

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

**Presentation at the
“POST BUDGET SEMINAR-2017-18”**

**Organized by
Karachi Tax Bar Association**

**by
Abdul Qadir Memon**

On June 03, 2017

**“The art of taxation
consists in so plucking the
goose as to get the most
feathers with the least
hissing” – Jean Baptist
Colbert**

Relief Measures

Introduction of concept of “Start-up”

[Section 2(62A)]

- Presently income from exports of computer software or IT services or IT enabled services up to 30th June, 2019 is exempt as provided under Clause (133) of Part I of the Second Schedule, provided that 80% of the export proceeds is brought into Pakistan in foreign exchange remitted from outside Pakistan through normal banking channels.
- In order to promote development of technology driven products or service for the local market offered to any sector of the economy, the Bill proposes to introduce the concept of “Start-up” and offer certain incentives, who fulfills the following conditions as defined in Section 2(62A):-

- a) It is an individual, Association of Persons or a company incorporated or registered in Pakistan on or after July 1, 2012;
- b) the person is engaged in or intends to offer technology driven products or services;
- c) person is registered with and duly certified by the Pakistan Software Export Board (PESB); and
- d) Turnover is less than one hundred million in each of the last five tax years.

- **Following incentives are offered to Start-up:-**
 - a) **Profit and gains derived by a start-up for the tax year in which the start up is certified by the PESB and the following two tax years [Clause 144 of Part I of Second Schedule];**
 - b) **Exemption from minimum tax [Clause 11A (xxix) Part IV of Second Schedule]; and**
 - c) **Exemption from deduction of tax under Section 153 as recipient [Clause 43F of Part IV of Second Schedule]**

Withholding Tax rate on Fast Moving Consumer Goods

[Section 2(22A)]

- Finance Act, 2011 introduced reduction in minimum tax to FMCG vide Clause (8) of Part III of Second Schedule.
- Since there was no definition of FMCG the Appellate Forum interpreted the term based on dictionary and other references.
- In view of different interpretation of FMCG by the learned Appellate Forums the Legislator deemed it appropriate to define FMCG.
- The Finance Bill once again proposed amendment by excluding **“Durable Goods”** from the definition of FMCG.

- The Bill also proposed to reduce rate of tax in the case of supplies made by the distributors of FMCGs. The existing and proposed rates are as under:-

Particular	Existing	Proposed
In case of a Company	3% of the gross amount payable	2% of gross amount payable
In any case other than a Company	3.5% of the gross amount payable	2.5% of gross amount payable

Enhancement in limit for Import of [Clause (72B) P-IV] Raw Material by Manufacturer

- Presently, an industrial undertaking can import raw material for its own use without payment of tax. However, the exemption is subject to fulfillment of specified conditions. Besides other condition, the industrial undertaking can only import 110% of the quantity of raw material imported and consumed during the previous tax year without payment of tax.
- The Bill seeks to enhance the aforesaid limit from 110% to 125%.
- This would definitely help the industry to show better progress.

Tax neutrality in Islamic Banking viz-a-viz Conventional Banking

[Section 22(15)]

- Presently, depreciation is allowed on a depreciable assets owned by a person which is used for the purpose of the business.
- Depreciation on assets through Musharaka or Diminishing Musharaka was not being allowed to the customers of Islamic banking on the premise that assets is jointly owned by the customer and the Islamic financial institution. Thus financing through Islamic modes head become unviable and was discouraging the financing through Islamic modes.
- The Bill proposes to insert proviso in the definition of **“depreciable assets”** to allow depreciation on such jointly owned assets to the taxpayer.

Abolition of Provisional Assessment (Section 121 & 122C) and Introduction of Best Judgment Assessment

- Presently, if a person fails to submit his return in response to a notice issued under Section 114(3) and 114(4), then Commissioner may make provisional assessment of taxable income based on any available information or material to the best of his judgment under Section 122C.
- The aforesaid provisional assessment would obtain finality if the person fails to furnish return of income within 45 days. The order so finalized is not appealable.

