

**‘FBR intelligensia not fair with govt on reform agenda’**

LAHORE: The Federal Board of Revenue (FBR) intelligensia is not fair with the government on its reform agenda, said the Board sources.

“The FBR intelligensia is not in favour of reforms and managing status quo through bureaucratic tactics,” they said, adding: “The government, on the other hand, is too weak to establish its writ against the adamant tax intelligensia.”

Sources said there was no status of reforms in the FBR and the worst economic situation of the country was also favouring those who prefer status quo.

They have further pointed out government’s compulsion of collecting maximum revenue before introducing reforms by expanding tax net. Therefore, the government is also following the policy of go-slow on reform agenda, they said.

According to them, the government is also looking into a sense of urgency and pressing the department for reforms without considering the ground realities and without understanding the working environment of the department. The government policymakers should assess the existing tax machinery, mechanism of tax collection and the mindset of taxpayers.

Sources said the government would have to ensure general public that the reform process would ‘inclusive’ to create their trust on the system. It would have to bring a change in existing system of squeezing weaker ones while letting the influential one scot-free, they stressed.

They pointed out that it is fortunate that Pakistan has a regressive tax system and no one files a return voluntarily. Therefore, the FBR has no option but to adopt regressive measures including unearthing the concealed assets, imposing fines on non-filers and infringing the rights of taxpayers in order to tax them.

They said the existing strength of FBR staff is not only too little to match the agenda of ‘change’ of prime minister but also lacks capacity to perform.

It may be noted that the World Bank-sponsored Tax Administrative Reforms Process (TARP) had led to the creation of the Large Taxpayer Units (LTUs) at the FBR back in early 2000.

it is generally believed that the LTUs are highly organized with better working practices comparing to the rest of the FBR. But the ground realities suggest that the situation at the LTUs is much in disarray as compared to the non-corporate sector, as there is no organized system to track tax record of taxpayers there. Most of the files are lying in corridors there and it seems that nothing is in order at the LTU Lahore.

According to the sources, the government should start consultation with other stakeholders including tax bar, trade bodies and other segments of the society to defeat the bureaucratic hurdles in smooth implementation of reforms.

It may be noted that both the tax avoidance and tax evasion are plaguing the tax collection machinery in Pakistan. In order to get rid of it, there is a dire need of trust building on the part of taxpayers that the tax they paid by them would be utilized for their betterment and not misused by the state, the departmental, the sources concluded.

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