

# HIGHLIGHTS OF BUDGET PROPOSALS 2024 - 2025



# KEY HIGHLIGHTS FROM FINANCIAL BUDGET 2025

- The revenue collection is estimated at Rs. 12,970 billion, 38% higher than the current year.
- The government expenditure is estimated at Rs. 18,877 billion.
- Out of which, Rs. 9,775 billion will be used for interest payment.
- The 3.4% GDP Growth rate is projected.
- The 12% average Inflation Rate is expected.
- Budget Deficit projected at 6.9%.
- Rs. 1500 of the budget is allocated for the Public Sector Development Program (PSDP), the highest in history.
- The minimum wage rate is increased to Rs. 36,000 from Rs. 32,000.
- The salaries of grade 1 – grade 16 staff will be increased by 25% and the salaries of grade 17 – grade 22 staff will be increased by 22%.
- The change of ideology from a Government-determined Economy to Market-Driven Economy.
- Record allocation of Rs. 1500 billion in funds for the Public Sector Development Program.
- Key interest of the government in promoting the IT sector and increasing IT exports.

# INCOME TAX

- The tax slab for salaried persons has been revised, and the minimum limit for tax exemption remains Rs. 600,000/-.
- A normal tax rate of 29% will be taxed for exporters.
- Advance income tax increased from 1% to 2.5% for Non-filer distributors, wholesalers, dealers and retailers.
- Advance income tax on Motor vehicle registration will be charged based on cost value, previously based on engine capacity.

# SALES TAX

- Tier-1 Retailer of leather and textile products will now charge 18% GST.
- The 18% sales tax will be imposed on all mobile phones.
- Bronze, Coal, Paper and Plastic scrap will be under sales tax withholding regime
- Iron and Steel scrap are exempt from sales tax
- The newly merged districts of FATA and PATA are not exempted from taxes after 01 July 2024.

# OTHER TAXES

- Capital Gain Tax on immovable property for non-Filer will be up to 45% and for Filer 15%.
- Same above-mentioned rate of Capital Gain Tax on Securities.
- Default Surcharge on unpaid sales tax and FED increased to KIBOR+3 from a fixed rate of 12%.
- Rs. 44,000/- per kg FED implemented on Acetate Tow (the raw material used for cigarette's filter)
- Increase in levy of Petroleum Products.
- The FED on Cement increased to Rs. 3 per kg from Rs. 2 per kg.
- The FED of 5% will be imposed on immovable property.
- Concession on import of seed & feed for aquaculture.
- To promote the solar panel industry, the concession on import of plant, machinery, and equipment, including the material used for manufacturing solar panels, batteries, and inverters.
- Removal of exemption on custom duties of hybrid cars.
- Increase of import duties on steel & paper industries.



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