

FBR misses July target by Rs14bn

ISLAMABAD: The government missed revenue collection target by Rs14 billion for July despite introducing several revenue and administrative measures in the Finance Act 2019.

Officials said the decline came on the back of plummeting imports which contracted by 30-34 per cent in the first month of the current fiscal year.

The Federal Board of Revenue (FBR) claimed to have provisionally collected Rs277bn in July as against the projected target of Rs291bn, falling short by Rs14bn or 4.8pc of the target.

Compared to last year's collection of Rs251bn, the revenue in July grew by 10.35pc. "This growth is mainly driven by a slightly better performance in domestic taxes", a senior tax officer told Dawn.

The officer said that around 60pc (provisional) growth is achieved in domestic taxes despite the fact that full impact of budgetary measures will be seen from next month onwards as sales tax returns for July will be received in August and withholding tax on salaries with new rates will also be deposited in the next month.

He said the taxes collected at import stage — withholding tax, sales tax and federal excise duty (FED) — have declined substantially during the month under review.

"Government has further restricted the flows of imports in the last budget", he said.

Over Rs770bn revenue measures were introduced in the last budget besides other administrative measures.

Based on these, the government projected revenue target of Rs5.55 trillion for the current fiscal year. In the just concluded financial year, revenue collection clocked in at Rs3.818tr as against the target of Rs4.398tr, showing a shortfall of Rs580bn.

The officer said the total number of return filings in the country has increased by almost 700,000 in tax year 2018 reaching 2.154 million.

Tax-wise break up showed that customs collection fell short of target by Rs9bn or 16pc as collections amounted to Rs46bn in July against target of Rs55bn.

The collections in customs, on the other hand, fell by 5pc when compared with the last year's Rs50bn.

The Inland Revenue Tax — income tax, sales tax and FED collection reached to Rs230.4bn as against the target of Rs236bn, showing a decline of Rs5.6bn.

The income tax collection has rose to Rs96.4bn against Rs93.5bn over the corresponding month last year, showing an increase of Rs2.9bn. Sales tax collection reached to Rs123bn as against Rs94bn over the last year, indicating a growth of Rs29bn.

The FED collections, on the other hand, clocked in at Rs11bn as against Rs9.3bn, showing an increase of Rs1.7bn.

Mubarak Zeb Khan