

TAX RATES FOR THE TAX YEAR 2026

SALARY - Sec 149, Div I Part I 1st Schedule

Taxable Income	Rate of Tax
From To	
Up to 600,000	0%
600,001 1,200,000	1% on amount exceeding Rs. 600,000
1,200,001 2,200,000	6,000 PLUS 11% on amount > Rs. 1.2M
2,200,001 3,200,000	116,000 PLUS 23% on amount > Rs. 2.2M
3,200,001 4,100,000	346,000 PLUS 30% on amount > Rs. 3.2M
Above 4,100,000	616,000 PLUS 35% on amount > Rs. 4.1 M
Above 10 Million	Additional 9% on Tax imposed (As Calculated above)

Note: Salary rate applicable where salary income exceeds 75% of total taxable income.

TAX RATE FOR AOP & BUSINESS INDIVIDUALS

Taxable Income	Rate of Tax
From To	
Up to 600,000	0%
600,001 1,200,000	15% on amount exceeding Rs. 600,000
1,200,001 1,600,000	90,000 PLUS 20% on amount > Rs. 1.2 M
1,600,001 3,200,000	170,000 PLUS 30% on amount > Rs. 1.6M
3,200,001 5,600,000	650,000 PLUS 40% on amount > Rs. 3.2M
Above 5,600,000	1,610,000 PLUS 45% on amount > Rs. 5.6M
Above 10 Million	Additional 10% on Tax imposed (As Calculated above)

Tax Rates of Companies

Banking Company	39%
Public & Private Company	29%
Small Company	20%
Alternate Corporate Tax (On accounting profit)	17%

Note: Super Tax - Section 4B & 4C - Div IIA & IB Part I, 1st Sch

Turnover Tax - Sec113 Div IX, Part I, 1st Schedule

Minimum Tax	Rate
SSGCL, SNGPL, PIA and Poultry Industry	0.75%
Oil refineries & Oil Marketing Companies Motorcycle dealers registered under the ST Act, 1990	0.5%
• Distributors of pharmaceutical products, FMCGs and cigarettes; • Petroleum agents & distributors registered under the ST Act, 1990; • Rice mills and dealers, Flour mills • Tier-1 Retailer of FMCGs with POS integrated with Board • E-commerce business including running on online marketplace defined in Sec 2(38B) • Sale and purchase of used vehicles • Distributors, dealers, sub-dealers, wholesalers and retailers of steel	0.25%
In all other cases	1.25%

Activity/ Nature of Payment

Tax Rate	Nature of Tax
ATL Non-ATL	

SUPPLY OF GOODS- Section 153(1)(a), Div III, Part III, 1st Sch. Clause 24A, 24C, 24D, 31, Part II, 2nd Sch. 45A Part IV 2nd Sch.

Activity/ Nature of Payment	Tax Rate	Nature of Tax
ATL Non-ATL		
Sale of rice, cottonseed & edible oil	1.5% 3%	
Sale of Cigarettes by distributors	2.5% 5%	
Sale of pharma products, gold & silver	1% 2%	
Sale of FMCG, fertilizer, electronics excluding mobile phones, sugar, cement steel & edible oil by distributors, dealers, sub-dealers, wholesalers & retailers (if ATL in Sales Tax & Income Tax)	0.25% N/A	Advance Tax for Listed companies and Companies Engaged in Manufacturing
Sale of other goods by companies	5% 10%	
Toll Manufacturing by companies	9% 18%	
Sale of other goods by AOPs & Individuals	5.5% 11%	
Toll Manufacturing by AOPs & Individuals	11% 22%	
Sales & supplies by taxpayers in following sectors: Textile & articles thereof - Carpets - Leather & articles thereof - Artificial leather - Footwear - Surgical goods - Sports goods	1% 2%	Minimum Tax for other cases.
Local supplies by yarn traders to above mentioned sectors	0.5% 1%	

Note: No tax to be withheld in case where aggregate annual payment is below Rs.75,000/-

PAYMENTS FOR SERVICES - S 153(1)(b), 153(2), Div III & Div IV P III 1st Sch.

