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آسان لیکچر سیریز

LECTURE NO: 01 of the

Income Tax Ordinance 2001



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



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وَأَنَّ لَيْسَ لِلْإِنْسَانِ إِلَّا مَا سَعَى ﴿٣٩﴾ وَأَنَّ
سَعْيَهُ سَوْفَ يُرَى ﴿٤٠﴾ ثُمَّ يُجْزَاهُ الْجَزَاءَ
الَّذِي كَسَبَ ﴿٤١﴾

اور یہ کہ انسان کو وہی ملتا ہے جس کی وہ
کوشش کرتا ہے ﴿٣٩﴾ اور یہ کہ اس کی کوشش
دیکھی جائے گی ﴿٤٠﴾ پھر اس کو اس کا پورا
پورا بدلا دیا جائے گا ﴿٤١﴾

The beautiful verse of the holy Quran, Chapter 53 Surah

Najm verse 39-41:

Lecture By:

Mohammad Junaid
Inspector Inland Revenue @
Federal Board of Revenue



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The screenshot shows a web browser window with several tabs open: Facebook, Bing Microsoft Translat..., Inspector Inland Reven..., Inspector Inland Reven..., Blogger: Settings, and New Tab. The address bar shows the URL e.iiracademy.com. The website header features the logo of the Inspectors Inland Revenues Academy, which includes a circular emblem with a scale of justice and a checkmark, and the text "INSPECTORS INLAND REVENUES ACADEMY" in Arabic and English. Below the logo is a red banner with a white "e" icon and the text "Premium Student Portal".

The main navigation menu includes links for HOME, ENGLISH, INCOME TAX, SALES TAX, FED, ECONOMIC POLICIES & TAX REFORMS, and ONLINE MCQS TESTS. The page content is dated 28 September 2021 and features a prominent white box with the text "SALES TAX Lecture 19" in red and black, and a YouTube logo with the text "Watch & Listen On YouTube".

On the right side of the page, there is a search bar labeled "Search This Website" with a "Search" button. Below the search bar are sections for "Labels" and "Blog Archive". The "Labels" section lists categories: ECONOMIC POLICIES & TAX REFORMS, ENGLISH, FED, INCOME TAX, ONLINE MCQS TESTS, and SALES TAX. The "Blog Archive" section shows "September 2021 (20)" and "August 2021 (17)". A "Teachers" section lists "IIR Academy" and "Muhammad Asad".

The Windows taskbar at the bottom shows various application icons, including the Start menu, File Explorer, and several instances of Google Chrome. The system tray on the right indicates the time as 12:38 PM on 28/09/2021 and the language as ENG.

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For Instance Response E.Mail @

Junaid1020@Gmail.com

iTIME

Addiction



What is Tax

Definition;

**Tax is a
Charge Imposed
& collected by the State**

Why State Charge Tax

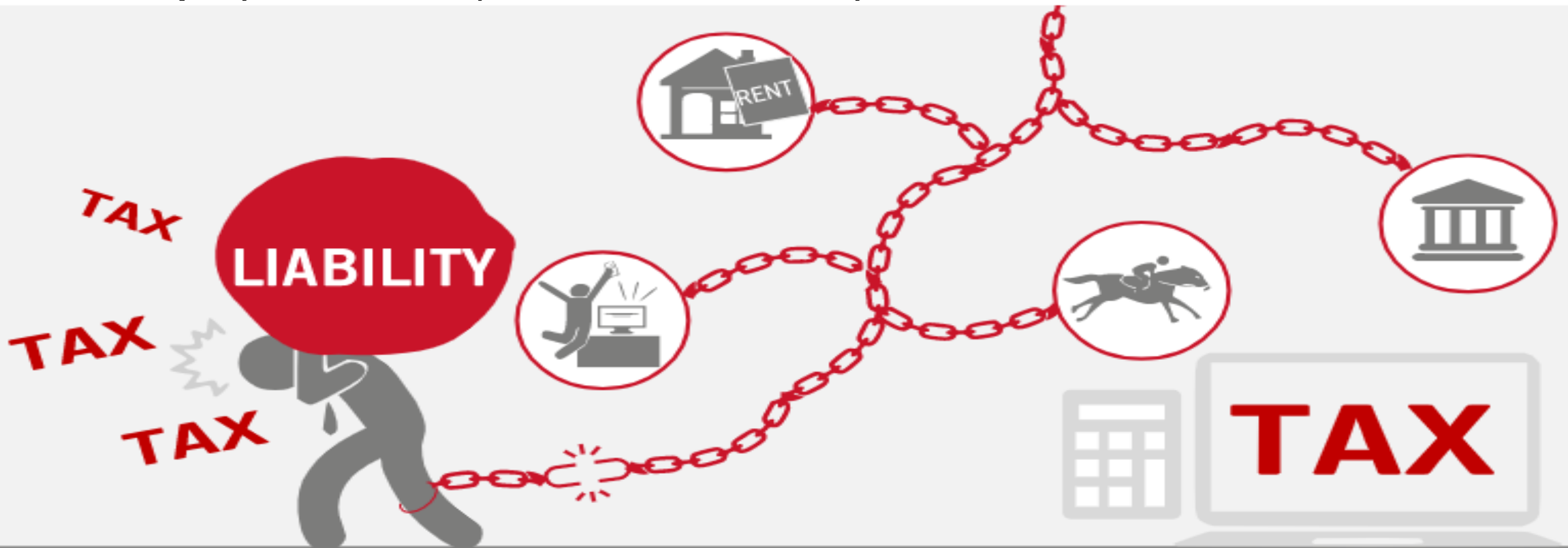
- Because we live in State, Get the many services of the state mostly free of Cost.
- Like Hospitals
- Education
- Security
- Roads

