Tax Reductions, Rebates and Credits
Our Vision
To be a modern, progressive, effective, autonomous and credible organization for optimizing revenue by providing quality service and promoting compliance with tax and related laws

Our Mission
Enhance the capability of the tax system to collect due taxes through application of modern techniques, providing taxpayer assistance and by creating a motivated, satisfied, dedicated and professional workforce

Our Values
Integrity
Professionalism
Teamwork
Courtesy
Fairness
Transparency
Responsiveness

For assistance and information on tax matters
Please contact our help line center through
Toll Free Telephone 0800-00-227 and the following numbers
Telephone 051-111-227-227 or 051-111-227-228
Fax 051-9205593
E-mail helpline@fbr.gov.pk
or
Visit our tax facilitation center (located in all major cities) or any Regional Tax Office
or
Introduction

To reduce the effective tax rate for the deserving and to provide incentive for charitable donations, investments, etc., a number of tax reductions, rebates and credits are allowed by the Income Tax Ordinance, 2001. In this brochure, these are explained with examples for the understanding of the taxpayer.

We have used plain language to explain some common scenarios. If you need more help after reading this brochure, feel free to contact us for further details or information.

This brochure is to assist taxpayers and reflects the legal position at the time of printing. In case of conflict, the legal provisions of the law shall prevail over the contents of this brochure.

Comments and suggestions
We welcome your comments about this brochure and your suggestions for future editions.
You can e-mail us at memberfate@fbr.gov.pk or
You can write to us at the following address:
Member, Facilitation and Taxpayer Education,
Federal Board of Revenue,
Constitution Avenue,
Islamabad

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Tax reductions, rebates and credits

“Income tax payable” on taxable income is gross income tax (calculated on taxable income by applying applicable rate of income tax) as reduced by following tax reductions, rebates and credits:

- **Reduction in tax liability**;
- **Foreign tax credit**;
- **Tax credit on donations, investments etc.**;
- **Tax credit on exempt share from association of persons**;
- **Tax credit to a person registered under the Sales Tax Act, 1990**;
- **Tax credit for balancing, modernization and replacement of plant and machinery**;
- **Tax credit for enlistment of a Stock Exchange**; and
- **Tax credit for equity investment**

The claim of applicable tax reductions, rebates and credits substantially reduces effective tax rate and resultanty the income tax liability of a taxpayer. The same are discussed and explained in this brochure.

Reduction in tax liability

**Senior Citizen**

A taxpayer (an individual) is entitled to 50% reduction in tax liability subject to the following conditions:

- The age of the individual should be 60 years or more on the first day of the **tax year** (This means that for the **tax year** 2011 which corresponds to 12 months period of July 01, 2010 to June 30, 2011, the age as on July 01, 2010 should be of 60 years or more); and

- The **taxable income** should not exceed Rs. 1,000,000

**Example:**

1. **Tax Year** 2011
2. **Date of birth**  June 29, 1950
3. **Taxable income**  Rs. 900,000
4. **Gross income tax @ 15%**  Rs. 135,000
5. **Tax reductions**
6. **Senior citizen - 50% of Gross income tax (4)**  Rs. 67,500
7. **Income tax payable [4 minus 6]**  Rs. 67,500

* as applicable to a non-salaried taxpayer, assuming that the salary income is less than 50% of taxable income

[Clause (1A) of Part III of 2nd Schedule to the Income Tax Ordinance, 2001]

**Full time teacher or full time researcher – Reduction in tax liability**

A taxpayer (an individual) is entitled to a further 40% reduction in tax liability subject to the following conditions:

- He/she should be a **full time** teacher or researcher; and

- He/she should be employed in:
  - A non-profit education or research institution duly recognized by:
    Higher Education Commission;
    A Board of Education recognized by Higher Education Commission; or
    A University recognized by Higher Education Commission; or
  - Government training and research institutions

