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AS UPDATED VIDE THE FINANCE ACT 2026

Tax Card 2026-27

Applicable from July 01, 2026 to June 30, 2027. Income tax, withholding tax and sales tax rates for Pakistan, prepared by HiBiz Insight.

What changed from 2025-26

- Salaried slabs restructured into 8 brackets: 23%/30% cut to 20%/25%, new 29% and 32% brackets, 35% now applies only above Rs.7,000,000.
- 9% surcharge on salaried individuals withdrawn; 10% surcharge continues for other individuals and AOPs with income above Rs.10 million.
- Super tax: 10% only for banks, Part I Fifth Schedule (oil & gas) and fertilizer above Rs.150 million; 8% for everyone else only above Rs.500 million.
- Banking company tax rate reduced to 42% (from 43%).
- Section 7E (tax on deemed income) abolished.
- Advance tax on sale of property (236C) now a flat 2.75% and on purchase (236K) a flat 1.25% for ATL persons; separate 'late filer' rates abolished.
- Payments for services: general rate cut from 15% to 14%, specified services raised from 6% to 7%, terminal/port services 12%; independent professionals stay at 15%.
- Exports (section 154) rate increased from 1% to 1.25%; the additional 1% advance tax on exporters removed.
- Card payments / remittances abroad (236Y) reduced from 5% to 0.5%.
- Reduced minimum tax for distributors of specified goods raised from 0.25% to 0.5%.
- New: 5% withholding on social media revenues (154B); 15%/10% on certain life-insurance payouts (151B); gain on debt securities (151A) raised to 20%.

- Mobile phone imports (C&F USD 101–200): advance tax cut from Rs.930 to Rs.100.

Salaried Individuals Changed

Sec 149 – First Sch. Part I Div. I · Where salary exceeds 75% of taxable income

Taxable income	Tax rate
Up to Rs.600,000	0%
Rs.600,001 – Rs.1,200,000	1% of the amount exceeding Rs.600,000
Rs.1,200,001 – Rs.2,200,000	Rs.6,000 + 11% of the amount exceeding Rs.1,200,000
Rs.2,200,001 – Rs.3,200,000	Rs.116,000 + 20% of the amount exceeding Rs.2,200,000
Rs.3,200,001 – Rs.4,100,000	Rs.316,000 + 25% of the amount exceeding Rs.3,200,000
Rs.4,100,001 – Rs.5,600,000	Rs.541,000 + 29% of the amount exceeding Rs.4,100,000
Rs.5,600,001 – Rs.7,000,000	Rs.976,000 + 32% of the amount exceeding Rs.5,600,000
Exceeding Rs.7,000,000	Rs.1,424,000 + 35% of the amount exceeding Rs.7,000,000

Note: The surcharge under section 4AB no longer applies to income taxable at salaried rates.

Pension Income

Sec 149(1A) – First Sch. Part I Div. I · Pensioners aged below 70 years

Pension	Tax rate
Up to Rs.10,000,000	**0%**
Above Rs.10,000,000	**5% of the amount exceeding Rs.10,000,000**
Directors fee for board meeting (sec 149(3))	**20% of the gross amount**

Note: FBR's rate card shows surcharge @ 10% on the taxable pension above Rs.10 million.

AOP & Non-Salaried Individuals

First Sch. Part I Div. I

Taxable income	Tax rate
Up to Rs.600,000	**0%**
Rs.600,001 – Rs.1,200,000	**15% of the amount exceeding Rs.600,000**
Rs.1,200,001 – Rs.1,600,000	**Rs.90,000 + 20% of the amount exceeding Rs.1,200,000**
Rs.1,600,001 – Rs.3,200,000	**Rs.170,000 + 30% of the amount exceeding Rs.1,600,000**
Rs.3,200,001 – Rs.5,600,000	**Rs.650,000 + 40% of the amount exceeding Rs.3,200,000**
Exceeding Rs.5,600,000	**Rs.1,610,000 + 45% of the amount exceeding Rs.5,600,000**

Note: Unchanged from 2025-26.

Note: For an AOP that is a professional firm prohibited from incorporating by law or its regulator, the top rate is 40% instead of 45%.

Note: Surcharge @ 10% applies where taxable income exceeds Rs.10 million (sec 4AB).

