



# Corporation Tax (FIN – 421)

**National University of Sciences & Technology**

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## Course Description

Be it manufacturer, trader, importer, service sector, or sole proprietor, partnership or companies, every kind of business, faces the important area of taxation. So, in this course taxation is introduced.

Credit hours: 3

Pre-requisite: None

Code: FIN - 421

## Course Objectives

- To provide basic knowledge in the understanding of objectives of taxation
- To explore core areas of Income Tax Ordinance, 2001, Income Tax Rules 2002 and Sales Tax Act 1990 and Sales Tax Rules

## Learning Outcomes

On successful completion of this course, candidates should be able to:

- Understand the objective of levy of taxation, and its basic concepts
- Understand the system of taxation in Pakistan
- Understand the historical background of taxation in Pakistan
- Understand constitutional provisions of taxation in Pakistan
- Understand and explain the basic ethics of taxation
- Understand and explain some major provisions of Income Tax law relevant to individuals, association of persons and companies
- Understand and explain Sales Tax law relevant to operational level tasks

## Required Course Material

### Text Book & Reference Material :

Income tax Ordinance, 2001 (as updated)

Sales tax Act, 1990 (as updated)

## Course Content (Weekly)

Weekly breakdown is given below

Week	Lecture Topic
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1	<b>Basic concepts</b> <ul style="list-style-type: none"> <li>• Main objectives of taxation</li> <li>• Type of taxation in Pakistan (Income tax, sales tax, Federal excise duty, Customs, etc)</li> <li>• Historical background of taxation</li> </ul>
2	<b>Constitutional provisions</b> <ul style="list-style-type: none"> <li>• Federal financial procedures (Article 78 to 88 of the Constitution of Pakistan)</li> <li>• Distribution of revenues between Federation and the Provinces (Article 160 to 165A of the Constitution of Pakistan)</li> </ul> <b>Ethics in taxation</b> <ul style="list-style-type: none"> <li>• Ethics for legislators, taxpayers, and tax implementing authorities</li> <li>• Tax evasion and avoidance</li> </ul>
3-8	<b>Income tax Ordinance, 2001</b> <ul style="list-style-type: none"> <li>• Chapter I – Preliminary (Only relevant definitions)</li> <li>• Chapter II – Charge of tax</li> <li>• Chapter III – Tax on taxable income (excluding sections 29A, 30, 31) – Computation of taxable income and tax thereon from Income from salary, property, business, other sources, capital gain, dividend, profit on debt, ground rent, income from provision of amenities, utilities, etc. connected with rental of a building, consideration for vacating possession of building, etc)</li> </ul>
9	<b>Mid Term Exam</b>

10-12	<b>Income tax Ordinance, 2001</b> <ul style="list-style-type: none"> <li>• Chapter IV – Part I, II and III – Simple examples and scenarios for tax year, apportionment of deduction, acquisition and disposal of assets, income of joint owner, fair market value, etc)</li> <li>• Chapter V – Central concepts of resident and non-resident, individual, associates and association of persons</li> <li>• Chapter VII – Taxation of foreign source income of resident persons</li> <li>• Chapter X – Returns, Appeals and Assessments</li> <li>• Income tax rules (as relevant to above sections)</li> <li>• First and Second schedule as appended to the Income Tax Ordinance)</li> </ul>
13-15	<b>Sales tax Act, 1990</b> <ul style="list-style-type: none"> <li>• Chapter I – Preliminary</li> <li>• Chapter II - Scope and payment of tax (2 sub sections 3, 5AA, 9, 11, 14, 16, 17, 20, 21, 22A, 25, 27, 28, 29A, 33, 35, 39, 40, 41, 43, 44, 46)</li> <li>• Chapter III – Registration</li> <li>• Chapter IV – Book-keeping and invoicing</li> <li>• Chapter V – Returns (29A, 30 and 31)</li> </ul>
	<b>Final Term Exam</b>