**Example:**

1. **Tax Year** 2011
2. **Date of birth**  June 29, 1950
3. **Salary**  Rs. 600,000
4. **Other sources**  Rs. 100,000
5. **Total income** [4 plus 5]  Rs. 700,000
6. **Deductible allowances**
7. **Zakat**  Rs. 10,000
8. **Taxable income** [6 – 8]  Rs. 690,000
9. **Gross income tax @ 6%**  Rs. 41,400
10. **Tax reductions**
11. **Senior citizen 50% of gross income tax (10)**  Rs. 20,700
12. **Teacher/Researcher (as per calculations below)**  Rs. 10,125
13. **Income tax payable [10 minus 12 minus 13]**  Rs. 10,575

* as applicable to a salaried taxpayer, since salary income is more than 50% of taxable income
Calculation of 40% tax reduction for a full time teacher or a full time researcher.

15. Income from salary Rs. 600,000
16. Gross income tax on salary @ 4.5% Rs. 27,000
17. Senior citizen reduction 50% of gross income tax (16) Rs. 13,500
18. Income tax payable on salary [16 minus 17] Rs. 13,500
19. Teacher or Researcher Reduction 40% of income tax payable on salary (18) Rs. 10,125

Yield or profit on Behbood and Pensioners Certificates/Accounts – Reduction in tax liability

Profit on debt (yield or profit) on Behbood and Pensioners’ certificates or accounts under the National Savings Scheme are not subject to deduction of tax at source and are chargeable to tax as total/taxable income. This is contrary to all other profit on debts which are subject to deduction of tax at source at the rate of 10% and the tax so deducted is the final tax, except for a company.

As a result thereof, in certain cases, where the taxable income falls into a higher tax bracket, the rate of tax on the yield or profit on Behbood and Pensioners certificates or accounts may be more than 10% as applicable on other profit on debts.

Accordingly, if the proportionate income tax payable on profit on debt (yield or profit) form Behbood and Pensioners Certificates or Accounts exceeds 10%, a reduction in income tax liability is allowed to the extent of such excess. As a result the tax on such profit on debt (yield or profit) is restricted to 10%.

Example:

1. Tax Year 2011
2. Date of birth June 29, 1950
3. Chargeable income from:
   4. Salary Rs. 450,000
   5. Other sources Rs. 475,000
   6. Yield of Behbood and/or Pensioner Certificate or Accounts Rs. 175,000
7. Total income [4 plus 5 plus 6] Rs. 1,100,000
8. Deductible allowances
   9. Zakat Rs. 10,000
10. Taxable income [7 minus 9] Rs. 1,090,000
11. Gross income tax @ 20%* Rs. 218,000

* As applicable to a non-salaried taxpayer, since salary income is less than 50% of taxable income

** Since, taxable income exceeds Rs. 1,000,000

*** Assuming the taxpayer is not a teacher or researcher

Calculation of Reduction in tax liability on Yield or profit on Behbood and Pensioners Certificates / Accounts

17. Income tax payable (11) as reduced by senior citizen reduction (13) and teacher or researcher reduction (14) Rs. 218,000
18. Proportionate income tax payable on yield or profit of Behbood and/or Pensioners Certificates or Accounts [17 divided by 10 multiply by 6] Rs. 35,000
19. Maximum income tax payable at the rate of 10% on yield or profit of Behbood and/or Pensioners Certificates or Accounts [6 multiply by 10%] Rs. 17,500
20. Reduction in tax liability on yield or profit on Behbood and/or Pensioners Certificates / Accounts [18 minus 19] Rs. 17,500

[Clause (5) of Part III of 2nd Schedule to the Income Tax Ordinance, 2001]
Foreign tax credit

Foreign tax credit, in respect of foreign source income chargeable to tax of a resident person is allowed of an amount lesser of:

- The foreign income tax including foreign withholding tax which is paid within two years after the end of the tax year in which the foreign source income to which the tax relates was derived; or

- The Pakistan tax payable in respect of such income.

