and provision of this Ordinance and all other provisions of the Ordinance shall apply accordingly.</p> <p>(2) Where this section applies:</p> <p>(a) the aggregate of the person’s turnover as defined in subsection (3) for the tax year shall be treated as the income of the person for the year chargeable to tax;</p> <p>(b) the person shall pay as income tax for the tax year (instead of the actual tax payable under this Ordinance), an amount equal to one-half per cent of the person’s turnover for the year;</p> <p>(c) where tax paid under sub-section (1) exceeds the actual tax payable under Part 1, Division II of the First Schedule, the excess amount of tax paid shall be carried forward for adjustment against tax liability under the aforesaid Part of the subsequent tax year.</p>
------------	---------------------	--

INCOME TAX

		<p>Provided that the amount under this clause shall be carried forward and adjusted against tax liability for three tax years immediately succeeding the tax year for which the amount was paid.</p> <p>“turnover” means,-</p> <p>(a) the gross receipts, exclusive of Sales Tax and Federal Excise Duty or any trade discounts shown on invoices, or bills, derived from the sales of goods, and also excluding any amount taken as deemed income and is assessed as final discharge of the tax liability of which tax is already paid or payable;</p> <p>(b) the gross fees for the rendering of services for giving benefits including commissions; except covered by final discharge of tax liability for which tax is separately paid or payable;</p> <p>(c) the gross receipts from the execution of contracts; except covered by final discharge of tax liability for which tax is separately paid or payable; and</p> <p>(d) the company’s share of the amounts stated above of any association of persons of which the company is a member.</p>
<p>113B(c)</p>	<p>Taxation of income of certain retailers.-</p> <p>The retailers were not entitled to claim any adjustment of withholding tax collected or deducted under any head during the year.</p>	<p>Now the new proviso has been inserted namely:</p> <p>“Provided that the turnover chargeable to tax under this section shall not include the sale of goods on which tax is deducted or deductible under clause (a) of sub-section (1) of section 153.</p> <p>Supply of goods has been excluded from retail sale.</p>
<p>114(1)(b) (iv) (v) (vi) (vii)</p>	<p>Non-existent</p>	<p>Return of Income:</p> <p>To increase the number of tax payers the following persons are also required to furnish the return of income:</p> <p>(iv) owns immovable property with a land area of five hundred square yards or more located in a rating area;</p> <p>(v) owns a flat having covered area of two thousand square feet or more located in a rating area;</p> <p>(vi) owns a motor vehicle having engine capacity above 1000CC; and</p> <p>(vii) has obtained National Tax Number.”; and</p>

<p>114(1)(b)(6)</p>	<p>Revision of Return:</p> <p>Any person who, having furnished a return, discovers any omission or wrong statement therein, may furnish a revised return within five years of the date that the original return was furnished.</p>	<p>It has been substituted by this sub-section namely:</p> <p>Any person, who, having furnished a return, discovers any omission or wrong statement therein, without prejudice to any other liability, which he may incur under his Ordinance, may furnish a revised return for that tax year at any time, within five years from the end of the financial year in which original return was filed, subject to the following namely:-</p> <p>(a) It is accompanied by the revised account or revised audited accounts, as the case may be;</p> <p>(b) The reason of revision of return, in writing, duly signed, is filed therewith; and</p> <p>(c) It is filed before the issuance of the notice for amendment of assessment;:</p> <p>Purpose of revised return is obliterated after amendment in this section.</p>
<p>115(1)</p>	<p>Persons not required to furnish a return of income.-</p> <p>(1) Where the entire income of a taxpayer in a tax year consists of income chargeable under the head “Salary”, Annual Statement of Deduction of Income Tax from Salary, filed by the employer of such taxpayer, in prescribed form, the same shall, for the purposes of this Ordinance, be treated as a return of income furnished by the taxpayer under section 114: Provided that where salary income, for the tax year or the last tax year is five hundred thousand rupees or more, the taxpayer shall file wealth statement as required under section 116.</p>	<p>Through the purposed amendment to the salary of person whose income is Five Hundred Thousand one more shall file return of income with electronically accordingly, therefore the proviso has been purposed to be substituted as under:</p> <p>“Provided that where salary income, for the tax year is five hundred thousand rupees or more, the taxpayer shall file return of income electronically in the prescribed form and it shall be accompanied by the proof of deduction or payment of tax and wealth statement as required under section 116”.</p> <p>The facility of non filing of return of income in case of salary to person of above mentioned category has been done away.</p>

<p>115 – 4A & 4B</p>	<p>Non-existent</p>	<p>Newly sub clause purposed to be added:</p> <p>(4A) Any person who, having furnished a statement, discovers any omission or wrong statement therein, he may, without prejudice to any other liability which he may incur under this Ordinance, furnish a revised statement for that tax year, at any time within five years from the end of the financial year in which the original statement was furnished.</p> <p>(4B) Every person (other than a company) filing statement under sub-section (4), falling under final tax regime (FTR) and has paid tax amounting to twenty thousand rupees or more for the tax year, shall file a wealth statement alongwith reconciliation of wealth statement.</p> <p>There has been no concept revising statement file u/s. 115 now the concept of revision of statement has been introduced state of confusion in this respect between taxpayer and tax collector is over, the taxpayer filing statement u/s. 115 was not required to file wealth statement the amendment seeks to make mandatory requirement or filing of wealth statement alongwith statement u/s. 115 in case of person other than company made payment of tax exceeding Rs. 20,000. This steps is towards documentation of economy.</p>
<p>116(e) & 116 (2)</p>	<p>Wealth Statement Non-existent</p>	<p>New sub clause to be inserted namely:</p> <p>(e) The reconciliation statement of wealth.</p> <p>It was mandatory to file wealth statement u/s. 116 on certain condition though without wealth reconciliation is part of the wealth statement which was subsequently file by the taxpayer however, now filing of wealth reconciliation alongwith wealth statement is mandatory requirement falling which compliance of 116 shall not be considered.</p>
<p>121(1)aa)</p>	<p>Best judgment assessment Non-existent</p>	<p>New clause shall be inserted namely:</p> <p>(aa) furnish a statement as required by a notice under sub-section (5) of section 115; or Non filing of statement u/s. 115(5) shall entail to pass an order u/s. 121 of the Income Tax Ordinance, 2001.</p>