Govt Tax Charge Tax on Many Things



Govt Tax Charges May be;

- OnSpot >(Tax on Cold drink, mobile and tool tax)
- Monthly> (Dam charges in monthly bills)
- Yearly >(income tax, Vehicle token tax)

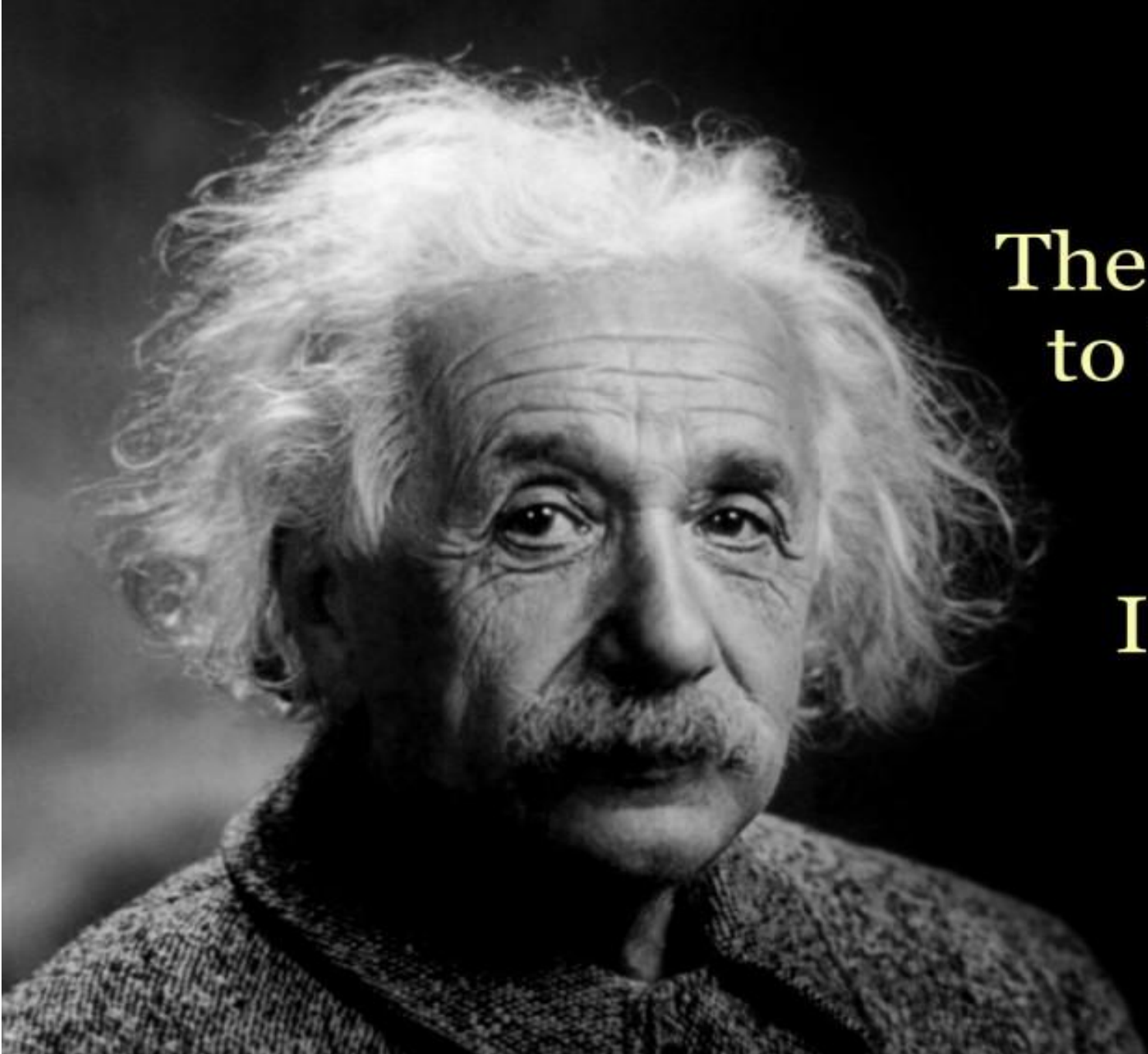




Income Tax

INCOME TAX



A black and white portrait of Albert Einstein, showing his characteristic wild, white hair and mustache. He is looking slightly to the right of the camera with a thoughtful expression. The background is dark and out of focus.

The HARDEST thing
to UNDERSTAND
in the world
is the
INCOME TAX.