“Foreign income tax” means a levy of tax, if it requires a compulsory payment pursuant to the authority of the foreign country to levy taxes, which is substantially equivalent to the income tax imposed under the Ordinance (Rule 15) but does not include:

- A penalty, fine, interest or similar obligation;

- A levy of tax to the extent a person receives or is entitled to receive, directly or indirectly, a specific economic benefit from the foreign country in exchange for the payment pursuant to the levy;

“Pakistan tax payable” means proportionate tax attributable to net foreign source income chargeable to tax in a tax year, computed by applying the average rate of Pakistan income tax for that year

“Average rate of Pakistan income tax” means the percentage that the Pakistani income tax (before allowance of foreign tax credit) is applicable to the taxable income of the taxpayer for the year;

“Net foreign-source income” means the total foreign source income chargeable to tax, as reduced by any deductions allowed against foreign source income under the Ordinance that –

- Relate exclusively to the derivation of the foreign source income; and

- Are reasonably related to the derivation of foreign source income in accordance with apportionment of deductions and the applicable Rules.

Where, a taxpayer has foreign source income under more than one head of income or subclassification of income from business, the foreign source income, deductible expenditures, net foreign source income, foreign income tax paid, etc. are determined separately for each head of income and subclassifications of income from business (non-speculation business income and speculation business income) as well.

To claim a foreign tax credit, an application, in the form prescribed by Rule 16 accompanied by following documents, is required to be submitted along with the return of income:

- A declaration by the payer of the income that tax has been deducted; and

- A certified copy of the receipt that the payer has received from the foreign tax authority for the deducted tax or such secondary evidence of the deduction acceptable to the Commissioner; and

- In any other case the original or a certified copy of the receipt that the taxpayer has received from the foreign tax authority for the tax paid.

Foreign tax credit or part of a tax credit allowed for a tax year that can not be adjusted against the income tax payable for that year is neither refunded nor carried forward to a subsequent tax year or carried back to a preceding tax year.

Example – See Annexure – I

[Section 103 of the Income Tax Ordinance, 2001]
Tax credit for Charitable donation, Investment in shares and life insurance, Contribution or premium paid to an Approved Pension Fund and Profit on debt etc.

A taxpayer is entitled for a tax credit (rebate in income tax payable) on eligible amounts of Charitable Donation, Investment in Shares, Investment in Life Insurance (with effect from tax year 2012), Contribution to an Approved Pension Fund and Profit on Debt Etc. (subject to certain conditions and restrictions discussed and explained under the respective headings of eligible amounts).

“Tax Credit” (rebate in income tax payable) is calculated at the average rate of income tax payable on eligible amounts.

“Average Rate of Income Tax Payable” for the purposes of calculation of this tax credit is the ratio of tax assessed (gross income tax as reduced by reductions in tax liability, if any) to the taxable income. Thus the amount of this tax credit (rebate in income tax payable) is calculated as under:

\[
\text{Gross income tax} \quad \text{Minus} \quad \text{Reduction in tax liability} \\
\text{Multiply by} \quad \text{Total eligible amounts} \\
\text{Divided by} \quad \text{Taxable income}
\]

Example

1. Taxable income \(\text{Rs. 500,000}\)
2. Gross income tax. \(\text{Rs. 50,000}\)
3. Reduction in tax liability (assumed) \(\text{Rs. 6,000}\)
4. Balance income tax \(\text{Rs. 44,000}\)
5. Total eligible amounts for tax credit \(\text{Rs. 60,000}\)
6. Tax credit (4 multiply by 5 divided by 1) \(\text{Rs. 5,280}\)

“Eligible Amount” of charitable donation for the purposes of tax credit is lower of:

- Amount of charitable donations; or
- 30% of taxable income of an individual or association of persons and 20% of the taxable income of a company.

<table>
<thead>
<tr>
<th>Example I</th>
<th>Example II</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Amount of charitable donations</td>
<td>Rs. 40,000</td>
</tr>
<tr>
<td>2. 30% of taxable income</td>
<td>Rs. 30,000</td>
</tr>
<tr>
<td>3. Eligible amounts (lower of 1 or 2)</td>
<td>Rs. 30,000</td>
</tr>
</tbody>
</table>

The limit of 20% and 30% of the taxable income stated above does not apply to donations made to Agha Khan Hospital and Medical College, Karachi.