Property Income / Rentals

Sec 155 – First Sch. Part III Div. V

Gross rent	Tax rate
Individuals and AOP	
Up to Rs.300,000	**Nil**
Rs.300,001 – Rs.600,000	**5% of the gross amount exceeding Rs.300,000**
Rs.600,001 – Rs.2,000,000	**Rs.15,000 + 10% of the gross amount exceeding Rs.600,000**
Exceeding Rs.2,000,000	**Rs.155,000 + 25% of the gross amount exceeding Rs.2,000,000**
Companies	
ATL	**15%**
Non-ATL	**30%**

Rates of Tax for Companies

Changed

First Sch. Part I Div. II

Company type	Tax rate
Banking company	**42%**
Company other than small company	**29%**
Small company	**20%**
Alternate Corporate Tax (ACT, sec 113C)	**17%**

Note: Banking company rate: 44% (TY 2025), 43% (TY 2026), 42% from Tax Year 2027.

Super Tax Changed

Sec 4C – First Sch. Part I Div. IIB

Person / income	Tax rate
Banking company — income exceeding Rs.150 million	**10% of the income**
Persons whose income is computed under Part I, Fifth Schedule (petroleum & mineral) — exceeding Rs.150 million	**10% of the income**
Persons deriving income from sale of fertilizer — exceeding Rs.150 million	**10% of the income**
Any other person — income exceeding Rs.500 million	**8% of the income**

Note: Super tax does not apply where export proceeds realised for the tax year exceed 80% of total turnover (clause 104B, Part I, Second Schedule).

Minimum Tax

Changed

Sec 113 – First Sch. Part I Div. IX

Person / sector	Tax rate
Sui Southern Gas Company Limited and Sui Northern Gas Pipelines Limited (where annual turnover exceeds Rs.1 billion)	0.75%
Pakistan International Airlines Corporation	0.75%
Poultry industry including breeding, broiler production, egg production, feed production	0.75%
Oil refineries	0.5%
Motorcycle dealers registered under the Sales Tax Act, 1990	0.5%
Oil marketing companies	0.5%
Distributors, dealers, sub-dealers, wholesalers and retailers of specified goods (clause 24D, Part II, Second Schedule)	0.5%
Petroleum agents and distributors registered under the Sales Tax Act, 1990	0.25%
Rice mills and dealers	0.25%
Tier-1 retailers of fast moving consumer goods integrated with the Board's computerized system for real-time reporting	0.25%
Person's turnover from supplies through e-commerce, including running an online marketplace	0.25%
Persons engaged in sale and purchase of used vehicles	0.25%
Flour mills	0.25%
All other cases	1.25%

Note: Clause 24D goods: pharmaceuticals, fertilizer, cigarettes, sugar, locally manufactured mobile phones, packaged/canned food, electronics, beverages & dairy, packaged snacks, condiments, cement, steel and edible oil (subject to prescribed conditions).

Profit on Debt

Changed

Sec 151 – First Sch. Part III Div. IA

Nature	ATL	Non-ATL
Profit paid by a banking company or financial institution on an account or deposit	20%	40%
Profit on Government securities paid to a person other than an individual	20%	40%
In other cases	15%	30%

Gain on Disposal of Certain Debt Securities

Changed

Sec 151A – First Sch. Part III Div. IIIAA

Nature	ATL	Non-ATL
Gross amount of capital gain on disposal of certain debt securities	20%	40%

Note: Increased from 15% to align with the rate on profit on debt.

Payouts by Life Insurance & Takaful Operators

Changed

Sec 151B – First Sch. Part III Div. IC

Payout / benefit made	ATL	Non-ATL (resident)
Within one year from issuance of the policy / certificate	15%	30%
After one year but before completion of four years	10%	20%

Note: New for 2026-27. Tax deducted is final. Non-residents: 15% and 10% respectively.