<p>122(2)</p>	<p>Amendment of Assessments</p> <p>An assessment order shall only be amended under sub section (1) within five years after the Commissioner has issued or is treated as having issued the assessment order on the taxpayer.</p>	<p>There is re-drafting of section which shall be substituted namely:</p> <p>No order under sub-section (1) shall be amended by the Commissioner after the expiry of five years from the end of the financial year in which the Commissioner has issued or treated to have issued the assessment order to the taxpayers.</p>
<p>122(4)(a)</p>	<p>Five years after the Commissioner has issued or is treated as having issued the original assessment order to the taxpayer.</p>	<p>The amendment is as follows:</p> <p>Five years from the end of financial year in which the Commissioner has issued or is treated as having issued the original assessment order to the taxpayer.</p>
<p>122(4)(b)</p>	<p>One year after the Commissioner has issued or is treated as having issued the amended assessment order to the taxpayer.</p>	<p>One year from the end of financial year in which the Commissioner has issued or is treated as having issued the amended assessment order to the taxpayer.</p> <p>This is re-drafting of provision the position remain unchanged.</p>
<p>127</p>	<p>Appeal to the Commissioner (Appeals).-</p> <p>(1) Any person dissatisfied with any order passed by a Commissioner or a taxation officer under section 121, 122, 143, 144, [162,] 170, 182, 183, 184, 185, 186, 187, 188, or 189, or an order under sub-section (1) of section 161 holding a person to be personally liable to pay an amount of tax, or an order under clause (f) of sub-section (3) of section 172 declaring a person to be the representative of a non-resident person, or an order under section 221 refusing to rectify the mistake, either in full or in part, as claimed by the taxpayer or an order having the effect of enhancing the assessment or reducing a refund or otherwise increasing the liability of the person, may prefer an appeal to the Commissioner (Appeals) against the order.</p>	<p>Section 205 has also been included for the purpose of this section, amended section reads as under:-</p> <p>(1) Any person dissatisfied with any order passed by a Commissioner or a taxation officer under section 121, 121, 122, 143, 144, [162,] 170, 182, 183, 184, 185, 186, 187, 188, 189 or 205 an order under sub-section (1) of section 161 holding a person to be personally liable to pay an amount of tax, or an order under clause (f) of sub-section (3) of section 172 1[declaring] a person to be the representative of a non-resident person, or an order giving effect to any finding or directions in ay order made under this Part by the Commissioner (Appeals), Appellate Tribunal High Court of Supreme Court, or an order under section 221 refusing to rectify the mistake, either in full or in part, as claimed by the taxpayer or an order having the effect of enhancing the assessment or reducing a refund or otherwise increasing the liability of the person, may prefer an appeal to the Commissioner (Appeals) against the order.</p>

INCOME TAX

<p>127(4)(a)</p>	<p>In the case of an appeal against an assessment, the lesser of one thousand rupees or ten per cent of the tax assessed.</p>	<p>It is amended as under:- In the case of an appeal against an assessment, one thousand rupees.</p>
<p>129 (4)</p>	<p>Decision in Appeal.- As soon as practicable after deciding an appeal, the Commissioner (Appeals) shall serve his order on the appellant and the Commissioner.</p>	<p>Following new proviso shall be inserted: “Provided that such order shall be passed not later than one hundred and twenty days from the date of filing of appeal or within an extended period of sixty days, for reasons to be recorded in writing by the Commissioner (Appeals): Provided further that any period during which the hearing of an appeal is adjourned at the request of the appellant or is postponed due to any appeal or proceedings or stay order, remand or alternative dispute resolution proceedings or for any other reason, shall be excluded in the computation of the aforementioned periods. The time period given to pass an order is mandatory and non passing of order within this period shall render such order without jurisdiction and shall be nullity in the eyes of law.</p>
<p>130</p>	<p>Appointment of the Appellate Tribunal</p>	<p>Following new sub-section is being inserted namely, (8A) Notwithstanding anything contained in sub-sections (7) and (8), the Chairman may constitute as many benches consisting of a single member as he may deem necessary to hear such cases or class of cases as the Federal Government may by order in writing, specify (8AA) The Chairman or any other member of the Appellate Tribunal authorized, in this behalf by the Chairman may, sitting singly, dispose of any case where the amount of tax or penalty involved does not exceed five million rupees. Ensuing amendment shall be helpful to expedite disposal of cases.</p>

<p>131(3)</p>	<p>Appeal to the Appellate Tribunal The prescribed fee shall be— (a) in the case of an appeal in relation to an assessment order, the lesser of two thousand five hundred rupees or ten percent of the tax assessed; or (b) in any other case – (i) where the appellant is a company, two thousand rupees; Or (ii) where the appellant is not a company, five hundred rupees.</p>	<p>The prescribed fee shall be Rs. 2,000 in all cases.</p>
<p>131(5)</p>	<p>Notwithstanding that an appeal has been filed under this section, tax shall, unless recovery thereof has been stayed by the Appellate Tribunal, be payable in accordance with the assessment made in the case:</p> <p>Provided that where recovery of tax has been stayed by the Appellate Tribunal by an order, such order shall cease to have effect on the expiration of a period of three months following the date on which it is made, unless the appeal is decided, or such order be withdrawn by the Appellate Tribunal earlier:</p> <p>Provided further that the Appellate Tribunal shall not make an order which has the effect of staying the recovery of tax beyond the period of six months in aggregate</p>	<p>The Second proviso the following shall be inserted, namely:-</p> <p>“Provided further that the Appellate Tribunal may stay the recovery of the tax on filing of the appeal which order will remain operative for thirty days and during which period a notice shall be issued to the respondent and after hearing the parties, order may be confirmed or varied as the Tribunal deems fit but stay order shall in no case remain operative for more than one hundred and eighty days.”</p>
<p>134A</p>	<p>[Alternative] Dispute Resolution.-</p> <p>(1) Notwithstanding any other provision of this Ordinance, or the rules made there under an aggrieved person, in connection with any matter pending before an Appellate Authority, may apply to Board for the appointment of a committee for the resolution of any hardship or dispute mentioned in detail in the application.</p> <p>(2) The Board after examination of the application of an aggrieved person, shall appoint a committee consisting of an officer of Income Tax and two persons from a panel comprising of Chartered or Cost Accountants, Advocates, Income Tax Practitioners or reputable taxpayers for the resolution of the hardship or dispute.</p>	<p>(1) Notwithstanding any other provision of this Ordinance, or the rules made there under an aggrieved person, in connection with any matter pending before an Appellate Authority, may apply to Board for the appointment of a committee for the resolution of any hardship or dispute mentioned in detail in the application, except where prosecution proceedings have been initiated or where interpretation of question of law having effect on identical other cases.</p> <p>(2) The Board after examination of the application of an aggrieved person, shall within sixty days of receipt of such application in the Board, appoint a committee consisting of an officer of Income Tax and two persons from a panel comprising of Chartered or Cost Accountants, Income Tax Practitioners or reputable taxpayers for the resolution of the hardship or dispute.</p>

