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FBR collects Rs277 bn revenue in first month of FY 2019-20

ISLAMABAD: With impressive growth in revenue collection on domestic front, the FBR has provisionally collected Rs277 billion in the first month (July 2019) against the desired target of Rs292 billion, witnessing a shortfall of Rs15 billion.

According to provisional data of FBR available with The News on Wednesday night, the FBR collection fetched Rs277 billion in July 2019 against Rs251 billion, indicating that the Board collected Rs26 billion more in the first month of the current fiscal year compared to last year.

However, the FBR will have to collect Rs795 billion in next two months (August and September) in order to achieve quarterly target of Rs1072 billion under the IMF programme. The success of IMF programme depends upon many factors but the performance of FBR in first quarter (July-Sept) will set the stage for approving the next tranche under 39 months Extended Fund Facility (EFF) of the IMF.

When contacted to Chairman FBR Shahbar Zaidi on Wednesday, he said the FBR's collection might touch Rs278 billion till finalisation of revenue figures against the desired target of Rs292 billion for July 2019. He said the revenue collection on domestic front in shape of Income Tax, GST and FED had performed well in the first month of the current fiscal year.

However, another top official of the FBR told this scribe that the Inland Revenue (IR) collection including Income Tax, General Sales Tax and Federal Excise Duty (FED) netted Rs123 billion in July 2019 against Rs77 billion in the same month of the last financial year 2018-19, registering phenomenal growth.

Through Tax Amnesty Scheme, the FBR has collected Rs14 billion in July 2019 against Rs34 billion in same month of last financial year. The FBR has collected Rs43.7 billion through amnesty scheme in June 2019 under the PTI led regime so with the collection of Rs14 billion in July 2019 the overall collection of amnesty scheme went up to Rs57 billion so far. The FBR expects that another Rs13 billion will be deposited with late surcharges during the current fiscal year as the declaration had already filed into FBR for availing the amnesty scheme.

Through imports, the collection in shape of withholding tax and GST stood at Rs94 billion in July 2019 against Rs90 billion in same month of 2018. Through Customs the FBR collected Rs46 billion in July 2019 compared to Rs50 billion in same month of 2018.

“Around 60 percent provisional growth is achieved in domestic taxes despite the fact that full impact of budgetary measures will be available next month as Sales Tax returns for July will be received in August and withholding tax on salaries with new rates will be deposited in August 2019”, said the official.