Prizes and Winnings

Sec 156 – First Sch. Part III Div. VI

Nature	ATL	Non-ATL
Prize bonds and crossword puzzles	15%	30%
Raffle, lottery, quiz, prize on sale promotion by a company	20%	40%

Return on Investment in Sukuks

Sec 151(1A) – First Sch. Part III Div. IB

Sukuk holder	ATL	Non-ATL
Company	25%	50%
Individual / AOP — return less than Rs.1 million	10%	20%
Individual / AOP — return more than Rs.1 million	12.5%	25%

Dividend

Sec 150 – First Sch. Part III Div. I

Nature	ATL	Non-ATL
Paid by Independent Power Producers (CPPA-G pass-through)	7.5%	15%
REIT and cases other than those listed below	15%	30%
Mutual funds — proportional income from debt securities / equities	25% / 15%	50% / 30%
Mutual funds deriving 50% or more income from profit on debt	25%	50%
Received by corporate entities from mutual funds — debt securities component	29%	58%
Received by a REIT scheme from a Special Purpose Vehicle	0%	0%
Received by others from a Special Purpose Vehicle	35%	70%
From a company paying no tax due to exemption, carried-forward losses or tax credits	25%	50%

Sale / Transfer of Immovable Property Changed

Sec 236C – First Sch. Part IV Div. X

Gross consideration	ATL	Non-ATL
Up to Rs.50 million	2.75%	11.5%
Rs.50 million to Rs.100 million	2.75%	11.5%
Exceeding Rs.100 million	2.75%	11.5%

Note: Single ATL rate irrespective of value. Separate 'late filer' rates have been abolished.

Purchase of Immovable Property

Changed

Sec 236K – First Sch. Part IV Div. XVIII

Fair market value	ATL	Non-ATL
Up to Rs.50 million	1.25%	10.5%
Rs.50 million to Rs.100 million	1.25%	14.5%
Exceeding Rs.100 million	1.25%	18.5%

Note: Single ATL rate irrespective of value. Separate 'late filer' rates have been abolished.

Amount Remitted Abroad by Card

Changed

Sec 236Y – First Sch. Part IV Div. XXVII

Nature	ATL	Non-ATL
Amount remitted abroad through credit, debit or prepaid cards	0.5%	1%

Sales to Distributors, Dealers, Wholesalers & Retailers

Sec 236G & 236H – First Sch. Part IV Div. XIV & XV

Nature	ATL	Non-ATL
Sales to distributors, dealers & wholesalers (236G)		
Fertilizers	0.25%	0.7%
Other than fertilizers	0.1%	2%
Sales to retailers (236H)		
By manufacturer, distributor, dealer, wholesaler or commercial importer	0.5%	2.5%

Bonus Shares Issued by Companies

Sec 236Z

Nature	ATL	Non-ATL
Value of the bonus shares issued	10%	20%

Capital Gain on Immovable Property

Sec 37(1A) – First Sch. Part I Div. VIII

Holding period	Open plot	Constructed	Flats
Property acquired on or before 30 June 2024			
Up to 1 year	15%	15%	15%
1 to 2 years	12.5%	10%	7.5%
2 to 3 years	10%	7.5%	0%
3 to 4 years	7.5%	5%	–
4 to 5 years	5%	0%	–
5 to 6 years	2.5%	–	–
Exceeding 6 years	0%	–	–
Property acquired on or after 1 July 2024			
ATL on the date of disposal			15%
Non-ATL	Slab rates (Div. I / Div. II), not less than 15%		

Capital Gain on Disposal of Securities

Changed

Sec 37A – First Sch. Part I Div. VII

Holding period / nature	Tax rate
Securities acquired between 1 July 2022 and 30 June 2024	
Does not exceed 1 year	15%
Exceeds 1 year but not 2 years	12.5%
Exceeds 2 years but not 3 years	10%
Exceeds 3 years but not 4 years	7.5%
Exceeds 4 years but not 5 years	5%
Exceeds 5 years but not 6 years	2.5%
Exceeds 6 years	0%
Other securities	
Acquired on or after 1 July 2024 — ATL on acquisition and disposal	15%
Acquired on or after 1 July 2024 — Non-ATL	Slab rates (Div. I / Div. II), not less than 15%
Acquired 1 July 2013 to 30 June 2022	12.5%
Acquired before 1 July 2013	0%
Future commodity contracts entered into by members of PMEX	5%
Redemption by mutual funds / CIS / REIT schemes	
Individual & AOP	15%
Company — stock funds / other funds	15% / 25%

Note: Companies' rate on debt securities is as per Division II. Non-ATL rates collected under section 37A are increased by 100%.