INCOME TAX

134A (3)	<p>The committee constituted under sub-section (2) shall examine the issue and may, if it deems necessary, conduct inquiry, seek expert opinion, direct any officer of Income Tax or any other person to conduct an audit and make recommendations in respect of the resolution of dispute as it may deem fit.</p>	<p>The committee constituted under sub-section (2) shall examine the issue and may if it deems fit, conduct inquiry, seek expert opinion, direct any officer of the sales tax or any other person to conduct an audit and shall make recommendation in respect of the dispute. If the committee fails to make recommendations within the said period the Board shall dissolve the committee and constitute a new committee which shall decide the matter within a further period of ninety days. If after the expiry of that period the dispute is not resolved the matter shall be taken up by the appropriate forum for decision.</p>
134A (4)	<p>The Board may, on the recommendation of the committee, pass such order, as it may deem appropriate</p>	<p>The Board may, on the recommendation of the committee, pass such order, as it may deem appropriate, within 45 days of the receipt of recommendations of the committee.</p>
137(1)	<p>Due date for payment of tax (1) The tax payable by a taxpayer on the taxable income of the taxpayer including the tax payable under section 113A for a tax year shall be due on the due date for furnishing the taxpayer's return of income for that year.</p>	<p>Section 113 shall be inserted in addition to tax payable under other section.</p>
147	<p>Advance tax (1) (ca) Income chargeable to tax in respect of brokerage and commission and tax deducted on purchase and sales of share by Stock Exchanges of Members under section (a) and (b) of sub-section (1) of section 233A were not required to pay advance quarterly tax. (d) income from which tax has been collected under Division II or deducted under Division III and for which no tax credit is allowed as a result of sub-section (3) of section 168,</p>	<p>---Omitted---</p> <p>(d) income from which tax has been collected under Division II or deducted under Division III or deducted or collected under chapter XII and for which no tax credit is allowed as a result of sub-section (3) of section 168, Sub-clause (ca) instant merge with sub-clause (d)</p>

<p>(4) Advance Tax</p> <p>In previous tax year 2009, the advance tax was collected on the basis of tax assessed for the latest tax year or latest assessment year.</p> <p>The formula were:</p> <p>$(A/4) - B$</p> <p>Where – A is the tax assessed to the taxpayer for the latest tax year or latest assessment year under the repealed Ordinance; and</p> <p>B is the tax paid in the quarter for which a tax credit is allowed under section 168, other than tax deducted on salary under section 149 or tax deducted on property income under section 155.</p>	<p>The sub-section has substituted namely,</p> <p>(4) Where the taxpayer is a company or an association of persons, the amount of advance tax due for a quarter shall be computed according to the following formula, namely:–</p> <p>$(A \times B/C) - D$</p> <p>Where – A is the taxpayer’s turnover for the quarter; B is the tax assessed to the taxpayer for the latest tax year; C is the taxpayer’s turnover for the latest tax year; and D is the tax paid in the quarter for which a tax credit is allowed under section 168, other than tax deducted on property income under section 155</p> <p>Taxpayer turnover for the latest tax year has also been considered for computation of advance tax due to levy of minimum tax under section 113.</p> <p>The amendment has been made to rationalize this provision due to levy of minimum tax under section 113.</p>
<p>(4AA)</p> <p>Non-existent</p> <p>(6A) Notwithstanding anything contained in this section, where the taxpayer is a company, advance tax shall be payable by it in the absence of last assessed income also. The taxpayer shall estimate the amount of advance tax payable on the basis of estimated quarterly accounting profit of the company and thereafter pay such amount after making adjustment for the amount (if any) already paid.</p>	<p>“(4AA) Tax liability under section 113 shall also be taken into account while working out payment of advance tax liability under this section.</p> <p>It is substituted by the following, namely, Notwithstanding anything contained in this section, where the taxpayer is a company or an association of persons, advance tax shall be payable by it in the absence of last assessed income or declared turnover also. The taxpayer shall estimate the amount of advance tax payable on the basis of quarterly turnover of the company or an association of persons, as the case may be, and thereafter pay such amount after,-</p> <p>(a) taking into account tax payable under section 113 as provided in sub-section (4AA); and (b) Making adjustment for the amount (if any) already paid.</p>

INCOME TAX

147(5)	<p>Advance tax is payable by a taxpayer to the Commissioner-</p> <p>(a) in respect of the September quarter, on or before the 15th day of September;</p> <p>(b) in respect of the December quarter, on or before the 15th day of December;</p> <p>(c) in respect of the march quarter, on or before the 15th days of March; and</p> <p>(d) in respect of the June quarter, on or before the 15th day of June.</p>	<p>Advance tax is payable by an individual or association of persons to the Commissioner-</p> <p>(a) in respect of the September quarter, on or before the 15th day of September;</p> <p>(b) in respect of the December quarter, on or before the 15th day of December;</p> <p>(c) in respect of the march quarter, on or before the 15th days of March; and</p> <p>(d) in respect of the June quarter, on or before the 15th day of June.</p>
147(5A)	<p>Non existent;</p>	<p>Advance tax is payable by a company to the Commissioner-</p> <p>(a) in respect of the September quarter, on or before the 15th day of October;</p> <p>(b) in respect of the December quarter, on or before the 15th day of January;</p> <p>(c) in respect of the march quarter, on or before the 15th days of April; and</p> <p>(d) in respect of the June quarter, on or before the 15th day of June.</p>
148	<p>Imports.-</p> <p>(d) large import houses, who,-</p> <p>(i) have paid-up capital of exceeding Rs.100 million;</p> <p>(ii) have imports exceeding Rs.500 million during the tax year;</p> <p>(iii) own total assets exceeding Rs.100 million at the close of the tax year;</p> <p>(iv) is single object company;</p> <p>(v) maintain computerized records of imports and sale of goods;</p> <p>(vi) maintain a system for issuance of 100% cash receipts on sales;</p> <p>(vii) present accounts for tax audit every year;</p> <p>(viii) is registered with Sales Tax Department; and</p> <p>(ix) make sales of industrial raw material of manufacturer registered for sales tax purposes.</p> <p>(8) The tax collected from a person under this section on the import of edible oil for a tax year shall be final tax.</p>	<p>(d) large import houses, who,-</p> <p>(i) have paid-up capital of exceeding Rs. 250 million.</p> <p>(iii) own total assets exceeding Rs.350 million at the close of the tax year;</p> <p><i>Amendment is as under:-</i></p> <p>The tax collected from a person under this section on the import of edible oil and packing material for a tax year shall be minimum tax.</p> <p>The manufacture of ghee and cooking oil was enjoying scheme of FTR, now through this amendment tax collected at import stage shall be minimum tax liability accordingly they require to file return of income u/s. 114; Packing material has also been included for the purpose of this section.</p>
150	<p>Withholding tax on Dividends</p> <p>Every resident company paying a dividend shall deduct tax from the gross amount of the dividend paid at the rate of 10%..</p>	<p>Every person paying a dividend shall deduct tax from the gross amount of the dividend paid at the rate of 10%.</p>