“Charitable Donations” for the purpose of tax credit means amount paid through crossed cheque drawn on a bank or fair market value of any property given in kind as donation to:

- Any board of education or any university in Pakistan established by, or under, a Federal or a Provincial law;
- Any educational institution, hospital or relief fund established or run in Pakistan by Federal Government or a Provincial Government or a local Government; or
- A non-profit organization.

Non-profit organization is an organization formed or registered under any law and approved by the Commissioner [under sub-section (26) of section 2], which is established for religious, educational, charitable, welfare or development purposes, or for the promotion of an amateur sport.

[Section 61 of the Income Tax Ordinance, 2001]
“Eligible Amount” of Investment in Shares and Life Insurance for the purposes of tax credit is lower of:

- Amount of investment in new offered shares and Life Insurance; or
- 10% of the taxable income for the tax year 2011 and 20% of the taxable income with effect from tax year 2012; or
- Rs. 300,000 for tax year 2011 and Rs. 100,000 with effect from tax year 2012.

Example I | Example II
---|---
1. Amount invested in shares and life insurance | Rs. 305,000 Rs. 5,000
2. 10% of taxable income as applicable for 2011 | Rs. 15,000 Rs 15,000
3. Maximum eligible amount as applicable for 2011 | Rs. 300,000 Rs. 300,000
4. Eligible amount (lower of 1, 2 or 3) | Rs. 15,000 Rs. 5,000

“Investment in Shares” used above, for the purpose of tax credit means cost of acquiring:

- New shares offered to public by a public company listed on a stock exchange in Pakistan, as an original allottee; or
- Shares acquired from the Privatization Commission of Pakistan.

“Investment in Life Insurance” used above for the purpose of tax credit means life insurance premium paid on a policy to a Life Insurance Company registered by the Securities and Exchange Commission of Pakistan under the Insurance Ordinance, 2000.

Tax credit for investment in shares is available only to:

- An individual (for the tax year 2011);
- A resident individual with effect from tax year 2012; and
- An association of persons.

Tax credit for investment in Life Insurance is available only to a resident individual deriving income chargeable to tax under the head ‘salary’ or ‘income from business’, and with effect from tax year 2012.

Example I | Example II
---|---
1. Amount of contribution or premium | Rs. 205,000 Rs. 5,000
2. 20% of taxable income | Rs. 15,500 Rs 15,000
3. Maximum eligible amount as applicable for 2011 | Rs. 500,000 Rs. 500,000
4. Eligible amount (lower of 1, 2 or 3) | Rs. 15,500 Rs. 5,000

“Approved Pension Fund” means approved under the Voluntary Pension System Rules, 2005.

Eligible Person for tax credit means an individual who is:

- A Pakistani National;
- Holding a valid National Tax Number (NTN); or Computerized National Identity Card (CNIC) or National Identity Card for Overseas Pakistanis (NICOP) issued by the National Database and Registration Authority; and
- Derives income chargeable under the head “salary” or “income from business”.

Contribution or premium does not include transfer of existing balance from approved employment pension or annuity scheme or approved occupational saving scheme to individual pension accounts maintained with one or more pension fund managers.

[Section 63 of the Income Tax Ordinance, 2001]
“Eligible Amount” of Profit on Debt etc. for the purposes of tax credit is lower of:

- Amount of profit on debt etc.;
- 50% of the taxable income; or
- Rs. 750,000

<table>
<thead>
<tr>
<th>Example I</th>
<th>Example II</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Amount of profit etc.</td>
<td>Rs. 20,000</td>
</tr>
<tr>
<td>2. 50% of taxable income</td>
<td>Rs. 25,000</td>
</tr>
<tr>
<td>3. Maximum eligible amount</td>
<td>Rs. 750,000</td>
</tr>
<tr>
<td>4. Eligible amount</td>
<td>Rs. 20,000</td>
</tr>
</tbody>
</table>