Albert Einstein



Income Tax

INCOME TAX

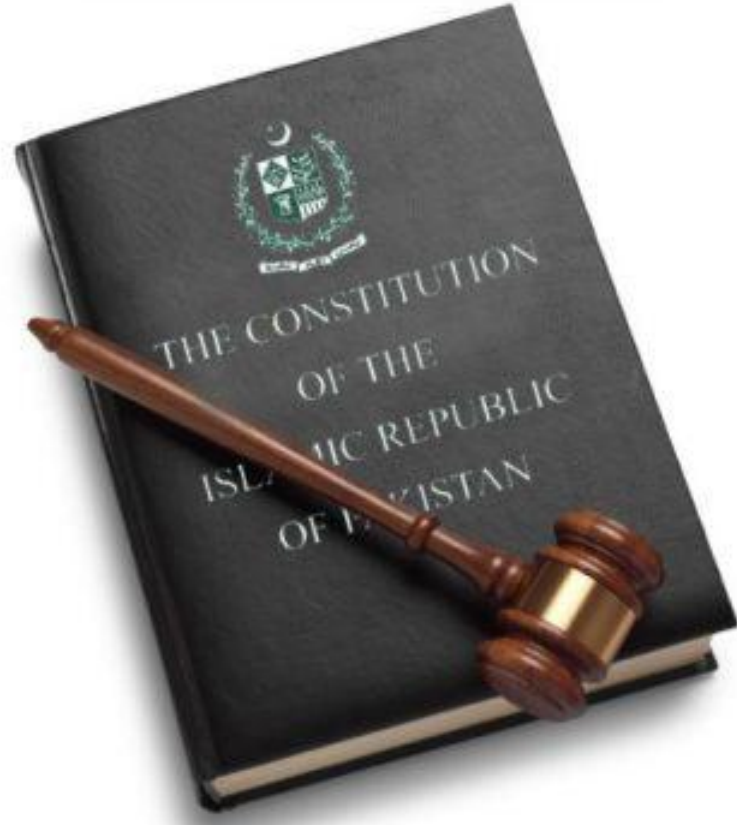


آمدنی پر ٹیکس - Tax on Income





آمدنی پر Tax on Income ٹیکس۔



Federal Govt

***Power to Charge
Tax on any Income
(Excluding
Agriculture income)***

Provincial Govt

***Power to Charge
Tax only on
Agriculture Income***

Federal tax Laws

**Income Tax
Ordinance 2001**

**انکم ٹیکس
آرڈیننس 2001**

Provincial tax Laws

**Punjab Agricultural Income
Tax Act 1997**

&

**Provincial Agriculture
Income tax Laws of other
Provinces**

آمدنی پر ٹیکس-Tax on Income

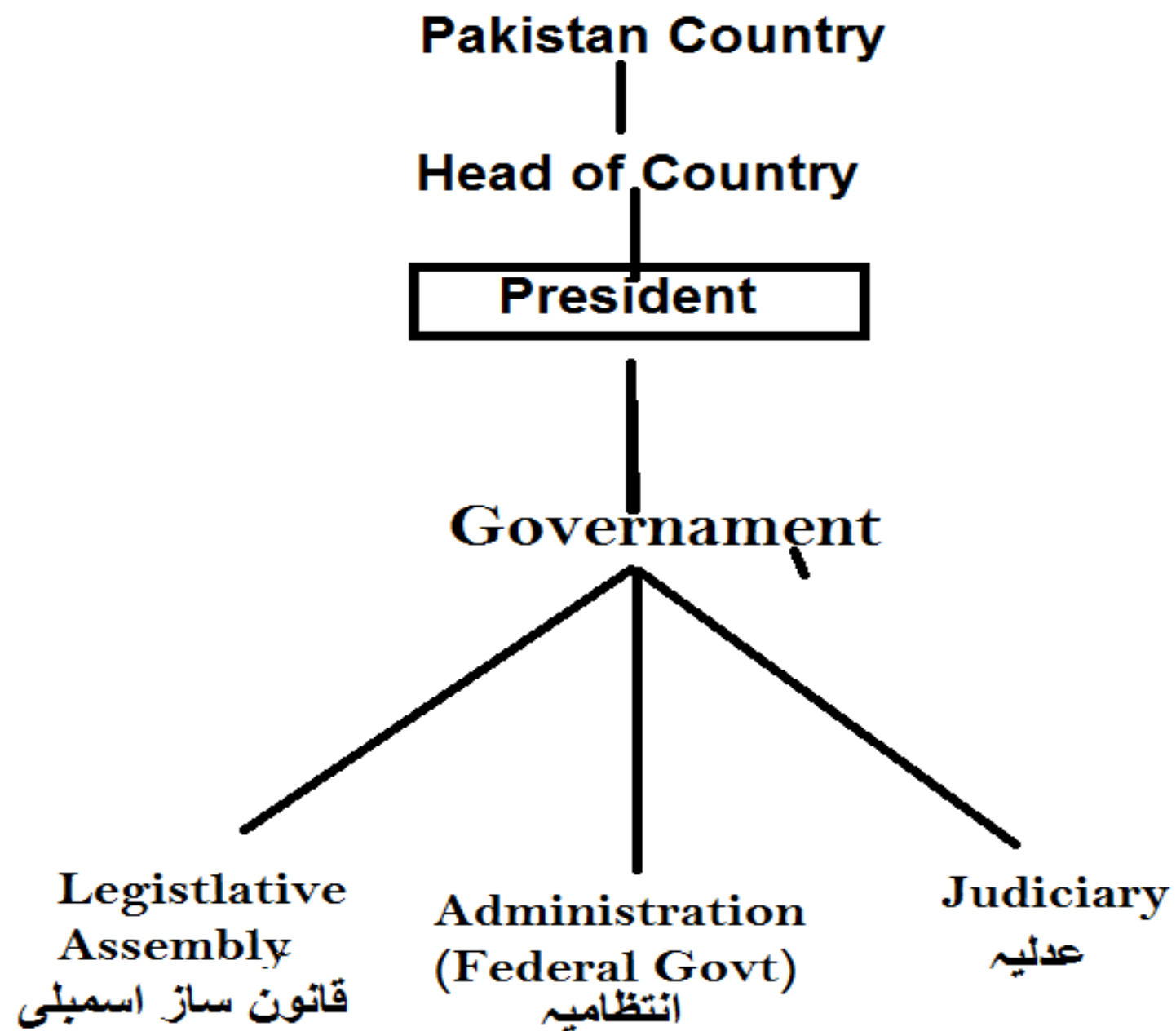
Income Tax Ordinance 2001

انکم ٹیکس آرڈیننس 2001

Sales Tax Act 1990
Federal excise Act 2005

Income Tax Ordinance 2001

انکم ٹیکس آرڈیننس 2001



Head of Country

President

Can Issue Order
(Ordinance)

Government

Legislative
Assembly

قانون ساز اسمبلی

Make Acts

Administration
(Federal Govt)

انتظامیہ

Judiciary

عدلیہ

STRUCTURE OF INCOME TAX ORDINANCE 2001

- ITO 2001 is divided into **C**hapters, **P**arts, **D**ivisions & **S**chedules.
- Chapters are divided into parts
- Parts are further divided into divisions
- **Schedules are also divided into parts & divisions.**

