

KTBA urges FBR to accept biannual WHT statement for 4 months

KARACHI: The Karachi Tax Bar Association (KTBA) has requested the Federal Board of Revenue (FBR) to accept first biannual withholding tax statement for four months, starting March 2019 to June 2019.

In a letter sent to the Member IR-Operation Seema Shakil, the KTBA said that the Finance Supplementary (2nd Amendment) Act, 2019, which came into force on March 12, 2019, filing of monthly withholding tax statement under the Income Tax Ordinance, 2001 (the Ordinance) was replaced with Bi-Annual withholding tax statement. However, since the second Supplementary Act could not be passed before March 12, 2019, the earlier law for the monthly statement was in place, due to which, in most of the cases, the withholding agents continued filing the monthlies till the month of February 2019, whose due date fell on March 15, 2019.

This was done in order to avoid any potential penalty from the department as the new law didn't get through by then.

Now since after Bi-Annual statement has become the part of the law, the next filing date is falling due on or before July 31, 2019. This first six (06) monthly withholding tax statement should ideally cover the six months starting from January 01, 2019 to June 30, 2019. But since the monthly withholding tax statements for the month of January 2019 and February 2019, as discussed above, in most of the cases, have already been filed, that the first biannual withholding tax statement will consist of 4 only months from starting March 2019 to June 2019. The KTBA requested the member IR-Operation to issue clarification that the first Bi-Annual Withholding Tax Statement would be acceptable even with only four months, and added that the due changes in the IRIS should be directed to be made, accordingly.

RECORDER REPORT