

PROPOSED TAX CARD

Withholding Taxes

RATE OF TAX ON PAYMENT OF SALARIES

[S 149]

Every employer is obliged to withhold tax at average rate while making payments against salary to employees. The slab rate of such deduction is given in “[Tax Card for Salaried Individuals](#)”.

RATE OF TAX ON PAYMENT OF SUPPLIES, SERVICES & CONTRACTS

[S 153]

Prescribed persons are obliged to withhold tax at the following rates while making payments against purchase of supplies, rendering of services & execution of contracts.

SN	PAYMENTS UNDER SECTION 153	RATE OF TAX
PAYMENT OF SUPPLIES [S 153(1a)]		
1.	Supply of Goods: other than supply of cigarette and pharmaceutical products	3.5%
2.	Supply of Goods: supply of cigarette	1.0%
3.	Supply of Goods: supply of pharmaceutical products	1.0%
PAYMENT OF SERVICES [S 153(1b)]		
1.	Rendering of Services: other than transport services	6.0%
2.	Rendering of Services: rendering of transport services	2.0%
PAYMENT OF CONTRACTS [S 153(1c)]		
1.	Execution of Contracts: other than a contract for the sale of goods or rendering of services	6.0%

RATE OF TAX ON PAYMENT OF RENT

[S 155]

Prescribed persons are obliged to withhold tax at the following rates while making payment for rent of the property.

SN	PAYMENTS UNDER SECTION 155	RATE OF TAX
INDIVIDUAL & AOPs		
1.	Where the gross amount of rent does not exceed Rs.150,000 .	Nil
2.	Where the gross amount of rent exceeds Rs.150,000 but does not exceed Rs.400,000 .	5% of gross amount exceeding Rs. 150,000.
3.	Where the gross amount of rent exceeds Rs.400,000 but does not exceed Rs.1,000,000 .	7.50% of the gross amount exceeding Rs. 400,000 plus Rs. 12,500.
4.	Where the gross amount of rent exceeds Rs.1,000,000 .	10% of the gross amount exceeding Rs. 1,000,000 plus Rs. 57,500.
COMPANIES		
1.	Where the gross amount of rent does not exceed Rs.400,000 .	5% of gross amount
2.	Where the gross amount of rent exceeds Rs.400,000 but does not exceed Rs.1,000,000 .	7.50% of the gross amount exceeding Rs. 400,000 plus Rs. 20,000
3.	Where the gross amount of rent exceeds Rs.1,000,000 .	10% of the gross amount exceeding Rs. 1,000,000 plus Rs. 65,000.