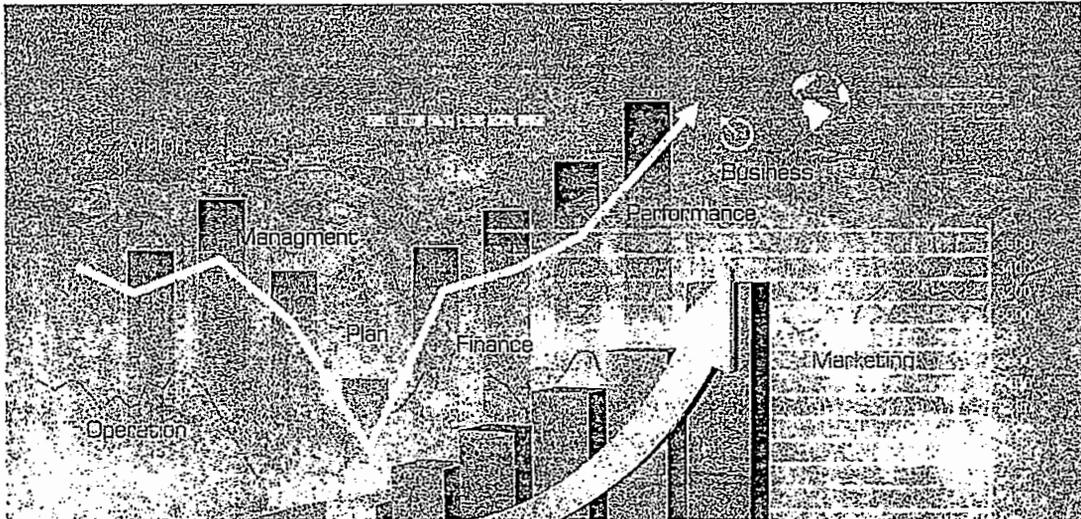


SENATE OF PAKISTAN



REPORT OF THE SENATE STANDING COMMITTEE ON FINANCE AND REVENUE



REPORT OF THE SENATE STANDING COMMITTEE ON FINANCE AND REVENUE ON "THE INCOME TAX (SECOND AMENDMENT) BILL, 2025" REFERRED BY THE HOUSE ON 22ND MAY, 2025

PRESENTED BY
SENATOR SALEEM MANDVIWALLA
CHAIRMAN COMMITTEE

SENATE SECRETARIAT

REPORT OF THE SENATE STANDING COMMITTEE ON FINANCE AND REVENUE ON "THE INCOME TAX (SECOND AMENDMENT) BILL, 2025" REFERRED BY THE HOUSE IN ITS SITTING HELD ON 22ND MAY, 2025

I, Senator Saleem Mandviwalla, Chairman, Standing Committee on Finance, and Revenue, have the honour to present, on behalf of the Committee, this report on "The Income Tax (Second Amendment) Bill, 2025", introduced by Dr. Tariq Fazal Chaudhary, Minister for Parliamentary Affairs, on behalf of Senator Muhammad Aurangzeb, Minister for Finance and Revenue, and referred by the house on 22nd May, 2025 to the Committee for Consideration and report within ten days.

2. The composition of the Standing Committee is given as under: -

1. Senator Saleem Mandviwalla	Chairman
2. Senator Farooq Hamid Naek	Member
3. Senator Sherry Rehman	Member
4. Senator Mohsin Aziz	Member
5. Senator Syed Shibli Faraz	Member
6. Senator Anusha Rahman Ahmad Khan	Member
7. Senator Shahzaib Durrani	Member
8. Senator Fesal Vawda	Member
9. Senator Ahmed Khan	Member
10. Senator Manzoor Ahmed	Member
11. Senator Syed Faisal Ali Subzwari	Member
12. Senator Muhammad Abdul Qadir	Member
13. Minister for Finance and Revenue	Ex-Officio Member

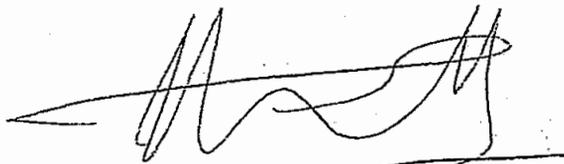
3. The Committee considered the said Bill in its meeting held on 29th May, 2025, at 3:00 p.m. in Committee Room No.1, Parliament House, Islamabad. The meeting was attended by the following Members:-

1. Senator Saleem Mandviwalla	Chairman
2. Senator Mohsin Aziz	Member
3. Senator Manzoor Ahmed	Member
4. Senator Muhammad Abdul Qadir	Member

4. After detailed discussion and deliberation, the Committee made no further recommendations to the Bill and unanimously agreed with the proposed amendment by the Government.
6. The Committee also gave approval for presentation of this report to the House. Copy of the Bill is annexed.



(IFFAT MUSTAFA)
Secretary Committee



(SENATOR SALEEM MANDVIWALLA)
Chairman Committee

[AS INTRODUCED IN THE NATIONAL ASSEMBLY]

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BILL

further to amend the Income Tax Ordinance, 2001

WHEREAS, it is expedient further to amend the Income Tax Ordinance, 2001 (XLIX of 2001); in the manner and for the purposes hereinafter appearing;

It is hereby enacted as follows: —

1. **Short title and commencement.** — (1) This Act shall be called the Income Tax (Second Amendment) Act, 2025.

(2) It shall, unless provided otherwise, come into force at once.

2. **Amendment of Second Schedule of the Ordinance XLIX of 2001.** — In the Income Tax Ordinance, 2001 (XLIX of 2001), in the Second Schedule, in Part III, after omitted clause (3), the following new clause shall be inserted, namely: —

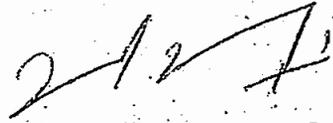
“(3A) The tax payable by a full-time teacher or a researcher, employed in a non-profit education or research institution duly recognized by the Higher Education Commission, a Board of Education or a University recognized by the Higher Education Commission, including government research institution, shall be reduced by an amount equal to 25% of tax payable on his income from salary:

Provided that this clause shall not apply to teacher of medical profession who derive income from private medical practice or who receive share of consideration received from patients:

Provided further that the provision of this clause shall be deemed to have taken effect on and from the 1st day of July, 2022 and shall cease to have effect after tax year 2025.”

Statement of Objects and Reasons

The purpose of this bill is to give effect to the proposal contained in Income Tax (Second Amendment) Bill, 2025 to restore 25% tax rebate to full-time teachers and researchers for the previous two tax years i.e. 2023 and 2024 and current tax year 2025. This amendment is being carried out by way of an insertion of a new clause (3A) in Part III of the Second Schedule to the Income Tax Ordinance, 2001 to continue the rebate for full-time teachers and researchers, which had been omitted by the Finance Act, 2022 as envisioned by the government.



Muhammad Aurangzeb
Minister for Finance and Revenue