- In order to alleviate the hardship of the taxpayer the concept of provisional assessment is proposed to be abolished by omitting Section 122C.
- The Bill also seeks to amend Section 121 by extending the powers of the Commissioner to make an assessment to the best of his judgment, if the person fails to furnish return in response to notice issued under Section 114(3) and 114(4).
- Consequent to the best judgment assessment the person would not be entitled to file a return; however, he may prefer an appeal against such assessment order.

Exemption on cash withdrawal by Branchless Banking Agent [Clause (101) P-IV]

- In order to promote cheaper alternative to conventional branch based banking by using delivery channels like retail agents, mobile phone etc. in Pakistan, the bill seeks to provide exemption to branchless banking agent from withholding tax on cash withdrawals made for the purpose of making payments to their respective customers.

Extension of period of tax credit on enlistment in Stock Exchange

(Section 65C)

- Presently, any company who opts for enlistment in any registered stock exchange in Pakistan is entitled to a tax credit equal to 20% of the tax payable for the year in which it is listed and the following tax year.
- The Bill proposes to allow further tax credit of 10% of the tax payable in two years following the second year of enlistment. The tax credit on a year to year basis would be as under:-

Tax Year	Tax Credit
1st Year	20% of tax payable
2nd Year	20% of tax payable
3rd Year	10% of tax payable
4th Year	10% of tax payable

Enhancement of Limit of Sales Promotion [Section 21(o)] Expenses incurred by the Pharmaceutical Companies

- Presently, any expenditure on account of advertisement and publicity, sales promotion, incurred by a Pharmaceutical Manufacturers in excess of 5% of its turnover for the year is not admissible. This has been introduced vide the Finance Act, 2016 to align it with the maximum limit of expenditure admissible under Rule 33 of the Drugs (Licensing, Registration and Advertising) Rules, 1976.
- The Bill proposed to enhance the aforesaid limit from 5% to 10% of turnover in view of the difficulties being faced by such companies.

Tax on Undistributed Profit

(Section 5A)

- Through the Finance Act, 2015, tax @ 10% was imposed on undistributed profit of any public company (other than a scheduled bank or a modaraba) who:-
 - a) derives profit in a tax year but does not pay any cash dividend; or
 - b) where dividend paid is less than 40% of current year profit or 50% of its paid up capital, whichever is lower.

- The Bill now seeks to done away with the requirement to distribute dividend on 50% of paid up capital. Furthermore, bonus share distribution shall also be considered as dividend for the purpose of this section.
- The newly inserted proviso to Sub-Section (1) further provides that for the tax year 2017, bonus shares or cash dividends may be distributed before the due date mentioned in sub-section (2) of Section 118 for filing of a return.
- We understand that it is nothing, but other way of enhancement of corporate tax rate; which we feel is anti corporatization.

Revenue Measures

Super Tax

(Section 4B)

- Finance Act, 2015 imposed one time super tax for rehabilitation of temporarily displaced persons on banking companies and other persons having income of Rs 500 Million or above at the rate of 4% and 3% of Income respectively. Through Finance Act, 2016 this levy was further extended for tax year 2016.
- It has now been proposed by the Bill to extend the levy of super tax for the tax year 2017.

Tax on Builders and Developers (Section 7C & 7D)

- The Finance Act, 2016 brought Builders and Developers under the fixed tax regime on the basis of size of the property on construction or development and sale of residential, commercial or other plots or buildings.
- It has now been proposed by the Bill that:-
 - a) Fixed tax regime shall apply to only those projects initiated and approved during the tax year 2017;

- b) Income tax calculated in the manner as prescribed under Rule 13S is being paid by the builders or developers in the Tax Year 2017;
- c) Advance tax is paid in accordance with the installment schedule issued online by the Chief Commissioner in accordance with Rule 13ZB and 13U.
- Now the fixed tax regime for Builders and Developers has been abolished, as such their assessment for the Tax Year 2018 and onward would be completed under the normal tax regime.

Enhancement of Rates of Tax on Profit on Debt (Section 7B)

- Presently, profit on debt, in the hands of every person other than a company is taxable under Section 7B which is a final tax on such profit on debt. The Table in Division IIIA provides progressive slabs with a minimum rate of 10% and maximum rate of 15%. Moreover, the present slabs are (i) up to Rs.25 Million, (ii) exceeding Rs.25 Million up to Rs.50 Million and (iii) exceeding Rs.50 Million.
- The Bill seeks to substitute Table in Division IIIA; whereby the slabs have been replaced as (i) up to Rs.5 Million, (ii) exceeding Rs.5 Million up to Rs.25 Million and (iii) exceeding Rs.25 Million. Moreover, the progressive rates have been abolished and now the profit on debt is proposed to be taxed at a fixed rate. The aforesaid substitution would result in enhanced tax on profit on debt exceeding Rs.5 Million.