<p>153</p>	<p>Payment for goods and services.- (6) The tax deducted under section 153 (1) or (1A) was the final tax liability subject to the companies in respect of transaction related to the rendering of or providing of services. (9) “prescribed person” means – (a) the Federal Government; (b) a company; (c) an association of persons constituted by, or under law; (d) a foreign contractor or consultant; (e) a consortium or joint venture; (f) an exporter or an export house for the purpose of sub-section (1A) (g) an association of persons, having turnover of fifty million rupees or above in tax year 2007 and onwards.. (b) a process of assembling, mixing, cutting, packing, repacking or preparation of goods in any other manner.</p>	<p>Now the sub-section has been amended by adding clause (iii) in the second proviso of subsection (6) of section 153 where by the rendering or providing of services by the individual or association of persons shall also be assessed under normal tax regime. The tax deducted under sub-section (1) of section 153 shall be treated as minimum tax. The amendment shall be effective from tax year 2010. The new sub-section is to be inserted namely, (cc) non-profit organization Through en-suing amended non-profit organization has also been included under list of prescribed person u/s. 153 of the Income Tax Ordinance, 2001. (b) a process of assembling, mixing, cutting, or preparation of goods in any other manner. The word packaging and repackaging activity is being excluded from the definition of Payment for goods and services.</p>
<p>154</p>	<p>(3C) Non-existent</p>	<p><u>Tax on Exports</u> The new sub-clause to be inserted namely, (3C) The Collector of Customs at the time of clearing of goods exported shall collect tax from the gross value of such goods at the rate specified in Division IV of Part III of the First Schedule. It has been gathered that this sub-clause shall be exercised in case of export whereby form “E” has not been filed by an exporter, however, no such legal cover given in this sub-clause.</p>

<p>164</p>	<p>Certificate of collection or deduction of tax.-</p> <p>(1) Every person collecting tax under Division II of this Part or deducting tax from a payment under Division III of this Part 1[or deducting or collecting tax under Chapter XII shall, at the time of collection or deduction of the tax, furnish to the person from whom the tax has been collected or to whom the payment from which tax has been deducted has been made, a certificate setting out the amount of tax collected or deducted and such other particulars as may be prescribed.</p> <p>(2) A person required to furnish a return of taxable income for a tax year shall attach to the return any certificate provided to the person under this section in respect of tax collected or deducted in that year and such certificate shall be treated as sufficient evidence of the collection or deduction for the purposes of section 168.</p>	<p>Challan of payment is to be replaced with certificate, the amended provision is reproduced below:</p> <p>(1) Every person collecting tax under Division II of this Part or deducting tax from a payment under Division III of this Part or deducting or collecting tax under Chapter XII shall, at the time of collection or deduction of the tax, furnish to the person from whom the tax has been collected or to whom the payment from which tax has been deducted has been made, the copies of the challan of payment or any other equivalent document alongwith a certificate setting out the amount of tax collected or deducted and such other particulars as may be prescribed.</p> <p>(2) A person required to furnish a return of taxable income for a tax year shall attach to the return copies of the challan of payment on the basis of which a certificate is provided to the person under this section in respect of tax collected or deducted in that year and such certificate shall be treated as sufficient evidence of the collection or deduction for the purposes of section 168.</p>
<p>168</p>	<p>Credit for tax collected or deducted.-</p> <p>(3) No tax credit shall be allowed for any tax collected or deducted that is a final tax under clauses (a), (b) and (d) of sub-section (1) of section 151, sub-section (1B) of section 152, sub-section (7) of section 148, sub-section (6) of section 153, sub-section (4) of section 154, section 155 sub-section (3) of section 156, sub-section (2) of section 156A, section 233, clauses (a) and (b) of sub-section (1) of section 233A or sub-section (5) of section 234 or section 234A.</p>	<p>Sub-section (7) of section 148 has been omitted, in our opinion it appears that due to oversight, proposed amendment has been repeated whereas main provision of Section 148(7) remain unchanged.</p> <p>New sub-section shall be inserted namely,</p> <p>“(6) Notwithstanding anything contained in any other law or any rules for the time being in force, no amount shall be deducted on account of service charges from the tax withheld or collected by any person under the provisions of this Ordinance.</p> <p>(7) In case any amount is deducted on account of service charges, by the person, the said person will be liable to pay the said amount to the Federal Government and all the provisions of this Ordinance shall apply in so far as they apply to the recovery of tax.”</p>

<p>170</p>	<p>(4) Refunds</p> <p>The Commissioner shall, within forty five days of receipt of a refund application under sub-section (1), serve on the person applying for the refund an order in writing of the decision after providing the taxpayer an opportunity of being heard.</p>	<p>The Commissioner shall, within sixty days of receipt of a refund application under sub-section (1), serve on the person applying for the refund an order in writing of the decision after providing the taxpayer an opportunity of being heard.</p> <p>The time period has been extended to sixty days.</p>
<p>171</p>	<p>Additional payment for delayed refunds. –</p> <p>(1) Where a refund due to a taxpayer is not paid within three months of the date on which it becomes due, the Commissioner shall pay to the taxpayer a further amount by way of compensation at the rate of 3[six] per cent per annum of the amount of the refund computed for the period commencing at the end of the three month period and ending on the date on which it was paid.</p>	<p>It is amended that the payment of compensation in case of delayed refund to be paid at the prevailing rate based on KIBOR instead of 6% per annum. The following proviso has also been inserted,</p> <p>“Provided that where there is reason to believe that a person has claimed the refund which is not admissible to him, the provision regarding the payment of such additional amount shall not apply till the investigation of the claim is completed and the claim is either accepted or rejected.”</p>
<p>176 (1) (c)</p>	<p>Notice to obtain information or evidence.-</p>	<p>New sub-clause has been inserted namely,</p> <p>The firm of chartered accountants, as appointed by the Board, to conduct audit under section 177, for any tax year, with the prior approval of the Commissioner concerned, enter the business premises of a taxpayer, selected for audit, to obtain any information, required production of any record, on which the required information is stored, and examine it within such premises; and such firm may if specifically delegated by the Commissioner, also exercise the powers as provided in sub-section (4).</p>