“Profit on debt etc.” for the purpose of tax credit means profit or share in rent and share in appreciation of value of house paid on a loan or advance for the construction of a new house or the acquisition of house obtained from the following:

- Scheduled bank;
- Non-banking finance institution regulated by Securities and Exchange Commission of Pakistan;
- Statutory body;
- Public company listed on a registered stock exchange in Pakistan; or

[Section 64 of the Income Tax Ordinance, 2001]

**Surrender of Tax Credit**

Where a tax credit for investment in shares has been allowed in an earlier tax year and the shares are disposed of within 36* months from the date of acquisition, the amount of tax credit allowed earlier has to be surrendered in the year of disposal.

* This is with effect from tax year 2012. Earlier the time limit was 12 months.

[Sub-section (3) Section 62 of the Income Tax Ordinance, 2001]
Tax credit for exempt share from association of persons

In case of a company

For the purposes of computing the *Income tax payable* by a “company” which is member of an *association of persons*:

- The exempt share of profits from the *association of persons* is added to the *taxable income* of the *company*; and
- A tax credit is allowed equal to the proportionate share of the *company* in the *income tax payable* by the *association of persons* calculated in accordance with the following formula:

  - *Income tax payable* by the *association of persons*; divided by.
  - *Taxable income* of the *association of persons*; multiplied by.
  - Amount of exempt share of profits from the *association of persons*.

Example

1. **Taxable income** of AOP Rs. 500,000
2. **Income tax payable** by AOP Rs. 125,500
3. Share of the *company* in the profits of AOP
   a. Percentage 25%
   b. Amount Rs.125,000
4. Tax credit
   [2 divided by 1 multiplied by 3(b)] Rs. 31,250

[Section 88A of the Income Tax Ordinance, 2001]

Tax credit to a person registered under the Sales Tax Act, 1990

A *person* being manufacturer:

- Who is registered under the Sales Tax Act, 1990; and
- Whose sales (at least 90%) are to persons registered under the Sales Tax Act, 1990; and
- Who provides complete details of persons to whom the sales are made;

is entitled to a tax credit of 2.5% of the *income tax payable*.

This effectively means:

- **Gross income tax**; minus
- **Reduction in tax liability**; minus
- **Foreign tax credit**, minus
- **Tax credit on donations, investments etc.**, minus
- **Tax credit on exempt share from association of persons**; multiplied by

  - 2.5%; is equal to
  - Tax credit (rebate in tax) for manufacturers fulfilling the above conditions).

Example

1. **Taxable income** Rs. 1,000,000
2. Gross income tax Rs. 150,000
3. **Reductions in tax liability**, if any Rs. 20,000
4. **Foreign tax credit**, if any Rs. 10,000
5. **Tax credit on donation, etc.**, if any Rs. 15,000
6. **Tax credit on exempt share from association of persons**, if any Rs. 5,000
7. Balance *income tax payable* Rs. 100,000
8. **Tax credit (for a person registered under Sale Tax Act, 1990 and fulfilling the applicable conditions)** [8 multiply by 2.5%] Rs. 2,500
9. **Income tax payable** [7 minus 8] Rs. 87,500
Tax credit for balancing, modernization and replacement of plant and machinery

Tax credit equal to 10% of the amount invested in the acquisition of plant and machinery for purposes of balancing, modernization and replacement (BMR) is admissible against the income tax payable subject to the following conditions:

- The balancing, modernization and replacement is carried on:
  - In an industrial undertaking set up in Pakistan and owned by a company;
  - In an already installed plant and machinery;
  - Between July 01, 2010 to June 30, 2015;

- The tax credit is admissible in the tax year in which such plant and machinery is installed; and

- The un-adjusted amount of such tax credit can be carried forward and adjusted against the tax payable in the following two tax years.

