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FBR sends notices to non-filer commercial, industrial connection holders

ISLAMABAD: In the aftermath of reconciliation of revenue collection figure that stood at just Rs3,832 billion even with help of tax amnesty scheme, the FBR has now started sending tax notices to non-filers of industrial and commercial connection holders of major utilities all over the country in order to further broaden the tax base.

The reconciled figures with AGPR and other relevant departments showed that the FBR's revenue collection for July to June 2018-19 stood at Rs3,832 billion against initially envisaged target of Rs4,398 billion indicating mammoth shortfall of Rs566 billion.

This reconciled figure has been shared with Ministry of Finance that will be made public through upcoming fiscal operation for 2018-19 within next few days.

Even the collection figure of Rs3,832 billion is less than collection of last fiscal year when the FBR had collected Rs3,842 billion in 2017-18 under the PML-N-led regime. The FBR's tax was revised downward to Rs4,150 billion but it was missed out whereas the shortfall stood at Rs318 billion if analysed with revised target.

However, the broadening of tax base in first year rule of PTI has achieved success as after extending deadline for filing of returns the total number has now crossed 2.5 million during the ongoing month as it stood at 1.4 million during the tenure of PML-N-led regime. "There is need to further analyse whether this expansion in tax base has helped the FBR on revenue collection front or just showed improved number on broadening of tax base," said the official sources.

In the backdrop of dismal performance for which the FBR high-ups made efforts to justify and blamed policy measures for this massive shortfall, now the FBR devised strategy to materialise an highly ambitious target of Rs5,550 billion in the current fiscal year as the Board would have to achieve an additional revenues of Rs1,718 billion in the current fiscal year to display its desired target of Rs5,550 billion.

"Yes, we have started sending tax notices to potential non-filers and in the first stage the non-filers of industrial and commercial connection holders of electricity and gas utilities would be sent out notices," top official sources confirmed to The News here on Saturday. The FBR plans to send notices to around 0.4 to 0.5 million potential non-filers with the aim to bring them into tax net. The government has also decided to send notices to gazetted officers who preferred to remain out of tax net. Secondly, the FBR took major initiative and identified 24 major sectors with the aim to depute specialised officers to deal with their issues. In the first phase, the FBR has established Directorate General for Exporters under the Member Inland Revenue (IR) Operation because in the aftermath of withdrawal of zero rating regime for five export-oriented sectors, there was increased demand to kick-start implementation on specialists of revenue spinners from exporters. "At the moment we have given additional charge to one officer as DG Exports but we will move ahead with more sector specific specialists in weeks and months ahead", said the official. When contacted, FBR's Member Inland Revenue (IR) Policy and official Spokesman Dr Hamid Ateeq Sarwar said that the video conference of commissioners held on Friday and he termed it routine matter, which was aimed at assigning the respective commissioners to devise strategies to achieve their revenue collection targets.