INCOME TAX ORDINANCE 2001

Total sections	242
Total Chapters	13
No. of schedules	14

INCOME TAX ORDINANCE 2001 Chapters

No	Chapter Name	Total Parts			
I	Preliminary	-			
II	Charge of Tax	-			
III	Tax on taxable income	X			
IV	Common rules	III			
V	Provisions governing persons	VA			

INCOME TAX ORDINANCE 2001 Chapters

VI	Special industries	II			
VII	International	IV			
VIII	Anti-avoidance	-			
IX	Minimum tax	-			
X	Procedure	XIII			
XI	Administration	III			
XII	Transitional advance tax provisions	-			
XIII	Miscellaneous	-			

The syllabus of inspector inland revenue is hereunder: -

Chapter III Complete & Part IV of Chapter X

Chapter III has following parts & divisions (Section 9 to 65E)

Part I – computation of taxable income

Part II- Head of Income: salary

Part III- Head of income: income from property

Part IV- Head of income: income from business

Part V-Head of income: Capital Gains

Part VI- Head of income: income from other sources

Part VII- Exemptions & Tax concessions

Part VIII- Losses

Part IX-Deductible Allowances

Part X- Tax Credits

Chapter X

Part IV- Collection & Recovery of Tax (Section 137-146B)

CHAPTER III
TAX ON TAXABLE INCOME

PART I
COMPUTATION OF TAXABLE INCOME

CHAPTER III

TAX ON TAXABLE INCOME

PART I

COMPUTATION OF TAXABLE INCOME

9. Taxable income.—The taxable income of a person for a tax year shall be the total income 1 [under clause (a) of section 10] of the person for the year reduced (but not below zero) by the total of any deductible allowances under Part IX of this Chapter of the person for the year.

9۔ قابل ٹیکس آمدنی۔— ٹیکس سال کے لئے کسی شخص کی قابل ٹیکس آمدنی اس شخص کی کل آمدنی 1 [سیکشن 10 کی شق (اے) کے تحت ہوگی جو سال کے لئے اس شخص کے اس باب کے حصہ نوں کے تحت کسی بھی کٹوتی الاؤنس کی کل کمی (لیکن صفر سے کم نہیں) ہوگی۔

10. Total Income.— The total income of a person for a tax year shall be the sum of

[(a) person's income under all heads of income for the year; and]

[(b) person's income exempt from tax under any of the provisions of this Ordinance.]

10۔ کل آمدن

(1) ٹیکس سال کے لئے کسی فرد کی کل آمدن درج ذیل کا مجموعہ ہوگی:-

(a) اس سال کے لئے آمدن کی تمام مدوں کے تحت اس فرد کی آمدن؛ اور

(b) اس آرڈیننس کی شرائط میں سے کسی کے تحت اس کی فرد کی ٹیکس سے مستثنیٰ رقم۔

9. Taxable income.—

Taxable Income Means
Total Income* reduced by (deductible allowances)

* (a) person's income under all heads of income for the year; and]