- The following is comparison of existing and new rates:-

Profit on debt	Amount of tax based on existing Table	Amount of tax based on newly proposed Table	Difference	%
5,000,000	500,000	500,000	-	0%
10,000,000	1,000,000	1,250,000	250,000	25%
15,000,000	1,500,000	1,875,000	375,000	25%
20,000,000	2,000,000	2,500,000	500,000	25%
25,000,000	2,500,000	3,125,000	625,000	25%
30,000,000	3,125,000	4,500,000	1,375,000	44%
35,000,000	2,625,000	5,250,000	2,625,000	100%
50,000,000	5,625,000	7,500,000	1,875,000	33%
55,000,000	6,375,000	8,250,000	1,875,000	29%

Taxation of Capital Gain on Disposal of Securities

(Section 37A)

- Presently, the capital gain on disposal of securities is taxable under Section 37A at different rates attributed to different slabs with respect to holding period of such security. These are ranging between 7.5% to 15% and 11% to 18% for filers and non-filers respectively.
- The Bill seeks to substitute Division VII to provide uniform rate of tax for listed securities acquired after 1st July, 2013 at the rate of 15% and 20% for filers and non-filers respectively.
- However, the rate of tax at 5% in the case of Future commodity contracts entered into by the members of Pakistan Mercantile Exchange has been kept unchanged.

Withdrawal of Tax Credit to Manufacturers (Section 65A) Making 90% Sale to the Registered Persons

- In order to promote documentation of the economy, the Finance Act, 2009 introduced tax credit @ 2% of the tax payable for a year to the manufacturers who are registered under the Sales Tax Act, 1990 subject to the fulfillment of the condition that 90% or more sales are made to Sales Tax registered persons. The aforesaid tax credit has been enhanced to 3% vide Finance Act, 2016.
- The Finance Bill seeks to withdraw the above benefits on the premise that this incentive has failed to achieve its desired objective.

Enhancement of Rate of Minimum Tax

(Section 113)

- Minimum Tax is payable by a resident company and an individual or an association of person having turnover of Rs. 10 Million or above in Tax Year 2017 or any subsequent tax years, are liable to pay minimum tax where, for whatever reasons, 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 1% of the person's turnover from all sources for that year.
- The Division IX of Part I of First Schedule provides different reduced rates of minimum tax for specified classes of persons. However, the general rate is 1%.
- The Bill proposes to enhance the general rate of minimum tax from **"1%"** to **"1.25%"**. The Bill also proposes to correct the drafting error in Section 113(1)(e) by omitting "One Percent" and substitute the same by referring to the "Percentage as specified in column "3" of the table in Division IX ibid.

SIGNIFICANT AMENDMENTS

Tax Credit for Non-Profit Organization

(Section 100C)

- Presently, the income of non-profit organization (NPO) is subject to 100% tax credit subject to fulfillment of following conditions:-
 - a) That the return has been filed;
 - b) Tax required to be deducted or collected has been deducted or collected and paid; and
 - c) Withholding tax statements for the immediately preceding year have been filed.
- The Bill proposes following amendments:-
 - i. The NPO should not incur more than 15% of their total receipts on Administrative and Management expenses.
 - ii. Tax @ 10% on surplus funds shall be collected. For this purpose surplus funds have been defined in newly inserted sub-section (1B) which reads as under:-

For the purpose of sub-section (1A), Surplus funds mean funds or monies:-

- (i) not spent on charitable and welfare activities during the tax year;**
- (ii) Received during the tax year as donations, voluntary contributions, subscriptions and other incomes;**
- (iii) is more than twenty five percent of the total receipts of the non-profit organization received during the tax year;**
- (iv) are not part of restricted funds:**

Explanation: For the purpose of this subsection, **“Restricted Funds”** mean any fund received by the organization but could not be spent and treated as revenue during the year due to any obligation placed by the Donor.

