GOVERNMENT OF PAKISTAN
REVENUE DIVISION
FEDERAL BOARD OF REVENUE
*****

Islamabad, the July 21, 2008.

NOTIFICATION
(Income Tax)

S.R.O.**766**(I)/2008.- In exercise of the powers conferred by sub-section (2) of section 53 of the Income Tax Ordinance, 2001 (XLIX of 2001), read with section 159 thereof, the Federal Government is pleased to direct that the following further amendments shall be made in the Second Schedule to the said Ordinance, namely:-

In the aforesaid Schedule, in Part II,-

(i) after clause (26), the following new clause shall be added, namely:-

"(27) The rate of tax to be paid under section 15 as specified under Division IV of Part I of First Schedule shall be as under:-

(a) in the case of individual and association of persons at S.Nos.3 and 4 of the Table-

S.No.	**Gross amount of rent**	**Rate of tax**
(1)	(2)	(3)
(3)	Where the gross amount of rent exceeds Rs.400,000 but does not exceed Rs.1,000,000	Rs.12,500 plus 7.5 per cent of the gross amount exceeding Rs.400,000;
(4)	Where the gross amount of rent exceeds Rs.1,000,000	Rs.57,500 plus 10 per cent of the gross amount exceeding Rs.1,000,000;

(b) in the case of company at S.Nos.2 and 3 of the Table-

S.No.	**Gross amount of rent**	**Rate of tax**
(1)	(2)	(3)
(2)	Where the gross amount of rent exceeds Rs.400,000 but does not exceed Rs.1,000,000	Rs.20,000 plus 7.5 per cent of the gross amount exceeding Rs.400,000;

(3)	Where the gross amount of rent exceeds Rs.1,000,000	Rs.65,000 plus 10 per cent of the gross amount exceeding Rs.1,000,000;

(ii) after clause (27), the following new clause shall be added, namely:-

"(28) The rate of tax to be deducted under section 155, as specified in Division V, Part III of First Schedule, shall be as under:-

(a) in the case of individual and association of persons at S.Nos.3 and 4 of the Table-

S.No.	**Gross amount of rent**	**Rate of tax**
(1)	(2)	(3)
(3)	Where the gross amount of rent exceeds Rs.400,000 but does not exceed Rs.1,000,000	Rs.12,500 plus 7.5 per cent of the gross amount exceeding Rs.400,000
(4)	Where the gross amount of rent exceeds Rs.1,000,000	Rs.57,500 plus 10 per cent of the gross amount exceeding Rs.1,000,000; and

(b) in the case of company at S.Nos.2 and 3 of the Table-

S.No.	**Gross amount of rent**	**Rate of tax**
(1)	(2)	(3)
(2)	Where the gross amount of rent exceeds Rs.400,000 but does not exceed Rs.1,000,000	Rs.20,000 plus 7.5 per cent of the gross amount exceeding Rs.400,000
(3)	Where the gross amount of rent exceeds Rs.1,000,000	Rs.65,000 plus 10 per cent of the gross amount exceeding Rs.1,000,000.".

[No.F.4(29)ITP/2004-Pt-I]

(USMAN KHALID MIRZA)
MEMBER (DIRECT TAXES)/ADDITIONAL SECRETARY