Tax on Deemed Income

Changed

Sec 7E

Nature	Tax Year 2027
Deemed income on capital assets situated in Pakistan (sec 7E)	**Abolished**

Note: Section 7E and its 20% rate (Division VIIIC) were omitted by the Finance Act 2026 following the Federal Constitutional Court ruling.

Tax at Import Stage

Sec 148 – First Sch. Part II

Nature	ATL	Non-ATL
Goods classified in Part I, Twelfth Schedule	1%	2%
Goods classified in Part II, Twelfth Schedule (other than commercial importer)	2%	4%
Commercial importers — goods in Part II, Twelfth Schedule	3.5%	7%
Goods classified in Part III, Twelfth Schedule	5.5%	11%
Commercial importers — goods in Part III, Twelfth Schedule	6%	12%
Manufacturers covered under SRO 1125(I)/2011	1%	2%
Finished pharma products not manufactured in Pakistan, as certified by DRAP	4%	8%
CKD kits of electric vehicles (small cars / SUVs up to 50 kWh, LCVs up to 150 kWh)	1%	2%

Import of Mobile Phones

Changed

Sec 148 – First Sch. Part II · Tax in Rs per set, by C&F value (USD) — ATL rates

C&F value (USD)	CBU	CKD/SKD
Up to 30, except smartphone	70	–
101 to 200	100	–
201 to 350	970	–
351 to 500	5,000	3,000
Above 500	11,500	5,200

Note: Rates are doubled for non-ATL persons (FBR: Rs.140 to Rs.23,000 for CBU; Rs.0 to Rs.10,400 for CKD/SKD).

Supply of Goods

Sec 153(1)(a) – First Sch. Part III Div. III

Nature	ATL	Non-ATL
Sale of rice, cotton seed or edible oils	1.5%	3%
Toll manufacturing — company	9%	18%
Toll manufacturing — other than company	11%	22%
Sale of any other goods — company	5%	10%
Sale of any other goods — other than company	5.5%	11%

Note: Reduced rates for specific sectors (e.g. cigarettes, pharma, FMCG distributors, textiles, gold) under the Second Schedule are not reproduced here — contact us for your sector.

Payments for Services

Changed

Sec 153(1)(b) – First Sch. Part III Div. III

Nature	ATL	Non-ATL
Specified services sectors (transport, courier, software development, security, hotels, etc.)	7%	14%
IT & IT-enabled services	4%	8%
Independent professional services (doctors, lawyers, architects, accountants, software engineers/developers working independently)	15%	30%
Electronic and print media advertising services	1.5%	3%
Terminal and port operating services (companies)	12%	24%
Services other than the above	14%	28%
Services to exporters / export houses (sec 153(2))	1%	2%
Digitally ordered goods & services via e-commerce platforms (sec 6A / 153(2A))		
Paid through digital means or banking channels by payment intermediary	1%	2%
Cash on delivery by courier service	2%	4%

Note: Specified services also include freight forwarding, air cargo, manpower outsourcing, tracking, advertising (non-media), share registrar, engineering/architectural, warehousing, NBFC services, data & telecom services, towers, car rental, building maintenance, PSX/PMEX, inspection/certification/testing/training, oilfield, collateral management, travel & tours, REIT management and NCCPL services.

Execution of Contracts

Sec 153(1)(c) – First Sch. Part III Div. III

Recipient	ATL	Non-ATL
Sportspersons	15%	30%
Company	7.5%	15%
Any other case (AOP / individual)	8%	16%

Exports Changed

Sec 154 – First Sch. Part III Div. IV

Nature	Rate
Realization of export proceeds (sec 154(1))	1.25%
Indenting commission, inland back-to-back LC, EPZ exports and indirect exporters (sec 154(3), (3A), (3B), (3C))	1.25%

Note: Rate increased from 1% to 1.25% and treated as minimum tax; the additional 1% advance tax on exporters has been removed.

Export of Services

Sec 154A – First Sch. Part III Div. IVA

Nature	Rate
Computer software, IT or IT-enabled services by persons registered with the Pakistan Software Export Board (tax years 2024–2029)	0.25% of proceeds
Any other case	1% of proceeds

Note: The 0.25% PSEB rate has been extended up to tax year 2029.

