

**Cell phone recharge: SC bench to take up tax suspension issue tomorrow**

ISLAMABAD: A three-judge bench headed by Chief Justice Asif Saeed Khan Khosa will take up tomorrow (Monday) the issue of suspension of high tax/other charges by mobile phone companies on cell phone recharge.

The federal and the provincial governments opposed the Supreme Court jurisdiction under the Article 184 (3) to suspend withholding tax and provincial sales tax on the amount loaded by the mobile phone users on cell phones.

Attorney General of Pakistan Anwar Mansoor Khan in the last hearing had supported levy of Advance Tax on mobile users and had said that taxing by the government is not the fundamental right and that the Supreme Court cannot take suo motu notice of it under Article 184(3) of Constitution.

He said income tax under Section 236 of Income Tax Ordinance, 2001 can be levied on the telephone users, adding it is legal and the apex court had given judgement in this in 2004 in telecard case. The attorney general requested the bench to modify the order.

The additional advocate generals of all the four provinces and the Islamabad Capital Territory (ICT) supported the contention of the attorney general. They said that levy of sale/income tax was done away with by the apex court in an interim order dated 11-06-2018 without examining the provisions of Income Tax Ordinance 2001 and Sale Tax on Services Act.

Former Chief Justice Mian Saqib Nisar taking suo motu had declared charging of high amount of tax/other charges on easy load and calling cards unreasonable. The court termed that the withholding tax, sales tax and service charges were not validly and legally been imposed on amounts loaded by users of mobile phones.

On the charge of Rs 100 easy load or scratch card, an amount is deducted which includes withholding income tax 12.5%, sales tax 19.5% and company services charges 10%. The person who loads the card has to pay the amount.

**RECORDER REPORT**