Automatic Exchange of Information Under Multilateral Convention

(Section 165B)

- In this age of globalization the world is moving towards automatic exchange of information under the Global Forum on Transparency and Exchange of income for tax purposes.
- Subsequent to Pakistan's signing the Multilateral Convention on Mutual Administrative Assistance in Tax Matters in September 2016, the SRO 166(i)/2017 dated 15-03-2017 was issued which added Chapter XIIA in the Rules known as **"Common Reporting Standards"** comprising of Rules 78A to 78J of the Rules.

- The financial institutions are required to make arrangement for furnishing automatic information to the FBR for non-resident persons.
- The Bill proposes that financial institution will also be required to furnish information for “**other Reportable**” person as defined under “**Common Reporting Standard**”.

Prosecution for non-compliance with statutory obligations

(Section 191)

- Section 191 deals with the prosecution of a taxpayer for non-compliance with statutory obligations imposed under the Ordinance. Such offences are punishable on conviction with a fine or imprisonment for a term not exceeding one year or both.
- The Bill seeks to incorporate the following offences under this Section for prosecution upon conviction:-
 - Failure to furnish a return of income within thirty days from the date of service of notice of the Commissioner; &
 - Failure to collect or deduct tax under Chapter XII (Transitional advance tax) and pay the tax to the Commissioner.

Directorate General of Broadening of Tax Base (Section 230D)

- Currently, each Regional Tax Office of the FBR has a separate Zone assigned to the Broadening of Tax Base in each region and a Unit is assigned with this task in each Zone. However, despite various efforts made by the Board, the Broadening of Tax Base has not generated significant momentum as well as revenues for the exchequer.
- For this purpose the Bill seeks to insert new Section 230D to establish Directorate General of Broadening of Tax Base consist of Director-General, Directors, Additional Directors, Deputy Directors, Assistant Directors and other officers etc. However, the functions, jurisdiction and powers of such Directorate General shall be made through a notification in the official Gazette in this regard.

Directorate General of Transfer Pricing

(Section 230E)

- The Bill seeks to insert new Section 230E to establish Directorate General of Transfer Pricing with the single object to conduct transfer pricing audit for determination of transfer pricing at arm's length transactions between the associates.
- It shall consist of Director General, Directors, Additional Directors, Deputy Directors, Assistant Directors and other officers etc.
- However, the criteria for selection of the taxpayer for transfer pricing audit, functions, jurisdiction and powers of such Directorate General shall be made through a notification in the official Gazette.

- An explanation has also been provided in this section; wherein it has been clarified that transfer pricing audit is independent of audit under Section 177, 214C or 214D;
- Although, the Board will notify through official Gazette, the jurisdiction and powers of the Directorate General, but we feel corresponding amendment is required to be made in the Ordinance, authorizing them to obtain such information from the taxpayer for the purpose of selecting and conducting audit.

Appointment of the Appellate Tribunal

(Section 130)

- The Appellate Tribunal Inland Revenue (ATIR) consist of Judicial and Accountant Member, appointed by the Federal Government. The ATIR is the last fact finding forum available to a taxpayer or the Commissioner.
- Through Finance Act, 2013 a significant amendment was made in respect of appointment of Judicial Member wherein it was provided that an officer of the Inland Revenue Service in BS-20 or above who is a law graduate can be appointed as Judicial Member.
- The above amendment received a lot of criticism from the legal fraternity.
- The Bill seeks to omit provision for the appointment of Inland Revenue Officers as Judicial Member.

Recovery of tax from persons assessed in (Section 146) Azad Jammu & Kashmir and Gilgit-Baltistan

- Presently, where any person assessed to tax for any tax year under the law relating to income tax in the Azad Jammu and Kashmir has failed to pay the tax and the income tax authorities of the Azad Jammu and Kashmir cannot recovery the tax because.-
 - a) the person's residence is in Pakistan; or
 - b) the person has no movable or immovable property in the Azad Jammu and Kashmir,

- The Deputy Commissioner in the Azad Jammu and Kashmir may forward a certificate of recovery to the Commissioner Inland Revenue in Pakistan and on receipt of such certificate, the Commissioner IR shall recover the tax referred to in the certificate in accordance with the provisions of the Ordinance.
- The Bill seeks to insert the words “or Gilgit-Baltistan” in sub-section (1) for extending similar co-operation to the Gilgit-Baltistan tax authorities as well for recovery of taxes due to them.