Revenues from Social Media Platforms

Changed

Sec 154B – First Sch. Part III Div. IIIAB

Nature	ATL	Non-ATL
Revenue received from social media platforms by digital content creators / influencers	5%	10%

Note: New for 2026-27.

Payments to Non-Residents

Sec 152 – First Sch. Part I Div. IV & Part III Div. II

Nature	ATL	Non-ATL
Royalty / fee for technical services / fee for offshore digital services — sec 152(1)		15%
Contract or sub-contract under a construction, assembly or installation project — sec 152(1A)		7%
Sec 152(1AA)		5%
Sec 152(1AAA)		10%
Sec 152(1BA)		20%
Sec 152(1C)		10%
Capital gain on debt instruments & Government securities through FCVA/NRVA etc. — sec 152(1DA)		10%
Sukuk holders — sec 152(1DB)		
Company		25%
Individual / AOP — return more than Rs.1 million		12.5%
Individual / AOP — return less than Rs.1 million		10%
Payments to permanent establishments of non-residents — sec 152(2A)		
Supply of goods — company	5%	10%
Supply of goods — other than company	5.5%	11%
IT & IT-enabled services	4%	8%
Services other than IT	8%	16%
Services other than sub-paragraph (i) of para 5, Div. II	15%	30%
Contracts — sportspersons	15%	30%

Nature	ATL	Non-ATL
Contracts — other than sportspersons	8%	16%

Tax on Private Motor Vehicles

Sec 231B – First Sch. Part IV Div. VII

Engine capacity	ATL	Non-ATL
Registration — sec 231B(1) & (3)		
Up to 850cc	0.5% of value	1.5% of value
851cc – 1000cc	1% of value	3% of value
1001cc – 1300cc	1.5% of value	4.5% of value
1301cc – 1600cc	2% of value	6% of value
1601cc – 1800cc	3% of value	9% of value
1801cc – 2000cc	5% of value	15% of value
2001cc – 2500cc	7% of value	21% of value
2501cc – 3000cc	9% of value	27% of value
Above 3000cc	12% of value	36% of value
Transfer of registration or ownership — sec 231B(2)		
Up to 850cc	Nil	Nil
851cc – 1000cc	Rs.5,000	Rs.15,000
1001cc – 1300cc	Rs.7,500	Rs.22,500
1301cc – 1600cc	Rs.12,500	Rs.37,500
1601cc – 1800cc	Rs.18,750	Rs.56,250
1801cc – 2000cc	Rs.25,000	Rs.75,000
2001cc – 2500cc	Rs.37,500	Rs.112,500
2501cc – 3000cc	Rs.50,000	Rs.150,000

Engine capacity	ATL	Non-ATL
Above 3000cc	**Rs.62,500**	**Rs.187,500**
Locally manufactured vehicle sold before registration by the original purchaser — sec 231B(2A)		
Up to 1000cc	**Rs.100,000**	**Rs.300,000**
1001cc – 2000cc	**Rs.200,000**	**Rs.600,000**
2001cc and above	**Rs.400,000**	**Rs.1,200,000**

Note: Where engine capacity is not applicable and the value is Rs.5 million or more: 3% of value on registration; Rs.20,000 on transfer.

Note: Transfer tax is reduced by 10% each year from the date of first registration in Pakistan.

Advance Tax with Motor Vehicle Tax

Sec 234 – First Sch. Part IV Div. III

Vehicle	ATL	Non-ATL
Private motor vehicles — annual		
Up to 1000cc	Rs.800	Rs.1,600
1001cc – 1199cc	Rs.1,500	Rs.3,000
1200cc – 1299cc	Rs.1,750	Rs.3,500
1300cc – 1499cc	Rs.2,500	Rs.5,000
1500cc – 1599cc	Rs.3,750	Rs.7,500
1600cc – 1999cc	Rs.4,500	Rs.9,000
2000cc & above	Rs.10,000	Rs.20,000
Private motor vehicles — where motor vehicle tax is collected in lump sum		
Up to 1000cc	Rs.10,000	Rs.20,000
1001cc – 1199cc	Rs.18,000	Rs.36,000
1200cc – 1299cc	Rs.20,000	Rs.40,000
1300cc – 1499cc	Rs.30,000	Rs.60,000
1500cc – 1599cc	Rs.45,000	Rs.90,000
1600cc – 1999cc	Rs.60,000	Rs.120,000
2000cc & above	Rs.120,000	Rs.240,000
Commercial vehicles		
Goods transport vehicles	Rs.2.50 per kg of laden weight	
Goods transport vehicles above 8,120 kg laden weight	Rs.1,200 per annum	
Passenger transport — 4 to 9 seats (per seat)	Rs.200	Rs.375