Types of INCOME

Taxable Income

Non Taxable Income /Exempt Income **مستثنیٰ۔ چھوٹ**

What is Total Income

Taxable Income

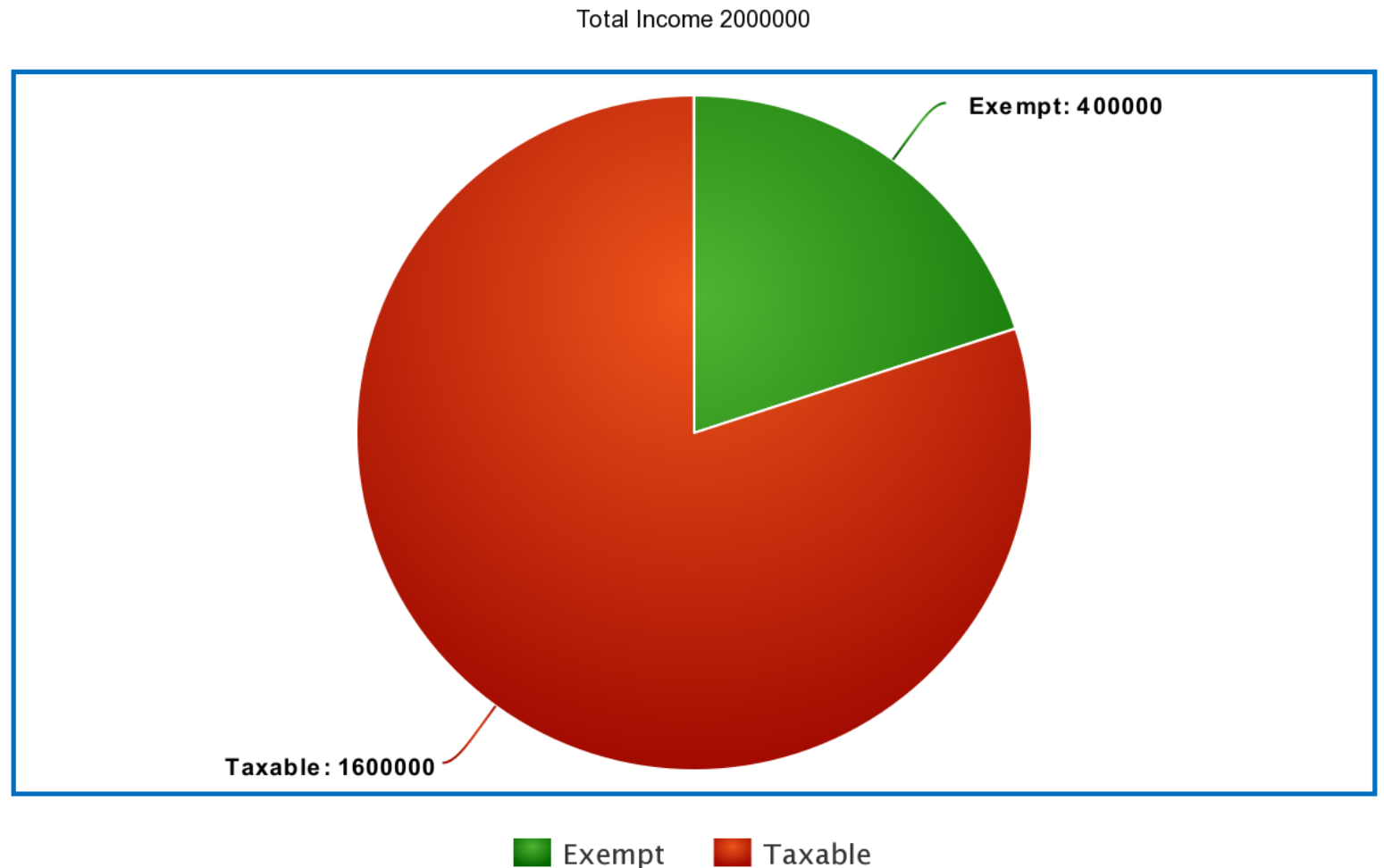
+

Exempt Income

= Total income

What is Exempt Income

$$\begin{array}{l} \text{Taxable Income} \\ + \text{Exempt Income} \\ = \text{Total income} \end{array}$$



General Taxable Income Definition

Taxable income is the amount of income used to calculate the taxes owed by an individual or Company