"Industrial undertaking" means –

a. an undertaking which is set up in Pakistan and which employs,
   (i) ten or more persons in Pakistan and involves the use of electrical energy or any other form of energy which is mechanically transmitted and is not generated by human or animal energy; or
   (ii) twenty or more persons in Pakistan and does not involve the use of electrical energy or any other form of energy which is mechanically transmitted and is not generated by human or animal energy;

b. any other industrial undertaking which the Federal Board of Revenue may by notification in the official Gazette, specify.

Tax credit for enlistment on a Stock Exchange

One time tax credit equal to 5% for the tax year 2011 and 15% with effect from tax year 2012 of the income tax payable is admissible to a company in the tax year in which it is listed on any registered Stock Exchange in Pakistan.

Example – Tax Year 2011

<table>
<thead>
<tr>
<th>Taxable income of the company</th>
<th>Rs. 1,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income tax payable @ 35%</td>
<td>Rs. 350,000</td>
</tr>
<tr>
<td>Tax credit for enlistment on a stock exchange @ 5% of income tax payable</td>
<td>Rs. 17,500</td>
</tr>
<tr>
<td>Net Income tax payable</td>
<td>Rs. 332,500</td>
</tr>
</tbody>
</table>

Example – Tax Year 2012

<table>
<thead>
<tr>
<th>Taxable income of the company</th>
<th>Rs. 1,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income tax payable @ 35%</td>
<td>Rs. 350,000</td>
</tr>
<tr>
<td>Tax credit for enlistment on a stock exchange @ 15% of income tax payable</td>
<td>Rs. 52,500</td>
</tr>
<tr>
<td>Net Income tax payable</td>
<td>Rs. 297,500</td>
</tr>
</tbody>
</table>

[Section 65C of the Income Tax Ordinance, 2001]
Tax credit for equity investment in newly established industrial undertaking

Tax credit is admissible to a company formed for establishing and operating a new industrial undertaking including a corporate dairy farm for manufacturing in Pakistan, subject to the following conditions:

- The company:
  - Is registered/incorporated under the Companies Ordinance, 1984;
  - Has its registered office in Pakistan; and
  - Is incorporated between July 01, 2011 and June 30, 2016;

- The industrial undertaking:
  - Is setup between July 01, 2011 and June 30, 2016;
  - Is managed by a company formed for operating such industrial undertaking;
  - Is not established by splitting up or reconstruction or reconstitution of an undertaking already in existence or by transfer of machinery or plant from an industrial undertaking established in Pakistan at any time before July 01, 2011; and
  - Is set up with 100% equity owned by the company.

This tax credit is admissible in the tax year in which such industrial undertaking is setup or commercial production is commenced, which ever is later, and the following four years.

The amount of tax credit is equal to 100% of the Income Tax Payable on income arising from such industrial undertaking.

Example

1. **Tax Year**: 2012
2. Equity investment in establishing and operating an industrial undertaking **Rs. 100,000,000**
3. Tax year of setup or commencement of commercial production which ever is later **2012**
4. Taxable income **Rs. 10,000,000**
5. **Income tax payable @ 35%**: **Rs. 3,500,000**
6. Tax credit for equity investment in newly established industrial undertaking [100% of 5] **Rs. 3,500,000**
7. **Balance Income tax payable**: **Rs. Nil**

[Section 65D of the Income Tax Ordinance, 2001]

Tax credit for equity investment in purchase and installation of plant and machinery for the purposes of balancing, modernization, replacement or expansion in an industrial undertaking established before July 01, 2011

Tax credit for purchase and installation of plant and machinery, for the purpose of balancing, modernization and replacement (BMR), or for expansion of the plant and machinery, already installed, in an industrial undertaking set up in Pakistan before July 01, 2011 is also available to a company, subject to the following conditions:

- Purchase of such plant and machinery is made with 100% equity investment;
- Purchase and installation of such plant and machinery is made any time between July 01, 2011 and June 30, 2016;

This tax credit is admissible in the tax year in which the plant or machinery is purchased and installed against the income tax payable for that year and where such tax credit can not be fully set off against the income tax payable for that year.

The amount of tax credit is equal to 100% of the proportionate Income tax payable on such equity investment and the total investment.