Deduction of Tax on Payment to Non-Resident (Section 152)

- **Presently, tax deductible from payment to a non-resident person on account of execution of following contracts is treated as final tax on such contract provided that the non-resident filed an option under Clause (41) of Part IV of the Second Schedule:-**
 - (a) A contract or sub-contract under a construction, assembly or installation, including a contract for the supply of supervisory activities; or**
 - (b) Any other contract for construction or services; or**
 - (c) A contract for advertisement services rendered by T.V. Satellite Channels.**

- Clause (41) ibid prescribed that such non-resident opt for taxation under final tax regime and such declaration should be:-
 - i) irrevocable;
 - ii) furnished in writing within three months of the commencement of the tax year; and
 - iii) shall remain in force for three years.
- The Bill seeks to omit Clause (41) ibid and incorporate a proviso to Section 152(1B); however, it does not specify the timing of filing of option and validity of the option to be assessed under final taxation. It is presumed that such option would be filed along with the return of income.
- Consequent to the aforesaid amendment the bill also proposes to allow such non-resident to obtain exemption certificate, if he has not opted for final taxation.

Payment for goods, services and contracts

(Section 153)

- Presently, every prescribed person is required to deduct tax at source from the payments on account of:-
 - a) Sale of goods;
 - b) Rendering of or providing of services; and
 - c) Execution of contract, including contract signed by a sportsperson except a contract for the sale of goods or the rendering of or providing of services.
- The Bill seeks to insert a proviso to sub-section (1) to clarify that where the recipient of the payment under Clause (b) receives the payment through an agent or any third party and that agent or third party retains its service charges or fee, by whatever named called, from the payment remitted to the recipient, it shall be assumed that such service charges or fee were paid by the recipient and he would be obliged to collect tax along with the payment so received.

Offences and Penalties

(Section 182)

- The Finance Act, 2016 enlarged the scope of Section 107 and 108 read with 165 of the Ordinance, which requires mandatory record keeping by a taxpayer who has entered into a transaction with its associates to maintain a master and local file containing information of such transaction, country by country report and furnishing of such documents to the Commissioner. However, no penalty for non-compliance was prescribed.
- The Bill seeks to provide the reference of Section 108 against serial no. 7 and 9 of Section 182(1) to create deterrence. Similarly additional penalties have also been proposed against new provisions, which are as follows:-

17.	Any reporting financial institution or reporting entity who fails to furnish information or country-by-country report to the Board as required under Section 107, 108 or 165B within the due date.	Such reporting financial institution or reporting entity shall pay a penalty of two thousand rupees for each day of default subject to a minimum penalty of twenty five thousand rupees.	107, 108 and 165 B
18.	Any person who fails to keep and maintain document and information required under section 108 or Income Tax Rules, 2002	1% of the value of transactions, the record of which is required to be maintained under section 108 and Income Tax Rules, 2002	108

Default Surcharge

(Section 205)

- Presently, a taxpayer who fails to pay advance tax in view of revise estimate or where the advance tax paid for the tax year is less than 90% of the tax chargeable for the relevant tax year is liable to pay default surcharge @ 12% on the amount of tax falls short of the 90% calculated from the 1st day of April in that year to the date on which the assessment is made or the 30th day of June of the Financial Year next following.
- The aforesaid provision created an anomaly for the companies or taxpayer having special tax year.
- The Bill seeks to clarify that for persons having a special tax year, the default surcharge would be computed from the first day of fourth quarter of that special tax year till the date on which assessment is made or the last day of Special Tax Year.

Disclosure of Information by a Public Servant

(Section 216)

- This Section provides for confidentiality of particulars contained in any statement, return, accounts, documents or evidences or affidavit furnished by taxpayers to the income tax authority.
- However, sub-section (3) provides specified instances where disclosure of such particular does not constitute a breach of confidentiality.
- The Bill seeks to insert Clause (ka) to the aforesaid sub-section; whereby information regarding salaries contained in statements furnished under Section 165 may be disclosed to the Employees Old Age Benefit Institution (EOBI), which may help the EOBI to enforce compulsory payments of contribution of employees of a taxpayer.
- The Bill also seeks to authorize the Minister Incharge of the Federal Government to publish such confidential information instead of the Federal Government.