Taxable income is frequently referred to as adjusted income minus deductions

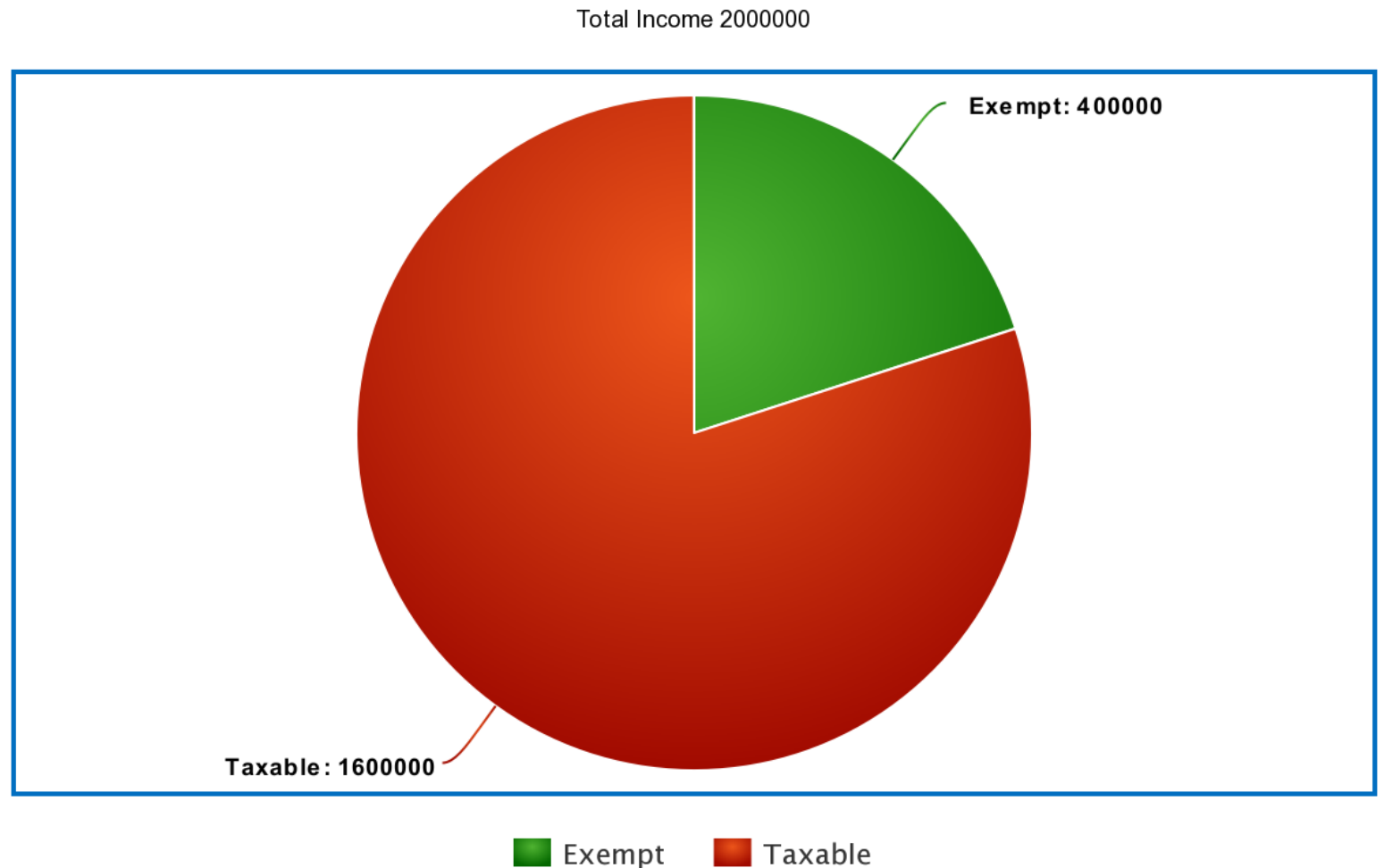
9. Taxable income.—

Taxable Income Means
Total Income* reduced by (deductible allowances)

* (a) person's income under all heads of income for the year; and]

What is Taxable Income

$$\begin{array}{l} \text{Taxable Income} \\ + \text{Exempt Income} \\ = \text{Total income} \end{array}$$



9. Taxable income.—

Taxable Income Means
Total Income* reduced by (deductible allowances)

کٹوتی (Deduct) کٹوتی کے قابل۔

اجازت قابل Allowances > Allowable
اجازت ہے۔ > Permitted

Business Income

Total Income = 500000

Rent 5000

Phone 5000

Salaries 200000

Employee Party 50000

Advertisement 50000

= Total Expense 310000

Deductible Allowances

Business Expenses



Rent



Telephone &
Internet Expenses



Salaries



Travelling & Conveyance

Examples



Printing & Stationery

Business Income

Total Income = 500000

Rent 5000

Phone 5000

Salaries 200000

Employee Party 50000

Advertisement 50000

= Total Expense 310000

Green are Deductible Allowances

Red are Non-Deductible Allowances

Deductible Allowances

Business Expenses



Rent



Telephone & Internet Expenses



Salaries



Travelling & Conveyance

Examples



Printing & Stationery

Sources of Income

Sources of Income

11. Heads of income.— (1) For the purposes of the imposition of tax and the computation of total income, all income shall be classified under the following heads, namely: —

- (a) Salary;
- ⁵[(b) Income from Property;]
- ⁶[(c) Income from Business;]
- ⁷[(d) Capital Gains; and]
- ⁸[(e) Income from Other Sources.]

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Thanks

شکریہ