

## PROPOSED TAX CARD Tax Year 2006

### IND. OTHER THAN SALARIED PERSON, AOP, URF & HUF

Income group		Tax Rate	
Up to	Rs. 100,000	NIL	
Rs. 100,001 to	Rs. 150,000	Rs. 7.5%	
Rs. 150,001 to	Rs. 300,000	Rs. 3,750 +	12.5% exceed over Rs. 150,000
Rs. 300,001 to	Rs. 400,000	Rs. 22,500 +	20% exceed over Rs. 300,000
Rs. 400,001 to	Rs. 700,000	Rs. 42,500 +	25% exceed over Rs. 400,000
Over	Rs. 700,000	Rs. 117,500 +	35% exceed over Rs. 700,000

- Special tax rebate of 75% of the tax payable shall be allowed for the assessee of 65 years of age or above and earning income upto Rs. 400,000/- per annum.
- The rate of tax as prescribed by section 113A for qualifying under PTR is .75% of the Turnover, provided the turnover does not exceed 5 Million. per annum.
- The rate of tax as prescribed by section 113B for qualifying under PTR is .1% of the Turnover, provided the turnover exceeds 5 Million. per annum.

b. Rates of tax where an individual or an association of persons derives income from agriculture:

Income group		Tax Rate	
Upto	Rs. 150,000	Rs. 7.5% of such income	
Rs. 150,001 to	Rs. 300,000	Rs. 11,250 +	12.5% exceed over Rs. 150,000
Rs. 300,001 to	Rs. 400,000	Rs. 30,000 +	20% exceed over Rs. 300,000
Rs. 400,001 to	Rs. 700,000	Rs. 50,000 +	25% exceed over Rs. 400,000
Over	Rs. 700,000	Rs. 125,000 +	35% exceed over Rs. 700,000
Over	Rs. 700,000	Rs. 125,000 +	35% exceed over Rs. 700,000

### TAX RATES (SALARIED CLASS)

Income group		Tax Rate	
Up to	Rs. 100,000	NIL	
Rs. 100,001 to	Rs. 200,000	Rs. 3.5%	
Rs. 200,001 to	Rs. 400,000	Rs. 3,500 +	12% exceed over Rs. 200,000
Rs. 400,001 to	Rs. 700,000	Rs. 27,500 +	25% exceed over Rs. 400,000
Over	Rs. 700,000	Rs. 102,500 +	30% exceed over Rs. 700,000

The tax reduction provided by clause 1B of Part III of 2nd Schedule has been proposed to be withdrawn.

### TAX RATES FOR SMALL COMPANIES

A new concept of small company has been given by this Finance Bill. The tax rate for these companies is 20% of the taxable income.

### COMPANIES

	TAX YEAR				
	2003	2004	2005	2006	2007
Banking Company	47%	44%	41%	38%	35%
Public Company other than a banking company	35%	35%	35%	35%	35%
Private Company other than a banking company	43%	41%	39%	37%	35%

OR  
Minimum tax under section 113 @0.5% of the turnover whichever is higher

### RATE OF TAX ON SHIPPING OR AIR TRANSPORT

The rate of tax imposed under section 7 shall be:

- In the case of shipping 8% of the gross amount received or receivable;
- In the case of air transport 3% of the gross amount received or receivable;

### RATES FOR DEDUCTION OF TAX AT SOURCE

Particulars	Rate
- Other dividend income	10%
- Dividend income in case received by public Companies or Insurance Companies	5%
- Prize bonds	10%
- Raffle lottery or crossword puzzle, Sales promotion schemes	20%
- Yield on a National Saving Deposit Certificate, including a Defence Saving Certificate, under the National Saving Scheme.	10%
- Interest on an account or deposits with banks / financial institution	10%
- Profit on any security issued by the Federal Government, a Provincial Government or a local authority to any person other than a financial institution.	20%
- Profit on any bond, certificate, debenture, security or instrument of any kind (not a loan agreement between a borrower and a banking company or a development finance institution) by a banking company, financial institution, finance society or a company as defined in the 2001 Ordinance, other	10%
- Tax rate for the small companies	20%
- Rent, if total rent exceeds Rs. 300,000 per annum	5%
- Brokerage & Commission	5%
- On Export of Raw Cotton and Cotton Yarn	1.5%
- Brokerage & Commission-for Travel and Insurance Agents	10%
- On Contracts of all types	6%
- Telephone Bills/Prepaid payphone Cards	10%
- Cash withdrawal from Bank	0.1%
- Supply of Rice, Cotton and Cotton seed	1.5%
- Edible oils	1%
- Other supplies	3.5%
- Imports other than following	6%
- Tractors	2%
- DAP Phosphate	2%
- Plant and Machinery	0%
- Services rendered:	
- Transport Services	2%
- Other Services	5%
- Import of edible oils	2%
- Payments to non-residents for execution of:	
- Turnkey Contract	6%
- Contract, Sub-Contract for the design, Construction or supply of plant & equipment:	
- Under a hydel power project or a transmission line project	6%
- Under any other power project	6%
- Any other contract:	6%
- Advertisement by the Private TV Channels	5%
- Petroleum Products	10%
- Royalties / Fee for technical services	15%
- On payment other than salary, dividend, supplies, services, execution of contracts, property, prize money, winning from raffles, lottery or cross word	30%
- On purchase of Cars (Subsequently with drawn)	6%

### RATES OF APPEAL FEE

Stage	Appeal Fee
Commissioner (Appeals) /Addl. Commissioner	- Rs. 1,000 or 10% of tax levied whichever is less - Where no tax is payable - Rs. 1,000/- for companies - Rs. 200/- for other cases
Income Tax Appellate Tribunal.	- Rs. 2,500/- or 10% of the tax levied whichever is less. - Where no tax is levied Rs. 2,000/- for Companies and Rs. 500/- for others