CNG Station

(Section 234A)

- Presently, CNG Station are liable to pay advance tax @ 4% of the Gas Consumption Charges, which is in final tax and such taxpayers are not entitled to claim adjustments of any withholding tax paid under other heads. The said provision has created a lot of hassles for such taxpayers.
- The Bill seeks to resolve such anomaly and it is proposed that tax collected along with gas consumption charges and electricity bill shall be a final tax as such the adjustment of tax paid under other head can be availed.
- The Bill also proposes to insert explanation to clarify that tax collected on consumption of gas shall be inclusive of sales tax and all incidental charges thereto.
- The Bill also proposes that advance tax shall be collected @ 6% in the case of non-filers.

Industrial, Commercial and Domestic Electric Consumption

(Section 235 & 235A)

- Presently, the above consumer of electricity are subject to collection of advance tax at the specified rate on the electricity consumption charges, subject to specified condition.
- The Bill seeks to insert an explanation to clarify that electricity consumption bill shall mean electricity bill inclusive of sales tax and all incidental charges.
- Presently, in the case of industrial and commercial consumers other than companies the tax so collected upto bill amount of Rs. 30,000/- per month is minimum tax and no refund is allowed. The Bill seeks to prescribe the limit of Rs. 360,000/- per annum instead of monthly limit of Rs. 30,000/-.

Advance Tax on Immovable Property

(Section 236C, 236K and 236W)

- Presently, the person responsible for registering or attesting the transfer is obliged to collect tax under the aforesaid sections.
- The Bill seeks to insert explanations to clarify that person responsible for registering, recording or attesting transfer includes person responsible for registering, recording or attesting transfer for local authority, housing authority, housing society, co-operative society and registrar of properties.
- The Bill also proposed new proviso in Section 236C(2) whereby the tax collected on immovable property which is acquired and disposed within the same tax year shall be a minimum tax.

Validation

(Section 241)

- The Honourable Supreme Court of Pakistan in the case of **Mustafa Impex, Karachi and Others V/s. The Government of Pakistan**, reported as [(2016) 114 TAX 241 (S.C. Pak)] in Paragraph 81 held that “In all the cases the prior decision of the Cabinet is required, since it is unambiguously that body alone which is the Federal Government”.
- The newly inserted section in apparently is an effort to nullify the above decision. This section provides that all notifications and orders issued and notified, in exercise of the powers conferred upon the Federal Government, before the first day of July, 2017 shall be deemed to have been validly issued and notified in exercise of those powers, notwithstanding anything contained in any judgment of a High Court or the Supreme Court.

Seventh Schedule

- Rule (1) of the Seventh Schedule provides that Income, Profits and Gains of a Banking Company shall be taken to the balance of the income, from all sources before tax, disclosed in the annual accounts required to be furnished to the State Bank of Pakistan subject to the various provisions.
- Rule 1(g) provides that adjustment made in the annual accounts on account of application of IAS 39 (Financial Instruments: Recognition and Measurement) and 40 (Investment Property) shall be excluded in arriving at taxable income.

- The Bill proposes to add Explanation in Rule (1)(g) of the Seventh Schedule; whereby, it is clarified that nothing in this sub-rule shall be so construed as to allow notional loss, or charge to tax any notional gain on any investment under any regulation or instruction unless all the events that determine such gain or loss have occurred and the gain or loss can be determined with reasonable accuracy.

Tax on Dividend

The Finance Bill proposes to enhance the rate of tax on dividend from existing 12.5% to 15% for filers other than dividend paid by Power Generation Companies or Companies supplying coal exclusively to Power Generation Projects.

