

TAX RATES AND ALLOWANCES

The following tax rates and information are to be used in answering the questions:

A.

Tax rates for individuals

where salary income exceeds 50% of taxable income for the tax year 2010

Taxable income	Rate of tax
Up to Rs. 200,000 *	0%
Rs. 200,001 – Rs. 250,000	0.50%
Rs. 250,001 – Rs. 350,000	0.75%
Rs. 350,001 – Rs. 400,000	1.50%
Rs. 400,001 – Rs. 450,000	2.50%
Rs. 450,001 – Rs. 550,000	3.50%
Rs. 550,001 – Rs. 650,000	4.50%
Rs. 650,001 – Rs. 750,000	6.00%
Rs. 750,001 – Rs. 900,000	7.50%
Rs. 900,001 – Rs. 1,050,000	9.00%
Rs. 1,050,001 – Rs. 1,200,000	10.00%
Rs. 1,200,001 – Rs. 1,450,000	11.00%
Rs. 1,450,001 – Rs. 1,700,000	12.50%
Rs. 1,700,001 – Rs. 1,950,000	14.00%
Rs. 1,950,001 – Rs. 2,250,000	15.00%
Rs. 2,250,001 – Rs. 2,850,000	16.00%
Rs. 2,850,001 – Rs. 3,550,000	17.50%
Rs. 3,550,001 – Rs. 4,550,000	18.50%
Rs. 4,550,001 – Rs. 8,650,000	19.00%
Rs. 8,650,001 and over	20.00%

* For a woman taxpayer, no tax is chargeable if taxable income does not exceed Rs. 260,000

B.

Tax rates for individuals

to whom the rates given in A are not applicable for the tax year 2010

Taxable income	Rate of tax
Up to Rs. 100,000*	0%
Rs. 100,001 – Rs. 110,000	0.50%
Rs. 110,001 – Rs. 125,000	1.00%
Rs. 125,001 – Rs. 150,000	2.00%
Rs. 150,001 – Rs. 175,000	3.00%
Rs. 175,001 – Rs. 200,000	4.00%
Rs. 200,001 – Rs. 300,000	5.00%
Rs. 300,001 – Rs. 400,000	7.50%
Rs. 400,001 – Rs. 500,000	10.00%
Rs. 500,001 – Rs. 600,000	12.50%
Rs. 600,001 – Rs. 800,000	15.00%
Rs. 800,001 – Rs. 1,000,000	17.50%
Rs. 1,000,001 – Rs. 1,300,000	21.00%
Rs. 1,300,001 and over	25.00%

* For a woman taxpayer, no tax is chargeable if taxable income does not exceed Rs. 125,000.

C.

Internally Displaced Persons Tax (IDPT)

For certain salaried individuals for the tax year 2010

IDPT on bonus	30%
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D.

Tax rates for companies

Tax year 2010

Public / private company	
On taxable income	35%
On Income from property	
Gross rent	
Up to	
Rs. 400,000	5%
Rs. 400,001 – Rs. 1,000,000	Rs. 20,000 plus 7.5% of amount exceeding Rs. 400,000
Rs. 1,000,001 and over	Rs. 65,000 plus 10% of amount exceeding Rs. 1,000,000

E.

Rates of deduction of tax at source

Sale of goods	3.5% of gross payment
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Execution of contract on payment to non-resident 6% of gross payment

F. Other tax rates

On dividends received from a company 10%

G. Capital allowances

Depreciation		
Buildings (all types)	10%	} of the tax written down value
Furniture and fittings	15%	
Plant and machinery (not otherwise specified)	15%	
Motor vehicles (all types)	15%	
Computer hardware	30%	
Initial allowance	50% of cost	