177	<p>Audit.-</p> <p>(1) The Board may lay down criteria for selection of any person for an audit of person's income tax affairs, by the Commissioner.</p> <p>(2) The Commissioner shall select a person for audit in accordance with the criteria laid down by the Board under sub-section (1).</p> <p>(4) In addition to the selection referred to in sub-section (2), the Commissioner may also select a person for an audit of the person's income tax affairs having regard to –</p> <p>(a) the person's history of compliance or non-compliance with this Ordinance;</p> <p>(b) the amount of tax payable by the person;</p> <p>(c) the class of business conducted by the person; and</p> <p>(d) any other matter which in the opinion of Commissioner is material for determination of correct income.</p> <p>(5) After selection of a person for audit under sub-section (2) or (4), the Commissioner shall conduct an audit of the income tax affairs including examination of accounts and records, enquiry into expenditure, assets and liabilities of that person.</p> <p>(8) The Board may appoint a firm of Chartered Accountants as defined under the Chartered Accountants Ordinance, 1961 (X of 1961), to conduct an audit of the income tax affairs of any person and the scope of such audit shall be as determined by the Board on a case to case basis.</p>	<p>The amendments are produced below, The Board may lay down criteria for selection of any person or classes of persons for an audit of such person's income tax affairs, by the Commissioner.</p> <p>The Commissioner shall select a person or classes of person for audit in accordance with the criteria laid down by the Board under sub-section (1).</p> <p>(4) In addition to the selection referred to in sub-section (2), the Commissioner may also select a person or classes of persons for an audit of the person's income tax affairs having regard to –</p> <p>(a) the person's history of compliance or non-compliance with this Ordinance;</p> <p>(b) the amount of tax payable by the person;</p> <p>(c) the class of business conducted by the person; and</p> <p>(d) any other matter which in the opinion of Commissioner is material for determination of correct income.</p> <p>(5) After selection of a person or classes of persons for audit under sub-section (2) or (4), the Commissioner shall conduct an audit of the income tax affairs including examination of accounts and records, enquiry into expenditure, assets and liabilities of such person or classes of persons.</p> <p>(8) The Board may appoint a firm of Chartered Accountants as defined under the Chartered Accountants Ordinance, 1961 (X of 1961), to conduct an audit of the income tax affairs of any person or classes of person selected for audit by the Commissioner or by the Board and the scope of such audit shall be as determined by the Board on a case to case basis.</p>
-----	---	---

<p>191</p>	<p>Prosecution for non-compliance with certain statutory obligations.-</p> <p>Any person who, without reasonable excuse, fails to comply with certain statutory obligations shall commit an offence punishable on conviction with a fine or imprisonment for a term not exceeding one year, or both.</p>	<p>The amount of fine shall be up to 50,000 Rupees.</p>
<p>192</p>	<p>Prosecution for false statement in verification.-</p> <p>Any person who makes a statement in any verification in any return or other document furnished under this Ordinance which is false and which the person knows or believes to be false, or does not believe to be true, the person shall commit an offence punishable on conviction with a fine or imprisonment for a term not exceeding three years, or both.</p>	<p>Fine upto The amount of fine shall be up to 100,000 Rupees.</p>
<p>192A</p>	<p><i>Non-Existent</i></p>	<p>Prosecution for concealment of income.- (1) Where, in the course of any proceedings under this Ordinance, any person has either in the said proceedings or in any earlier proceedings concealed income or furnished inaccurate particulars of such income and revenue impact of such concealment or furnishing of inaccurate particulars of such income is five hundred thousand rupees or more shall commit an offence punishable on conviction with imprisonment upto two years or with fine or both.</p> <p>(2) For the purposes of sub-section (1), concealment of income or the furnishing of inaccurate particulars of income shall include -</p> <p>(a) the suppression of any income or amount chargeable to tax;</p> <p>(b) the claiming of any deduction for any expenditure not actually incurred; or</p> <p>(c) any act referred to in sub-section (1) of section 111</p>
<p>193</p>	<p>Prosecution for failure to maintain records.</p> <p>A person who fails to maintain records as required under this Ordinance shall commit an offence punishable on conviction with –</p> <p>(a) where the failure was deliberate, a fine or imprisonment for a term not exceeding two years, or both; or</p>	<p>The amendment in clause (a) is produced below,</p> <p>A person who fails to maintain records as required under this Ordinance shall commit an offence punishable on conviction with –</p> <p>(a) where the failure was deliberate, a fine upto fifty thousand rupees or imprisonment for a term not exceeding two years, or both; or</p>

INCOME TAX

194	<p>Prosecution for improper use of National Tax Number Certificate.- A person who knowingly or recklessly uses a false National Tax Number Certificate including the National Tax Number Certificate of another person on a return or other document prescribed or used for the purposes of this Ordinance shall commit an offence punishable with a fine or imprisonment for a term not exceeding two years, or both.</p>	Now the amount of fine has been defined as upto Rs. 50,000.
197	<p>Prosecution for disposal of property to prevent attachment.- Where the owner of any property, or a person acting on the owner's behalf or claiming under the owner, sells, mortgages, charges, leases or otherwise deals with the property after the receipt of a notice from the Commissioner with a view to preventing the Commissioner from attaching it, shall commit an offence punishable on conviction with a fine or imprisonment for a term not exceeding three years, or both.</p>	The amount of fine shall be upto hundred thousand rupees.
202	<p>The Power to compound offences.- Where any person has committed any offence under this Part, the Commissioner may either before or after the institution of proceedings, compound such offence and order that such person pay the amount for which the offence may be compounded.</p>	<p>The new substituted section is to be added namely, The Power to compound offences.- Notwithstanding any provisions of this Ordinance, where any person has committed any offence, the Director General may, with the prior approval of the Board, either before or after the institution of proceedings, compound such offence subject to payment of tax due alongwith additional tax and penalty as is determined under the provisions of this Ordinance.</p>
205 (1) (1A) (1B) & (3)	<p>Additional tax. A person who fails to pay – (a) any tax, and additional tax (b) any penalty (c) any amount held by person holding money on behalf of tax payer or held by liquidator referred to in section 140 or 141, (d) advance tax or less than ninety percent of the tax chargeable for the relevant tax year under section 147 (4A), or (6); or A person who fails to collect tax or deduct tax or fails pay tax collected before the due date for payment. In the all the above cases the rate of additional tax was equal to twelve per annum.</p>	The rate of additional tax has been increased from twelve percent per annum to KIBOR plus three cent per quarter.