The Finance Bill also propose to enhance rate of tax on dividends paid by collective investment scheme, REIT or Mutual Fund which are as follow:-

Tax Year 2018	Stock Fund		Money Market Fund, income fund or any other fund		
	Existing	Proposed	Filer		Non-Filer
			Existing	Proposed	
Individual	10%	12.5%	10%	12.5%	15%
Company	10%	12.5%	25%	25%	25%
AOP	10%	12.5%	10%	12.5%	15%

Income from services rendered and construction contracts outside Pakistan

	Corporate		Non-Corporate	
	Filer	Non-Filer	Filer	None-Filer
For transport services	1.00%	1.00%	1.00%	1.00%
For services other than transport services	4.00%	6.00%	5.00%	7.50%
For construction contracts	4.00%	5.00%	6.00%	7.5%

Filer Versus Non-Filer

Nature of Receipt	Section	Existing Rates		Proposed/ Existing Rates	
		Filer	Non-Filer	Filer	Non-Filer
Dividend by Stock Funds	150	10%	10%	12.5%	12.5%
Dividend by companies other than power projects	150	12.5%	20%	15%	20%
Dividend by Money Market Fund, Income Fund or RIET Scheme or any other fund	150	10%	15%	12.5%	15%
For execution of contract to non-resident	152(1A)	7%	12%	7%	13%
Sale of goods by company being PE of Non Resident (NR)	152(2A)	4%	6%	4%	7%

Filer Versus Non-Filer

Nature of Receipt	Section	Existing Rates		Proposed/ Existing Rates	
		Filer	Non-Filer	Filer	Non-Filer
Sale of goods by other than company being PE of NR	152(2A)	4.5%	6.5%	4.5%	7.75%
Services rendered by company being PE of NR	152(2A)	8%	12%	8%	14%
Services rendered (excluding transporters) by other than company being PE of NR	152(2A)	10%	15%	10%	17.5%
Execution of contract by company being PE of NR	152(2A)	7%	10%	7%	13%
Execution of contract by other than company being PE of NR	152(2A)	7%	10%	7%	13%
Sale of goods by a company	153	4%	6%	4%	7%
Supplies by distribution of FMCG in case of Company	153	3%	3.5%	2%	3.5%
Supplies by distribution of FMCG in case of other than Company	153	3%	3.5%	2.5%	3.5%

Filer Versus Non-Filer

Nature of Receipt	Section	Existing Rates		Proposed/ Existing Rates	
		Filer	Non-Filer	Filer	Non-Filer
Sale of goods by other than a company	153	4.5%	6.5%	4.5%	7.75%
Services rendered by company	153	8%	12%	8%	14.5%
Services rendered by other than company	153	10%	15%	10%	17.5%
Execution of contracts by company	153	7%	10%	7%	12%
Execution of contracts other than company	153	7.5%	10%	7.5%	12.5%
Rent received by the companies	155	15%	15%	15%	17.5%
Prize and winnings	156	15%	20%	15%	25%

Filer Versus Non-Filer

Nature of Receipt	Section	Existing Rates		Proposed/ Existing Rates	
		Filer	Non-Filer	Filer	Non-Filer
Commission / discount to petrol pump operator	156A	12%	15%	12%	17.5%
Transfer of registration or ownership of motor vehicle	231B	10,000 To 250,000	10,000 To 450,000	10,000 To 250,000	10,000 To 450,000
On leasing of motor vehicle	231B	-	3%	-	3%
Tax on CNG station on Gas Consumption charges	234A	4%	4%	4%	6%

Filer Versus Non-Filer

Nature of Receipt	Section	Existing Rates		Proposed/ Existing Rates	
		Filer	Non-Filer	Filer	Non-Filer
Mobile Phone or Internet subscriber, prepaid internet or telephone card	236	14%	14%	12.5%	12.5%
Sale by auction	236A	10%	10%	10%	15%
Sales of Electronic, Sugar, Cement, Iron & Steel products, Fertilizer, Motorcycles, Pesticides, Cigarette's, Glass, Textile, Beverages, Paint, Batteries or Foam Sector to distributors, dealers and wholesalers	236H	Electronic Items 0.5%	Electronic Items 0.5%	Electronic Items 1%	Electronic Items 1%
		Other than Electronic Items 0.5%	Other than Fertilizer Items 0.5%	Other than Electronic Items 0.5%	Other than Electronic Items 1%
Advance Tax on Tobacco	236X	0%	0%	5%	5%

**Thank You
&
God Bless You**