

### **Taxpayers' rights**

The uncertain fate of the Taxpayers' Bill of Rights (TBR) has raised important questions about how to improve tax collection in Pakistan. Prime Minister Imran Khan has expressed the view that people do not pay tax because they do not trust the state. An advisory committee set up by the federal tax ombudsman has proposed a solution of sorts: a bill of rights pertaining to taxpayers, to be passed by parliament. This bill proposes nine rights for taxpayers: information, privacy, professional service, representation, fair and just taxation, timely remedial action, administrative and judicial review. Much of these sound like principles that are already available in the tax bureaucracy, but there remains little clarity over what procedures are available to seek these rights. The bill itself comes out of the right to information logic, which holds that the more transparent the government procedures, the more people are willing to put their faith in the government. In itself, there is little wrong in the view. There is little doubt that government should be open, consultative and be designed to serve citizens, instead of serving its own self. Should the fact that the government has not moved forward to convert this bill into law concern us?

While the provision of more rights to taxpayers should be one of the pillars of government, the crucial question is whether it would improve tax collection in the country? The answer is not likely to be a positive one. Instead, corruption within the tax apparatus and the failure of the writ of the state in tax matters remain much more serious issues. It's not that people don't pay tax because they don't trust the state; it is because they know that they can get away with not paying. That said, there is little reason why such a bill of rights for taxpayers should not be passed as law. Tax collection should be a fair and just procedure – and it is often the case that it is the few who pay taxes who get the wrong end of the stick, while those who don't pay get away. While this is unlikely to deliver in terms of improving tax collection by much, it would at least make taxpayers who do pay feel like they matter. The tax administration should work for taxpayers, rather than the other way round. But this is the case in an ideal situation. At the moment, we are far away from that prospect. The government really needs to find more useful ways of increasing the tax net.

Editorial