

**Government of Pakistan
Revenue Division
Federal Board of Revenue**

C.No. 4(5)ITR/06

Islamabad, August 19th, 2010

**Circular No. 12 of 2010
(Income Tax)**

Subject: - Computation of Income Tax Payable by the Salaried Taxpayers for Tax Year 2010 – Changes Made Through The Finance Act 2010 – Clarifications Regarding.

An amendment has been made in the provision of section 165 of Income Tax Ordinance 2001, whereby the requirement of filing of annual statement of deduction of withholding taxes has been done away with. Resultantly, annual withholding tax statements are no more required to be filed. Although this has been clarified through circular 11 of 2010, still it appears that certain ambiguity exists about the requirement of filing of annual withholding statements of deduction of tax from salary by the employers.

2. It is therefore, once again, clarified that under the provisions of section 118 of Income Tax Ordinance, it has been laid down that annual statement of deduction of tax from salaried persons having salaried income less than Rs 500,000/- per annum filed on or before 31st day of August next following the end of tax year to which the annual statement filed by employer relates, shall be deemed to be return of income.

3. It is therefore, required that annual withholding tax statements by the employers may be filed according by 31st August, 2010.

**(Dr. Muhammed Khurram)
Second Secretary (ITR)
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