Government of Pakistan
(Revenue Division)
Federal Board of Revenue
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C.No.4(4)ITP/2010 Islamabad February 24, 2010

Circular No. 03 of 2010
Income Tax

Subject: **FISCAL RELIEF TO REHABILITATE THE ECONOMIC LIFE IN NWFP, FATA AND PATA – SCHEME IN RESPECT OF ARREARS, WITHHOLDING TAXES AND WAIVER OF DEFAULT SURCHARGE AND PENALTY.**

In addition to the relief measures/incentives notified through Circular No.01 of 2010 issued under reference No.4(4)ITP/2010 dated 20th January, 2010, the following additional relief measures/incentives are notified:-

(i) Area comprising of District "Peshawar" shall stand included in the list of "most affected areas" and area comprising of District "Nowshera" shall stand included under "moderately affected areas", for the purpose of subject fiscal relief, as already notified under paragraph (ii) (a) & (b) of FBR's Circular No.01 of 2010 dated 20th January, 2010, and the areas under these two districts shall also be eligible, accordingly, to the relief measures/incentives as available under the provisions of Circular No.01 of 2010.

(ii) Last date for filing of income tax returns by the taxpayers in "most affected" and "moderately affected" areas has been extended upto 31st March, 2010 (Copy of the Circular is enclosed).

(iii) Basic exemption limit for returns of income tax be filed for tax years 2010 and 2011, in the cases of traders in most affected and moderately affected areas of NWFP, shall be available upto the income of Rs.300,000 (three lac);

(iv) Income of the educational institutions located in most affected and moderately affected areas shall be exempt for tax year 2010 and 2011;

(v) Cases of taxpayers located in most affected and moderately affected areas shall not be selected for Audit for the tax year 2010 and 2011;

(vi) Withholding income tax on import of plant and machinery shall be exempted upto 30th June, 2011 for the importers in most affected and moderately affected areas

2. Necessary amendments, where required, shall be incorporated under the Income Tax Ordinance, 2001, through Finance Act, 2010.

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