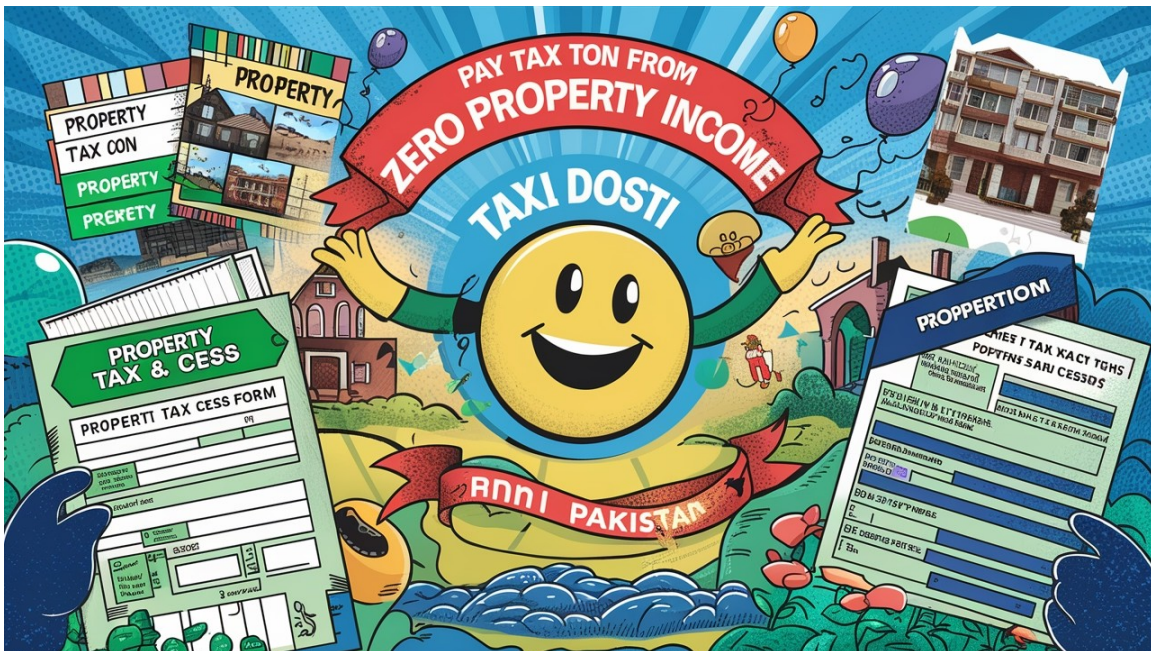


Checklist for Filing Rental Income Taxes in Pakistan 🏠

Tax Year 2025



How To Pay Zero Tax on Your Rental Income



Welcome to Tax Dosti

For an individual whose sole income source is rental income, we provide a complete list of supporting documents that are generally required to successfully file their annual income tax return & wealth statement in Pakistan.

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Checklist for Filing Rental Income Taxes in Pakistan 🏠

This checklist outlines the supporting documents required for individuals whose sole income is from renting properties. It is based on the Income Tax Ordinance, 2001. For a downloadable checklist, visit [\[https://taxdosti.com\]](https://taxdosti.com)

Proof of Rental Income

- ◆ **Rental Agreements:** Copies of agreements for each property are crucial to substantiate rental income (Section 15).
- ◆ **Rent Receipts:** While not explicitly mandated, issuing receipts to tenants is standard practice and provides strong proof of payment.
- ◆ **Bank Statements:** May be needed to corroborate rent deposits, particularly if receipts are missing.

Proof of Expenses

To reduce taxable rental income, the following expenses are deductible if properly documented:

- ◆ **Property Taxes:** Receipts proving payment of local property taxes are required (Section 68).
- ◆ **Repair & Maintenance Bills:** Invoices or receipts for any repair and maintenance work on the property.

◆ **Insurance Premiums:** Documentation for insurance covering the rental property.

◆ **Collection Costs:** Fees for agents or property managers may be deductible. Documentation is necessary (Section 15A).

◆ **Interest on Loans:** If financed through a loan, the interest paid is generally deductible. Bank statements or loan documents are needed (Section 18).

Proof of Tax Deduction at Source

◆ **Withholding Tax Statements:** Required for rent payments exceeding the threshold, as per Section 155. These must be obtained from payers, such as companies or individuals.

Wealth Statement and Reconciliation Statement

◆ **Property Ownership Documents:** Title deeds or similar documents proving ownership.

◆ **Reconciliation Statement:** Explains changes in wealth between the previous and current year (Section 116).

Other Documents

- ◆ **Return of Income:** Use the appropriate form for rental income, which differs from forms for salary-only income (Section 114).
- ◆ **Computerised Payment Receipts (CPRs):** Evidence of tax payments, such as advance taxes.
- ◆ **Foreign Income and Assets Statement:** Required if foreign income exceeds USD 10,000 or foreign assets exceed USD 100,000 (Section 116A).

Additional Notes

- ◆ **Electronic Filing:** Highly recommended and may be mandatory for certain taxpayers.
- ◆ **National Tax Number (NTN):** Your CNIC serves as your NTN (Section 181A).
- ◆ **Deadlines:** Late filing incurs penalties. Consult FBR guidelines for deadlines (Section 182).
- ◆ **Specific Rental Income Rules:** Consult a tax professional for detailed advice on rent definitions, deductions, and tax rates.

Disclaimer

⚠ Disclaimer: This checklist is based on the Income Tax Ordinance, 2001, and provided sources.

It is advisable to consult a qualified tax advisor or the Federal Board of Revenue (FBR) for accurate and tailored guidance.

Tax Dosti WhatsApp No. +923214409009

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