Activity/ Nature of Payment	Tax Rate	Nature of Tax
ATL Non-ATL		
Advertising services (elec. & print media)	1.5% 3%	
IT and IT enabled service	4% 8%	
Transport, Freight forwarding, Air cargo services, Courier, Manpower outsourcing, Hotel, Security guard, Software development, Warehousing, Tracking services, Advertising (other than by print or electronic media), Share registrar services, Car rental, Building maintenance, Services of PSX & PMEL, Inspection, Certification, Testing & Training, Oilfield, Telecommunication, Collateral management, Travel & tour services, Engineering Services, Services by AMCs.	6% 12%	Minimum Tax
Companies, AOPs & individual providing other services	15% 30%	
Stitching, dyeing, printing, embroidery, washing, sizing & weaving for Exporters	1% 2%	
Services by taxpayers in following sectors: Textile & articles thereof - Carpets - Leather & articles thereof - Artificial leather - Footwear - Surgical goods - Sports goods	1% 2%	

Note: No tax to be withheld for payments in case where payment is less than Rs. 30,000/- in aggregate, during a financial year.

PS: Due care and caution has been taken in extracting this information. Any suggestion, error or mistakes found in this Document may please be sent to us. For further detail please consult the relevant Law

Activity/ Nature of Payment

Tax Rate	Nature of Tax
ATL Non-ATL	

PROPERTY INCOME/ RENTALS - Sec155, Div V Pt III 1st Sch

Activity/ Nature of Payment	Tax Rate	Nature of Tax
ATL Non-ATL		
Where recipient is a company	15% 30%	Adv. Tax
Other recipients	Advance Tax	
Annual Rent (Rs.)	Rate of Tax will be doubled for Non ATL	
From To		
Up to 300,000	NIL	
300,001 600,000	5% of the amount exceeding 300,000	
600,001 2,000,000	15,000 + 10% of the amount above 600,000	
Above 2,000,000	155,000 + 25% of the amount above 2,000,000	

SALE/ TRANSFER OF IMMOVABLE PROPERTY - S 236C, Div X P IV 1st Sch

Activity/ Nature of Payment	Tax Rate	Nature of Tax
ATL Non-ATL		
Inheritance/ Gift	Not Applicable	N/A
Other cases		
Range	Filer (Late Filer)	Non-Filer
Up to 50M	4.5% 7.5%	11.5%
From 50M to 100M	5% 8.5%	
Exceed 100M	5.5% 9.5%	

PURCHASE OF IMMOVABLE PROPERTY - S 236K, Div XVIII P IV 1st Sch

Activity/ Nature of Payment	Tax Rate	Nature of Tax
ATL Non-ATL		
Inheritance/ Gift	Not Applicable	N/A
Other cases		
Range	Filer (Late Filer)	Non-Filer
Up to 50M	1.5% 4.5%	10.5%
From 50M to 100M	2% 5.5%	14.5%
Exceed 100M	2.5% 6.5%	18.5%

Note: Cl 111AC, Part IV, 2nd Sch: Enhanced Tax U/S 236C & 236K will not be applicable on Non Filer Non Residents bearing MCOF or POC Cards

CAPITAL GAINS ON DISPOSAL OF IMMOVABLE PROPERTY & SECURITIES

Sec. 37, Division VIII, Sec. 37A, Division VII - Part I, 1st Sch

Disposal of Immovable property acquired on or after 1st July, 2024 (irrespective of holding period)

