

BUDGET BRIEF 2024

TAX RATES

For Individual and AOP

Serial No.	Taxable Income	TAX RATE-PROPOSED
1	Where the taxable income doesn't exceed Rs. 600,000	0%
2	Where the taxable income exceeds Rs. 600,000 but doesn't exceed 1,200,000	15% of the amount exceeding Rs. 600,000
3	Where the taxable income exceeds Rs. 1,200,000 but doesn't exceed 16,00,000	90,000 + 20% of the amount exceeding Rs. 1,200,000
4	Where the taxable income exceeds Rs. 1,600,000 but doesn't exceed 32,00,000	170,000 + 30% of the amount exceeding Rs. 1,600,000
5	Where the taxable income exceeds Rs. 3,200,000 but doesn't exceed 5,600,000	650,000 + 40% of the amount exceeding Rs. 3,200,000
6	Where the taxable income exceeds Rs. 5,600,000	1,610,000 + 45% of the amount exceeding Rs. 5,600,000

For Salaries Persons

Serial No.	Taxable Salary	TAX RATE-PROPOSED
1	Where the taxable income doesn't exceed Rs. 600,000	0%
2	Where the taxable income exceeds Rs. 600,000 but doesn't exceed 1,200,000	5% of the amount exceeding Rs. 600,000
3	Where the taxable income exceeds Rs. 1,200,000 but doesn't exceed 2,200,000	30,000 + 15% of the amount exceeding Rs. 1,200,000
4	Where the taxable income exceeds Rs. 2,200,000 but doesn't exceed 32,00,000	180,000 + 25% of the amount exceeding Rs. 2,200,000
5	Where the taxable income exceeds Rs. 3,200,000 but doesn't exceed 4,100,000	430,000 + 30% of the amount exceeding Rs. 3,200,000
6	Where the taxable income exceeds Rs. 4,100,000	700,000 + 35% of the amount exceeding Rs. 4,100,000

ADVANCE / WITHHOLDING TAX ON IMMOVABLE PROPERTY:

Advance tax on sale and purchase of immovable property by persons who are late filers i.e., who do not file their return by the due date has been provided at 6% where the value of property is up to Rs.50 million, 7% where the value of property is up to 100 million and 8% where the value of property exceeds Rs.100 million.

To enhance withholding tax rates for non-filers on purchase of immovable property on the basis of value of immovable property with 12% tax on immovable property with value up to 50 million, 16% rate for immovable property having value between 50 to 100 million and 20% for value above 100 million. Similarly, tax rates for non-filers for profit on debt has been increased from 30% to 35%, withholding tax rate on sale of immovable property has been increased to 10% for non filers.

Seeks to provide progressive withholding tax rates for filers on purchase and sale of property ranging from 3% with value of property does not exceed Rs.50 million, 3.5% where the value of property exceeds 50 million but does not exceed 100 million and 4% where the value of property exceed 4%.

CAPITAL GAIN TAX

Seeks to fix the tax rate for capital gain on immovable property to 15% for property acquired on or after 01 July, 2024 irrespective of the holding period for filers, and for non-filers the tax will be collected at normal rates with minimum rate of 15%

Seeks to fix the tax rate for capital gain on securities to 15% for securities acquired on or after 01 July, 2024 irrespective of the holding period for filers, and for non-filers the tax will be collected at normal rates with minimum rate of 15% and rate of capital gains received from a mutual fund or collective investment scheme or REIT scheme has been enhanced from 10% to 15%.

TAX ON DEALER DISTRIBUTORS AND WHOLESALERS

Withholding tax rates for non-filer distributors, wholesalers or dealers has been increased to 2% and for non filer retailers it is 2.5%

TAX CREDIT ABOLISHED ON TEACHERS AND RESEARCHERS

Seeks to withdraw tax credit to full time teachers and Researchers

TAX RATES ON REGISTRATION OF MOTER VEHICLES

Seeks to provide rates of collection of tax on registration of motor vehicle in proportion to the value of the vehicle.

Serial No.		TAX RATE- PROPOSED
1	Upto 850 CC	0.5% of value
2	851-1000 CC	1% of value
3	1001-1300 CC	1.5% of value
4	1301-1600 CC	2% of value
5	1601-1800 CC	3% of value
6	1801-2200 CC	5% of value
7	2201-2500 CC	7% of value
8	2501-3000 CC	9% of value
9	Above 3000 CC	12% of value

TAX RATE ON DIVIDENDS

Seeks to enhance tax rate on dividend received from a mutual fund deriving 50% or more of its income from profit on debt to 25%.

ADVANCE TAX ON RETAILERS, DISTRIBUTOR, DEALERS AND WHOLESALERS

Seeks to include all the sectors of business for collection of advance tax from retailers at the time of sale to such persons by distributors, dealers, wholesalers, manufacturers and commercial importers

Seeks to include all the sectors of business for collection of advance tax from distributors, dealers and wholesalers at the time of sale to such persons by manufacturers or commercial importers

DEFAULT SURCHARGE

Seeks to increase the rate of default surcharge for late payment to KIBOR + 3%

PENALTIES

Seeks to provide penalty of rupees five hundred thousand or ten percent of the tax chargeable for persons who leave the relevant particulars of return blank or who file blank accounts or file incomplete or irrelevant particulars so as to understate the tax liability

Seeks to provide penalty of 50% of the tax involved for persons who fail to collect tax from the acquirer of shares at the time of payment or at the time of transfer of shares, whichever is earlier

Seeks to provide penalty of sealing of shop traders and shopkeepers who are required to but fail to register under the Tajir Dost Scheme or similar schemes

Seeks to provide penalty for persons who have discontinued their business and do not file their return in response to notice.

MINIMUM TAX ON EXPORTS

Finally, the final tax regime proposed to be change on exports to normal / minimum tax regime. All the tax deducted on exports is proposed to be treated as minimum tax.

TURNOVER TAX

Seeks to provide for adoption of turnover equal to 120% of turnover in advance tax cases where the turnover is not known and provides for filing of certain documents in case estimates for advance tax are filed. Non-filing of required documents may lead to rejection of estimate.

WEALTH STATEMENT

It is proposed that the definition of assets includes the term "foreign assets" Now it is mandatory to declare foreign assets for every Pakistani individual, if any.

EXIT CONTROL

Seeks to bar exit from Pakistan for persons who do not file their return even after issuance of notice for filing of return after their names have been mentioned in the income tax general order, but this condition shall not apply for persons proceeding on Hajj, umrah, minors, students, overseas Pakistanis holding NICOP and such other class of persons notified by the Board.

AUDITED ACCOUNTS REQUIRED FOR AOP

Seeks to provide the condition of filing of audited accounts for an association of persons having turnover of three hundred million rupees or more to file its audited accounts otherwise the income of member of the association of persons shall not be exempt from tax.