210 (1B)	<i>Non Existent</i>	The commissioner may delegate the powers to a firm of chartered accountants appointed by the board, to conduct the audit of the persons selected under audit under section 177.
214A	Non-Existent	<p>The new sub-section shall be inserted namely,</p> <p>214A. Condonation of time limit.- Where any time or period has been specified under any of the provisions of the Ordinance or rules made there-under within which any application is to be made or any act or thing is to be done, the Board may, in any case or class of cases, permit such application to be made or such act or thing to be done within such time or period as it may considered appropriate:</p> <p>Provided that the Board may, by notification in the official Gazette, and subject to such limitations or conditions as may be specified therein, empower any Commissioner or Director General under this Ordinance to exercise the powers under this section in any case or class of cases.</p>
214B	Non-Existent	<p>The new sub-section shall be inserted namely,</p> <p>214B. Power of the Board to call for records.- (1) The Board may, of its own motion, call for and examine the record of any departmental proceedings under this Ordinance or the rules made there-under for the purpose of satisfying itself as to the legality or propriety of any decision or order passed therein and may pass such order as it may think fit:</p> <p>Provided that no order imposing or enhancing any tax or penalty than the original levied shall be passed unless the person affected by such order has been given an opportunity of showing show cause and of being heard.</p> <p>(2) No proceeding under this section shall be initiated in a case where an appeal is pending.</p> <p>(3) No order shall be made under this Section after expiry of three years from the date of original decision or order.</p>

<p>231(B)</p>	<p>Purchase of motor cars and jeeps.-</p> <p>Every person shall pay, at the time of registration of a new motor car or a jeep, advance tax at the rates specified in Division VII of Part IV of the First Schedule:</p> <table border="1" data-bbox="357 430 771 724"> <thead> <tr> <th>Engine Capacity</th> <th>Amount of Tax</th> </tr> </thead> <tbody> <tr> <td>upto 850cc</td> <td>Rs.7,500</td> </tr> <tr> <td>851cc to 1000cc</td> <td>Rs.10,500</td> </tr> <tr> <td>1001cc to 1300cc</td> <td>Rs.16,875</td> </tr> <tr> <td>1301cc to 1600cc</td> <td>Rs.16,875</td> </tr> <tr> <td>1601cc to 1800cc</td> <td>Rs.22,500</td> </tr> <tr> <td>1801cc to 2000cc</td> <td>Rs.16,875</td> </tr> <tr> <td>Above 2000cc</td> <td>Rs.50,000</td> </tr> </tbody> </table> <p>Provided that the provisions of this section shall not be applicable in the case of –</p> <p>(i) the Federal Government; (ii) the Provincial Government; (iii) a foreign diplomat; or (iv) a diplomatic mission in Pakistan</p>	Engine Capacity	Amount of Tax	upto 850cc	Rs.7,500	851cc to 1000cc	Rs.10,500	1001cc to 1300cc	Rs.16,875	1301cc to 1600cc	Rs.16,875	1601cc to 1800cc	Rs.22,500	1801cc to 2000cc	Rs.16,875	Above 2000cc	Rs.50,000	<p>Advance tax on private motor vehicles.-</p> <p>Now the advance tax is restricted to only locally manufactured motor vehicles for private use.</p> <p>Every motor vehicle registering authority of Excise and Taxation Department shall collect advance tax at the time of registration of a new locally manufactured motor vehicle, at the rates specified in Division VII of Part IV of the First Schedule (The advance tax rates are same as was in previous tax year):</p> <p>Provided that the provisions of this section shall not be applicable in the case of –</p> <p>(a) the Federal Government; (b) the Provincial Government; (c) the Local Government; (d) a foreign diplomat; or (e) a diplomatic mission in Pakistan.”;</p>
Engine Capacity	Amount of Tax																	
upto 850cc	Rs.7,500																	
851cc to 1000cc	Rs.10,500																	
1001cc to 1300cc	Rs.16,875																	
1301cc to 1600cc	Rs.16,875																	
1601cc to 1800cc	Rs.22,500																	
1801cc to 2000cc	Rs.16,875																	
Above 2000cc	Rs.50,000																	
<p>235</p>	<p>(4) Electricity Consumption</p> <p>The tax collected under this section up to bill amount of twenty thousand rupees per month shall be minimum tax on the income of a person (other than a company). There shall be no refund of the tax collected under this section, unless the tax so collected is in excess of the amount for which the taxpayer is chargeable under this Ordinance in the case of a company.</p>	<p>Now the limit of the bill amount has been enhanced from twenty thousand per month to rupees thirty thousand</p> <p>The new sub-section has been inserted as under:</p> <p>(a) in the case of a taxpayer other than a company, tax collected upto bill amount of thirty thousand rupees per month shall be treated as minimum tax on the income of such persons and no refund shall be allowed; (b) in the case of a taxpayer other than a company, tax collected on monthly bill over and above thirty thousand rupees per month shall be adjustable; and (c) in the case of a company, tax collected shall be adjustable against tax liability.</p>																

236 A	Non-existent	<p>Advance tax at the time of sale by auction.-</p> <p>(1) Any person making sale by public auction, of any property or goods confiscated or attached either belonging to or not belonging to the Government, local Government, any authority, a company, a foreign association declared to be a company under sub-clause (vi) of clause (b) of sub-section (2) of section 80, or a foreign contractor or a consultant or a consortium or Collector of Customs or Commissioner of Income Tax or any other authority, shall collect advance tax, computed on the basis of sale price of such property and at the rate specified in Division VIII of Part IV of the First Schedule, from the person to whom such property or goods are being sold.</p> <p>(2) The credit for the tax collected under sub-section (1) in that tax year shall, subject to the provisions of section 147, be given in computing the tax payable by the person purchasing such property in the relevant tax year or in the case of a taxpayer to whom section 98B or section 145 applies, the tax year, in which the "said date" as referred to in that section falls or whichever is later.</p> <p>Explanation.- For the purposes of this section, sale of any property includes the awarding of any lease to any person, including a lease of the right to collect tolls, fees or other levies, by whatever name called.</p>
-------	--------------	---

