

### **Withholding tax on bank transactions waived off for filers**

ISLAMABAD: Tax returns filers got relief in the mini-budget announced on Tuesday. Finance Minister Asad Umar said that currently the advance income tax is withheld on cash withdrawal where the aggregate of cash withdrawal from all bank accounts of the person exceeds Rs50,000 in a day.

The minister said the rate of tax to be deducted is 0.3 percent of the cash amount withdrawn for filers and 0.6 percent of the cash amount withdrawn for non-filers. “It is proposed that the tax on cash withdrawals by filers be eliminated. To facilitate overseas Pakistanis and encourage foreign remittances through banking channels, it is proposed that withholding tax on cash withdrawal from PKR accounts, which are solely funded through foreign remittances, be abolished,” he said. “Filers are compliant taxpayers. We want to recognise them. There is an advance income tax collected on purchase of certain instruments from banks against cash if a banking instrument including demand draft, pay order, etc., or online transfer, etc., is made against cash,” he said.

Our Correspondent