

**Government of Pakistan
Revenue Division
Federal Board of Revenue
[Inland Revenue Wing]**

C.No.4(14)ITP/2011

Date: September 12, 2011

**[Circular No. 11 of 2011]
[Income Tax]**

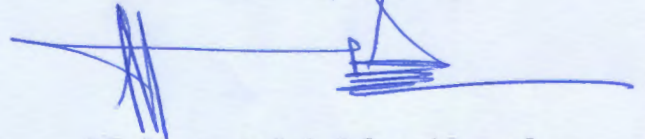
Subject: Payment of Surcharge @ 15% u/s 4A of the Income Tax Ordinance 2011, Levied vide Income Tax (Amendment) Ordinance, 2011 – Clarification Regarding

A surcharge @ 15% u/s 4A of the Income Tax Ordinance 2011, was levied vide Income Tax (Amendment) Ordinance, 2011, as a measure to raise additional revenues. Queries have been received in the Board suggesting multiple interpretations of Section 4A ibid.

2. Accordingly, in order to streamline the implementation of this time-bound provision, it is clarified that the surcharge u/s 4A is payable by all taxpayers on their tax liability for the T/Y 2011 irrespective of whether their tax year ends on 31st December, 2010, 30th June, 2011, or any other date.

3. However, it has been decided that the tax liability for the entire T/Y 2011 may not be subjected to imposition of surcharge and the same be levied on the proportionate liability for a period of three and a half months.

4. Thus, surcharge is to be computed @ 15% of the income tax payable for three months and a half on pro-rata basis and the tax liability inclusive of 15% surcharge so calculated is to be set off against the taxes withheld or collected in the tax year.



Muhammad Ashfaq Ahmed
Secretary
(Income Tax Policy)