FIRST SCHEDULE
PART-I Division 1 Sub-Clause 1A

SECTION	PRESENT POSITION AS ON 30 TH JUNE, 2009			AMENDMENTS THROUGH FINANCE ACT , 2009		
	The income of an individual chargeable under a head "Salary exceeds 50% of his taxable income, the rates of tax to be applied as under:-			The Tax rate of salary person has been revised with effect from July 1, 2009 and also introduced marginal relief between the minimum and maximum limits. The rates of tax to be applied as under.		
	S #	Taxable Income	Rate of Tax	S #	Taxable Income	Rate of Tax
	1	Where taxable income does not exceeds Rs. 180,000/-	0%	1	Where the taxable income does not exceed Rs.200,000,	0%
	2	Where taxable income exceeds Rs. 180,000/- but does not exceed Rs.250,000/-	0.50%	2	Where the taxable income exceeds Rs.200,000 but does not exceed Rs.250,000,	0.50%
	3	Where taxable income exceeds 250,000 but does not exceed Rs. 350,000/-	0.75%	3	Where the taxable income exceeds Rs.250,000 but does not exceed Rs.350,000,	0.75%
	4	Where taxable income exceeds Rs. 350,000 but does not exceed Rs. 400,000/-	1.50%	4	Where the taxable income exceeds Rs.350,000 but does not exceed Rs.400,000,	1.50%
	5	Where taxable income exceeds Rs. 400,000 but does not exceed Rs. 450,000/-	2.50%	5	Where the taxable income exceeds Rs. 400,000 but does not exceed Rs.450,000	2.50%
	6	Where taxable income exceeds Rs. 450,000 but does not exceed Rs. 550,000/-	3.50%	6	Where the taxable income exceeds Rs.450,000 but does not exceed Rs.550,000,	3.50%
	7	Where taxable income exceeds Rs. 550,000 but does not exceed Rs. 650,000/-	4.50%	7	Where the taxable income exceeds Rs.550,000 but does not exceed Rs.650,000,	4.50%
	8	Where taxable income exceeds Rs. 650,000 but does not exceed Rs. 750,000/-	6.00%	8	Where the taxable income exceeds Rs.650,000 but does not exceed Rs.750,000,	6.00%
	9	Where taxable income exceeds Rs. 750,000 but does not exceed Rs. 900,000/-	7.50%	9	Where the taxable income exceeds Rs.750,000 but does not exceed Rs.900,000,	7.50%
	10	Where taxable income exceeds Rs. 900,000 but does not exceed Rs. 1,050,000/-	9.00%	10	Where the taxable income exceeds Rs.900,000 but does not exceed Rs.1,050,000,	9.00%

11	Where taxable income exceeds Rs. 1,050,000 but does not exceed Rs. 1,200,000/-	10.00%	11	Where the taxable income exceeds Rs.1,050,000 but does not exceed Rs.1,200,000,	10.00%
12	Where taxable income exceeds Rs. 1,200,000 but does not exceed Rs. 1,450,000/-	11.00%	12	Where the taxable income exceeds Rs.1,200,000 but does not exceed Rs.1,450,000,	11.00%
13	Where taxable income exceeds Rs. 1,450,000 but does not exceed Rs. 1,700,000/-	12.50%	13	Where the taxable income exceeds Rs.1,450,000 but does not exceed Rs.1,700,000,	12.50%
14	Where taxable income exceeds Rs. 1,700,000 but does not exceed Rs. 1,950,000/-	14.00%	14	Where the taxable income exceeds Rs.1,700,000 but does not exceed Rs.1,950,000,	14.00%
15	Where taxable income exceeds Rs. 1,950,000 but does not exceed Rs. 2,250,000/-	15.00%	15	Where the taxable income exceeds Rs.1,950,000 but does not exceed Rs.2,250,000,	15.00%
16	Where taxable income exceeds Rs. 2,250,000 but does not exceed Rs. 2,850,000/-	16.00%	16	Where the taxable income exceeds Rs.2,250,000 but does not exceed Rs.2,850,000,	16.00%
17	Where taxable income exceeds Rs. 2,850,000 but does not exceed Rs. 3,550,000/-	17.50%	17	Where the taxable income exceeds Rs.2,850,000 but does not exceed Rs.3,550,000,	17.50%
18	Where taxable income exceeds Rs. 3,550,000 but does not exceed Rs. 4,550,000/-	18.50%	18	Where the taxable income exceeds Rs.3,550,000 but does not exceed Rs.4,550,000,	18.50%
19	Where taxable income exceeds Rs. 4,550,000 but does not exceed Rs. 8,650,000/-	19.00%	19	Where the taxable income exceeds Rs.4,550,000 but does not exceed Rs.8,650,000,	19.00%
20	Where taxable income exceeds Rs. 8,650,000/-	20.00%	20	Where the taxable income exceeds Rs.8,650,000.	20.00%
<p>Provided that where income of a woman taxpayer is covered by this clause, no tax shall be charged if the taxable income does not exceed Rs.240,000/-</p> <p>Provided further that where the total income of a taxpayer marginally exceeds the maximum limit of a slab in the table, the income tax payable shall be the tax payable on the maximum of that slab plus tax on –</p> <p>(i) 20% of the amount by which the total income exceeds the said limit where the total income does not exceed Rs.500,000.</p>			<p>Provided that where income of a woman taxpayer is covered by this clause, no tax shall be charged if the taxable income does not exceed Rs.260,000/-:</p> <p>Provided further that where the total income of a taxpayer marginally exceeds the maximum limit of a slab in the table, the income tax payable shall be the tax payable on the maximum of that slab plus an amount equal to–</p> <p>(i) 20% of the amount by which the total income exceeds the said limit where the total income does not exceed Rs.550,000.</p>		

INCOME TAX

<p>(ii) 30% of the amount by which the total income exceeds in each slab but total income does not exceed Rs.1,050,000.</p> <p>(iii) 40% of the amount by which the total income exceeds in each slab but total income does not exceed Rs.2,000,000.</p> <p>(iv) 50% of the amount by which the total income exceeds in each slab but total income does not exceed Rs.4,450,000.</p> <p>(v) 60% of the amount by which the total income exceeds in each slab but the total income exceeds Rs.4,450,000.”;</p>	<p>(ii) 30% of the amount by which the total income exceeds in each slab but total income does not exceed Rs.1,050,000.</p> <p>(iii) 40% of the amount by which the total income exceeds in each slab but total income does not exceed Rs.2,250,000.</p> <p>(iv) 50% of the amount by which the total income exceeds in each slab but total income does not exceed Rs.4,550,000.</p> <p>(v) 60% of the amount by which the total income exceeds in each slab but the total income exceeds Rs.4,550,000.”;</p> <p>Provided further that Internally Displaced Persons Tax (IDPT), treated as income tax, on the tax payable on the taxable income of one million rupees or more, shall be levied at the rate of 5% of such tax, for tax year 2009; and</p> <p>(2) The rate of tax payable on bonus as IDPT as income tax shall be 30% for the tax year 2010.”</p>
<p><i>Non-Existent</i></p>	<p>A new proviso has been added whereby further tax at the rate of 5% to be charged on such tax if the taxable income of individual or AOP rupees one million or more.</p> <p>Provided further that Internally Displaced Persons Tax (IDPT), treated as income tax, on the tax payable on the taxable income of one million rupees or more, shall be levied at the rate of 5% of such tax, for tax year 2009.</p>