Vehicle	ATL	Non-ATL
Passenger transport — 10 to 19 seats (per seat)	**Rs.500**	**Rs.750**
Passenger transport — 20 seats or more (per seat)	**Rs.1,000**	**Rs.1,500**

Tax on Electricity

Sec 235 – First Sch. Part IV Div. IV

Monthly bill	ATL	Non-ATL
Domestic consumption		
Less than Rs.25,000	**Nil**	**Nil**
Rs.25,000 and above	**Nil**	**7.5%**
Commercial and industrial consumption		
Up to Rs.500		**Nil**
More than Rs.500 but not more than Rs.20,000		**10%**
Industrial consumer — more than Rs.20,000		**Rs.1,950 + 5% of the amount exceeding Rs.20,000**
Commercial consumer — more than Rs.20,000		**Rs.1,950 + 12% of the amount exceeding Rs.20,000**

Advance Tax on Cash Withdrawal

Sec 231AB

Nature	ATL	Non-ATL
Cash withdrawal by a person not on the Active Taxpayers' List	**0%**	**0.8%**

Brokerage and Commission

Sec 233 – First Sch. Part IV Div. II

Nature	ATL	Non-ATL
Advertising agents	10%	20%
Life insurance agents receiving less than Rs.0.5 million per annum	8%	16%
All other cases	12%	24%

Telephone and Internet Users

Sec 236 – First Sch. Part IV Div. V

Nature	Tax rate
Telephone subscribers (other than mobile) where the monthly bill exceeds Rs.1,000	10% of the bill exceeding Rs.1,000
Subscribers of internet, mobile telephone and pre-paid internet or telephone cards	15% of the bill or sale price of card / units

Other Advance Taxes

Sec 156A, 231C, 236A & 236CB

Nature	ATL	Non-ATL
Sale of petroleum products to petrol pump operators (sec 156A)	12%	24%
Foreign domestic workers (sec 231C)	Rs.200,000	Rs.400,000
Sale by public auction — goods other than immovable property (sec 236A)	10%	20%
Sale by public auction — immovable property (sec 236A)	5%	10%
Functions and gatherings — total bill (sec 236CB)	10%	20%

Punjab Agricultural Income Tax

Punjab Agricultural Income Tax Act, 1997

Taxable income	Tax rate
Up to Rs.600,000	0%
Rs.600,001 – Rs.1,200,000	15% of the amount exceeding Rs.600,000
Rs.1,200,001 – Rs.1,600,000	Rs.90,000 + 20% of the amount exceeding Rs.1,200,000
Rs.1,600,001 – Rs.3,200,000	Rs.170,000 + 30% of the amount exceeding Rs.1,600,000
Rs.3,200,001 – Rs.5,600,000	Rs.650,000 + 40% of the amount exceeding Rs.3,200,000
Above Rs.5,600,000	Rs.1,610,000 + 45% of the amount exceeding Rs.5,600,000

Sales Tax on Goods and Services

Authority	General rate
FBR — General Sales Tax on goods	18%
Punjab — services (PRA)	16%
Islamabad Capital Territory (ICT) — services	15%
Sindh — services (SRB)	15%
Khyber Pakhtunkhwa — services (KPRA)	15%
Balochistan — services (BRA)	15%

This tax card is a summary for general guidance only, based on the Finance Act 2026. Rates may change through subsequent notifications, and the Income Tax Ordinance, 2001 prevails in case of any difference. Consult HiBiz Insight for advice specific to your situation.

Sources

FBR Withholding Tax Rate Card (Tax Year 2027)

KPMG Taseer Hadi & Co. — A Brief of Finance Act, 2026

Looking for last year's rates? See the Tax Card 2025-26.