

Our Correspondent

FBR faces daunting task of meeting returns target

KARACHI: Tax experts on Saturday expressed doubt over the ability of tax machinery to log the previous year's number of returns filing for the tax year 2019 as the last date falls only after one month under a law, while forms are yet to be issued.

A tax consultant said the meeting of deadline by salaried individuals and others for filing of returns for the tax year 2019 is almost impossible. The Federal Board of Revenue (FBR) aims to receive around four million tax returns in the tax year 2019 and "so they need to continue with date extension this year again," the consultant said, requesting anonymity.

Under the Finance Act 2019, the last date for filing of returns and income statements by salaried individuals and other taxpayers has been revised up to September 30. Therefore, this year the last date for both salaried and other taxpayers is the same.

Badar-ud-Din Qureshi, chief commissioner of Inland Revenue Regional Tax Office-II Karachi, however, said the tax law prescribed no timeframe for issuing returns form.

Qureshi said the filing of returns has been made electronic and taxpayers, especially salaried individuals, have no difficulties in filing the forms.

The FBR received a record 2.5 million income tax returns for the tax year 2018 after frequent date extensions. The last date for filing of returns for the tax year 2018 was August 9. The corporate returns hardly reached the 100,000 mark and their due date is December 31. In the past years, the last date for filing income tax returns was August 31 in case of salaried individuals and September 30 in case of other taxpayers, except corporate entities having accounting year of July-June.

Tax experts said attaining that much number in one month is a gigantic task for the online system of the FBR. Filing of returns for the tax year 2019 is likely to start in the first week of September. "Accepting 2.4 million returns on the basis of tax year 2018 in one month will be an uphill task for the online system of the FBR," an expert said.

Tax experts, however, said more returns are expected this year following the changes brought through the latest budget.

On Friday, the FBR issued a draft of return for salaried and business individuals and association of persons and invited comments from all the stakeholders within seven days for finalising the returns form.

Zeeshan Merchant, former vice president of Karachi Tax Bar Association said the FBR has started the process of returns filing for the tax year 2019 very late. "As per the amendments into the Income Tax Ordinance 2001, the time for filing of returns should be given three months from the issuance of return form."

Tax experts are unanimous that the FBR delayed the issuance of return form for the tax year 2019 and it would again result in frequent date extensions this year.