

Mini budget: many steps to materialise after July 1

LAHORE: The implementation of many important announcements made in Wednesday's budgetary measures by the government would take place from July 1 this year.

As the government has to present the 2019-20 fiscal budget in the National Assembly before July 1, many announcements made on Wednesday are likely to change. By announcing decisions implementable after July 1 like the decision of abolishing Super Tax on non-banking companies, the government has actually announced its budget five months before time. Similarly, tax relief under the Green Field Project would also materialize when the new plants and companies would be set up which would take six months. This relief would also materialize in the next fiscal year.

Likewise, tax exemption on the companies profit, which is not shared with the shareholders, will also come into effect from July. Also, the ban on giving minimum dividend will also be lifted from July. The reduction in profit earned from the funds provided by banks from 35% to 20% on houses, SMEs, small loans, agricultural loans and housing projects will be applicable from 2020. The traders will not get tax refunds immediately, rather the government would turn them into loans. The government would give the exporters only some documents and pay them 10% interest on these loans. In fact, the government has presented its annual budget five months ahead of schedule by announcing implementation of its major decisions in the next financial year.

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