DIVISION-VI

Income from property

- (a) The rate of tax to be paid under section 15, in the case of individual and association of person, shall be-

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. 400,000	5% of gross amount exceeding Rs. 150,000
(3)	Where the gross amount of rent exceeds Rs. 400,000 but does not exceed Rs. 1,000,000	Rs. 12,500 plus 7.5% of gross amount exceeding Rs. 400,000
(4)	Where the gross amount of rent exceeds Rs. 1,000,000	Rs. 57,500 plus 10% of gross amount exceeding Rs. 1,000,000

- (b) The rate of tax to be paid under section 15, in the case of company, shall be-

S.No.	Gross amount of rent	Rate of tax
(1)	Where the gross amount of rent does not exceed Rs. 400,000	5% of gross amount of rent.
(2)	Where the gross amount of rent exceeds Rs. 400,000 but does not exceed Rs. 1,000,000	Rs. 20,000 plus 7.5% of gross amount exceeding Rs. 400,000
(4)	Where the gross amount of rent exceeds Rs. 1,000,000	Rs. 65,000 plus 10% of gross amount exceeding Rs. 1,000,000

PART III
DIVISION-V

Income from property

- (a) The rate of tax to be deducted under section 155, in the case of individual and association of person, shall be-

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. 400,000	5% of gross amount exceeding Rs. 150,000
(3)	Where the gross amount of rent exceeds Rs. 400,000 but does not exceed Rs. 1,000,000	Rs. 12,500 plus 7.5% of gross amount exceeding Rs. 400,000
(4)	Where the gross amount of rent exceeds Rs. 1,000,000	Rs. 57,500 plus 10% of gross amount exceeding Rs. 1,000,000

INCOME TAX

(b) The rate of tax to be deducted under section 155, in the case of company, shall be-

S.No.	Gross amount of rent	Rate of tax
(1)	Where the gross amount of rent does not exceed Rs. 400,000	5% of gross amount of rent.
(2)	Where the gross amount of rent exceeds Rs. 400,000 but does not exceed Rs. 1,000,000	Rs. 20,000 plus 7.5% of gross amount exceeding Rs. 400,000
(4)	Where the gross amount of rent exceeds Rs. 1,000,000	Rs. 65,000 plus 10% of gross amount exceeding Rs. 1,000,000

DIVISION-VII

Advance tax at the time of sale by auction

The rate of collection of tax under section 236A shall be 5% of the gross sale price of any property or goods sold by auction:

SECOND SCHEDULE

EXEMPTION AND TAX CONCESSION

The following amendments have been made in the Schedule which are listed below:

PART-I

- Clause-223A, the requirement of accumulated balance in case of voluntary pension system extended from 25% to 50%.
- Clause-61(b), amount of donation to the listed institutions in case of company has been enhanced from 15% to 20% of the taxable income.

PART-II

- Clause-5 regarding commissioner received by an export indenting agent on concessionary tax rates stands omitted.
- Clause-9A, Tax under section 148 shall be collected at the rate of 3% on the import value of raw material imported by an industrial undertaking for its own use.
- New Clause-24A inserted, which reads under:
The rate of tax, under clause (a) of sub-section (1) of section 153, from distributors of cigarette and pharmaceutical products shall be 1% of the gross amount of payments; and

PART-III

- Clause-1A, in case of senior citizen aged 60 years or more limit of income has been enhanced from 500,000 to 750,000 to avail 50% tax rebate.

PART-IV

- New clause 11A to be inserted thereby, section 113, regarding minimum tax, shall not apply to NIT, petroleum dealers, Hub Power Company Ltd, KAPCO, companies, qualifying for exemption under clause (132) of Part-I of this Schedule, in respect of receipts from sale of electricity, Provincial Governments, Pakistan Red Crescent Society, Non-Profit Organization, taxpayer who qualified of exemption under clause (133) of Part-I of this Schedule, in respect of income from export of computer software or IT services or IT enabled services, a resident person engaged in the business of shipping, venture capital company & Modarba Companies.
- Clause-16A, The provisions of section 153(1)(b) shall not be applicable to the news print media services in respect of the advertising services.
- Section 113 shall not applicable in case of Agha Khan Development Network.
- Clause 46B in respect of section 153 (6B) omitted.

INCOME TAX

- Clause 47 regarding non applicability of section 151 and 155 omitted.
- Clause 57 exemption u/s. 148 in respect of Trading House withdrawn however, Section 113 shall not be applicable.

THIRD SCHEDULE

- Section 23A and 23B in respect of first year allowance has been included.

SEVENTH SCHEDULE

(a) In rule 1:-

(i) For sub-rule (c), the following shall be substituted, namely:-

(c) Provisions for advances and off balance sheet items shall be allowed upto a maximum of 1% of total advances; provided a certificate from the external auditor is furnished by the banking company to the effect that such provisions are based upon and in line with the Prudential Regulations. Provisioning in excess of 1% would be allowed to be carried over to succeeding years:

Provided that if provision is less than 1% of the advances, the actual provisioning for the year shall be allowed.

(ii) After sub-rule (c), substituted as aforesaid, the following new sub-rules shall be inserted, namely:-

(d) The amount of “bad debts” classified as “sub-standard” under the Prudential Regulations issued by the State Bank of Pakistan shall not be allowed.

(e) where any addition made under sub-rule (d) is reclassified by the taxpayer under the Prudential Regulations issued by the State Bank of Pakistan, as “doubtful” or “loss”, provision of sub-rule (c) shall *mutatis mutandis* apply in computing the provision for that tax year.

(f) where any addition made under sub-rule (d) is reclassified by the taxpayer in a subsequent year as ‘recoverable’, a deduction shall be allowed in computing the income for that tax year.”

(iii) After rule 6, the following new rule 7A shall be inserted namely:-

“7A. The provision of section 113 shall apply to banking companies as they apply to any other resident company.”