

Out of sales tax net, FBR to conduct survey of manufacturing units in Punjab

ISLAMABAD: Federal Board of Revenue (FBR) has decided to conduct survey of Punjab to register/enlist manufacturing units, which are out of sales tax net, and approach provincial revenue authorities for harmonisation of tax rates on values of immovable property.

Sources told Business Recorder here on Wednesday that the FBR has taken these decisions in an internal meeting of the tax officials at the Board.

The registration of potential manufacturing units in Punjab would be done to expand the tax base through a sales tax survey.

The FBR has decided to coordinate with the provincial tax authorities pertaining to the taxation issues. The FBR will coordinate with the provincial tax authorities for developing information exchange mechanism, harmonisation of taxes, moving towards single return form and harmonisation of property value rates.

The FBR has also taken the decision that the survey of the province of the Punjab will be conducted to enlist/register the manufacturing units not registered for sales tax under the garb of being small/cottage industry units.

The FBR has apprehended that the manufacturing units are deliberately declaring themselves as small/cottage industry unit to avoid sales tax registration.

The FBR would conduct survey of the Punjab province with the aim to register such manufacturing units which are not registered due to different reasons.

In this regard, the FBR has decided that the survey of the manufacturing units in Punjab would be done on the basis different benchmarks. The bigger unregistered industrial units would be identified in view of estimated number of employees and electricity consumption.

The FBR will exchange data with the respective field formations or provincial authorities for the purpose of the registration of such units. The FBR will also ensure monitoring of the transmitted data pertaining to the manufacturing units operating in Punjab.

The FBR has decided that the findings of the sales tax survey of manufacturing units in Punjab would be shared with the tax authorities as well as field formations for further necessary action.

According to sources, the FBR has already created the post of Director General (Special Initiative), FBR (HQ), Islamabad. The FBR's DG Special Initiative would be responsible for coordination with the provincial tax authorities relating to the taxation issues.

The FBR's DG Special Initiative has also been given the task to coordinate with Punjab for the said survey purposes.

The FBR's DG Special Initiative would also be given the task of identifying and profiling the high net worth individuals who are not registered or are non-filers.

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