Disposal of Immovable property acquired on or before 30th June, 2024

Holding Period	Rate of Tax
From To	
Up to 1 Year	15% 15% 15% 15%
1 Year 2 Years	12.5% 10% 7.5% 12.5%
2 Years 3 Years	10% 7.5% 5% 10%
3 Years 4 Years	7.5% 5% 0% 7.5%
4 Years 5 Years	5% 0% 0% 5%
5 Years 6 Years	2.5% 0% 0% 2.5%
Exceeding 6 Years	0% 0% 0% 0%

EXPORTS - Sec154, Div IV, Sec 154A, Div IVA - Part III 1st Schedule, Clause 47C Part IV 2nd Schedule, Sec. 147

Activity/ Nature of Payment	Tax Rate	Nature of Tax
ATL Non-ATL		
Proceeds against Export of Goods	1% minimum - 1% advance Tax	
Proceeds against Export of Services	1%	Final Tax Subject to Specified conditions in Schedule Advance Tax
Proceeds against Export of IT & IT Enabled Services by Person Registered with PSEB	0.25%	

Note: Exemption to Cooking oil or Ghee exported to Afghanistan if Tax U/S 148 is paid.

IMPORTS - Section 148 Part II, First Schedule

Goods classified as per Twelfth Schedule	Rate of Tax
Persons importing items (Materials & machinery) goods classified in Part I of the Twelfth Schedule	1%
Persons importing items (Parts & components) classified in Part I of the Twelfth Schedule	2%
Persons importing items (Parts & components) classified in Part II of the Twelfth Schedule	3.5%
Persons importing goods (all others) classified in Part II of the Twelfth Schedule	5.5%
Persons importing goods (all others) classified in Part III of the Twelfth Schedule	6%
Manufacturers covered restricted under SRO. 1125(I)/2011 importing items covered under SRO. 1125(I)/2011	1%
Persons importing finished pharma products, not manufactured locally as certified by the DRAP	4%
Import of CKD Kits of electrical vehicles for small cars or SUVs upto 50 kWh battery and LCVs upto 150 kWh battery	1%

Note: On the import value as increased by customs duty, sales tax and FED.
Note: No tax to be collected on the import of items covered in Clauses (12F) to (12M) of Part IV of Second Schedule

TAX ON SALES TO DISTRIBUTORS, DEALERS & WHOLESALERS BY MANUFACTURERS & COMMERCIAL IMPORTERS - Sec236G, Div XIV Pt IV 1st Sch

Activity/ Nature of Payment	Tax Rate	Nature of Tax
ATL Non-ATL		
Fertilizers (if on ATL under IT & ST)	0.25% N/A	
On sale of fertilizers	0.7% 1.4%	Advance Tax
All sectors other than fertilizer	0.1% 2%	

TAX ON SALES TO RETAILERS & WHOLESALERS BY MANUFACTURERS, DISTRIBUTORS, DEALERS, WHOLESALERS & COMMERCIAL IMPORTERS - Sec236H, Div XV Pt IV 1st Sch

Activity/ Nature of Payment	Tax Rate	Nature of Tax
ATL Non-ATL		
All Sectors	0.5% 2.5%	Advance Tax

CASH WITHDRAWAL - Section 231AB

Activity/ Nature of Payment	Tax Rate	Nature of Tax
ATL Non-ATL		
Cash Withdrawal exceeding Rs. 50,000 Per Day	0% 0.8%	Advance Tax

TAX ON PAYMENTS FOR DIGITAL TRANSACTIONS IN E-COMMERCE Section 6A, (Charging Provision), Section 153 (2A) (Withholding Provision)

Final Tax	Tax Rates
Digital Means or banking channels by payment-intermediary	1% of the gross amount
Cash on delivery by courier service	2% of the gross amount

Activity/ Nature of Payment

Tax Rate	Nature of Tax
ATL Non-ATL	

EXECUTION OF CONTRACTS - Sec153(f)(c), Div III Pt III 1st Sch.