Example

1. **Tax Year**: 2012
2. Equity investment excluding equity investment for BMR **Rs. 100,000,000**
3. Equity investment for BMR: **Rs. 20,000,000**
4. Total equity investment **Rs. 120,000,000**
5. **Taxable income**: **Rs. 10,000,000**
6. **Income tax payable @ 35%**: **Rs. 3,500,000**
7. Tax credit for BMR through equity investment [6 divided by 4 multiplied by 3] **Rs. 583,333**
8. **Balance Income tax payable**: **Rs. 2,916,667**

[Section 65E of the Income Tax Ordinance, 2001]
Definitions:
Following terms used in this brochure are explained in our brochure "Basic Concepts of Tax on Income":

- Association of persons;
- Company
- Associations of persons
- Final tax
- Head of income;
- Person
- Resident
- Tax year
- Taxable income
- Total income
## FOREIGN TAX CREDIT

**Example**

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Pakistan source</th>
<th>Foreign source</th>
<th>Total Pakistan &amp; foreign source</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Non-speculation</td>
<td>Speculation</td>
<td>Capital</td>
</tr>
<tr>
<td></td>
<td>business</td>
<td>business</td>
<td>gains</td>
</tr>
<tr>
<td>Net income for the year</td>
<td>500,000</td>
<td>100,000</td>
<td>(200,000)</td>
</tr>
<tr>
<td>Brought forward losses</td>
<td>0</td>
<td>(50,000)</td>
<td>0</td>
</tr>
<tr>
<td>Income after B/F losses</td>
<td>500,000</td>
<td>50,000</td>
<td>(200,000)</td>
</tr>
<tr>
<td>Losses carried forward</td>
<td>0</td>
<td>0</td>
<td>(200,000)</td>
</tr>
<tr>
<td>Balance income</td>
<td>500,000</td>
<td>50,000</td>
<td>0</td>
</tr>
<tr>
<td>Pakistan income tax</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign tax</td>
<td>25,000</td>
<td>0</td>
<td>15,000</td>
</tr>
<tr>
<td>Proportionate Pakistan income tax</td>
<td>17,500</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Foreign tax credit</td>
<td>17,500</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Net income tax payable</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Facilitation and Taxpayer Education Material available on our website www.fbr.gov.pk

**Income Tax:**
- Income Tax Ordinance, 2001;
- Income Tax Rules, 2002;
- Income Tax Notifications (SRO’s issued by the Federal Government);
- Income Tax Circulars (Clarifications issued by the Federal Board of Revenue);
- Income Tax Forms (Registration form, return forms, withholding tax statements, tax deposit form);
- Computer Software (Withholding tax statements);
- Avoidance of Double Tax Treaties with other countries;
- Publications and brochures

**Sales Tax**
- Sales Tax Act, 1990;
- Sales Tax Rules, 2006;
- Sales Tax Special Procedure Rules, 2007;
- Sales Tax Special Procedure (Withholding) Rules, 2007
- Sales Tax Notifications (SRO’s issued by the Federal Government);
- Sales Tax General Orders;
- Sales Tax Circulars/Rulings (Clarifications issued by the Federal Board of Revenue);
- Sales Tax Forms (Registration form, return forms, tax deposit form);
- Computer Software (Refund claim);
- Publications and brochures

**Federal Excise Duty**
- Federal Excise Act, 2005;
- Federal Excise Rules, 2005;
- Federal Excise Notifications (SRO’s issued by the Federal Government);
- Federal Excise General Orders;
- Federal Excise Circulars/Rulings (Clarifications issued by the Federal Board of Revenue);
- Federal Excise Forms (Return forms);
- Publications and brochures

**On line information services:**
- Registration (Income Tax, Sales Tax and Federal Excise Duty);
- Registration Application Status (Income Tax and Sales Tax);
- Registered Taxpayers Verification (Income Tax and Sales Tax);
- Active taxpayers list;

**F A T E**
“Facilitation and Tax Education “
is the key to Voluntary Compliance
and
Voluntary Compliance is the key to
“Better Revenues”