Activity/ Nature of Payment	Tax Rate	Nature of Tax
ATL Non-ATL		
Received by Listed Companies	7.5% 15%	Adv. Tax
Received by Other Companies	7.5% 15%	
Received by sportspersons	15% 30%	Minimum Tax
Received by others	8% 16%	

BROKERAGE & COMMISSION - Sec233, Div II Pt IV 1st Sch

Activity/ Nature of Payment	Tax Rate	Nature of Tax
ATL Non-ATL		
Advertising commission	10% 20%	
Life Ins Comm. up to Rs. 0.5M p.a.	8% 16%	Minimum Tax
Others	12% 24%	

PRIZES AND WINNINGS - Sec156, Div VI Pt III 1st Sch

Activity/ Nature of Payment	Tax Rate	Nature of Tax
ATL Non-ATL		
On prize bonds & crossword puzzle	15% 30%	
Raffle, lottery, winning quiz & prizes on sales promotion schemes	20% 40%	Final Tax

PROFIT ON DEBT-Section 151, Div. IA Part III 1st Sch - WH Provision

Activity/ Nature of Payment	Tax Rate	Nature of Tax
ATL Non-ATL		
Profit on Debt / Yield	20% 40%	Minimum

PROFIT ON DEBT-Section 7B, Div. IIA Part I 1st Sch - Charging Provision

Activity/ Nature of Payment	Tax Rate	Nature of Tax
ATL Non-ATL		
Where yield is up to Rs. 5,000,000	20% 40%	
Where yield is above Rs.5,000,000	Normal Tax Regime	

Telephone Users - Section 236, 1st Schedule, Part-IV Division V

Activity/ Nature of Payment	Tax Rate	Nature of Tax
ATL Non-ATL		
Land Line bills exceeding Rs. 1000	10%	
Internet & Mobile Subscriptions	15% 75%	

SPECIAL TAX REGIME FOR SMALL & MEDIUM ENTERPRISES Section 2(59A) & 100E, Fourteenth Schedule

- Manufacturer SMEs registered with FBR or SMEDA.
- Provisions of section 113 will not be applicable.
- Tax deducted under section 153 will not be minimum tax.

Category	Opting NTR	Opting FTR
Annual turnover does not exceed Rs.100 M	7.5% of taxable income	0.25% of gross turnover
Annual turnover exceeds Rs. 100M but does not exceed Rs. 250M	15% of taxable income	0.5% of gross turnover
NTR or FTR once opted will be irrevocable for next 3 years		

SIMPLIFIED TAX REGIME FOR RETAILERS & SPECIFIED SERVICE PROVIDERS Section 99A & 235(1A) Div IV Part IV 1st Sch.

Applicability:	Nature: Final Tax
• Specified Service providers & Other than Tier - 1 Retailers	
• Tax will be in addition to WHT U/S 235	
• Not applicable - where tax U/S 3(9) of ST Act, 1990 has been paid	
Gross Monthly Bill	Tax
From To	
Up to 30,000	Rs. 3,000/-
30,001 50,000	Rs. 5,000/-
50,001 100,000	Rs. 10,000/-
Specified retailers and service providers through ITCO	Rs. 200,000/-

The Punjab Agricultural Income Tax Act, 1997

From To	Rate of Tax
Up to 600,000	0%
600,001 1,200,000	15% of amount exceeding Rs. 600,000
1,200,001 1,600,000	90,000 PLUS 20% on amount > Rs. 1.2M
1,600,001 3,200,000	170,000 PLUS 30% on amount > Rs. 1.6M
3,200,001 5,600,000	650,000 PLUS 40% on amount > Rs. 3.2M
Above 5,600,000	1,610,000 PLUS 45% on amount > Rs. 5.6M

Tax on Builders & Developers - Section 7F, 1st Sch, Part I & II

Business Activity	Taxable Profit
Construction & sale of residential, commercial or Other Building	10% of gross receipt
Development & sale of residential, commercial or Other Plots	15% of gross receipt
Above both (Construction & Development)	12% of gross receipt

Key Notes:



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