

### **Tax adjustments possible through employers as well?**

The employees including salaried class must take tax adjustment from their employers instead of waiting for refunds from the Federal Board of Revenue (FBR). Imtiaz Ahmad Khan, IT Expert and former general manager of Pakistan Revenue Automation Limited (PRAL)-FBR explained that the employees should avail the benefits already available to them under Income Tax Ordinance 2001. The employees can easily get their adjustments from their employers and no need for waiting for refunds. The employees are entitled to tax adjustments from their employers under the law.

Under the section 149 of Income Tax Ordinance 2001, income tax in respect of an employee is required to be deducted by the persons responsible for paying salary to an employee after making adjustment of tax withheld from employees under other heads and tax credit admissible under sections 61, 62, 63 and 64 during the year after obtaining documentary evidence.

Most of the persons responsible for paying salary to employees deduct the income tax under section 149 of the Income Tax Ordinance but do not make tax adjustment of tax withheld from employees under other heads because of the fact that the employees do not submit the adjustment claims to their employers. Whereas tax under various heads is withheld from the employees by various agencies like banks, motor vehicle registration authorities, telecommunication companies, electricity distribution companies, insurance companies, educational institutions, property registration/transferring authorities, airlines, etc. which are adjustable and the employees can get this adjustment from their employers before release of salary for the month of June for the tax year 2019.

Adjustable taxes withheld by various agencies under the income tax ordinance 2001 are as under:

All employees of Federal Govt., Provincial Govt., Autonomous Bodies, Private Sector organizations, etc. can avail this golden opportunity of getting tax adjustment from their employers by submitting relevant evidences of tax deductions, meaning thereby that they will not have to wait for refund from FBR if they take this adjustment from the tax deductible from their salary during the month of June. Moreover, if any excessive amount is withheld by the employer during the year they can take that adjustment in the month of June as well. Employees should contact their employers immediately well before processing of pay roll for June-2019 so that tax adjustment is made by the employers in a timely manner. For the sake of convenience and ready reference the IT-3 Form (Declaration by Salaried Persons - To be Submitted to the Employer by the Employee) has been notified by FBR, Imtiaz Ahmad Khan added.

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Sr.	Description	Section
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1	Withdrawal from Pension Fund	156B
2	Cash Withdrawal from Bank	231A
3	Certain Banking Transactions	231AA
4	Motor Vehicle Registration Fee	231B(1)
5	Motor Vehicle Transfer Fee	231B(2)
6	Motor Vehicle Sale	231B(3)
7	Motor Vehicle Leasing	231B(1A)
8	Private Vehicle Tax	234
9	Electricity Bill of Domestic Consumer	235A
10	Telephone Bill	236(1)(a)
11	Cellphone Bill	236(1)(a)
12	Prepaid Telephone Card	236(1)(b)
13	Phone Unit	236(1)(c)
14	Internet Bill	236(1)(d)
15	Prepaid Internet Card	236(1)(e)
16	Domestic Air Ticket Charges	236B
17	Sale/Transfer of Immovable Property	236C
18	Functions/Gatherings Charges	236D
19	Educational Institution Fee	236I
20	Purchase/Transfer of Immovable Property	236K
21	Purchase of International Air Ticket	236L
22	Banking transactions otherwise than through cash	236P
23	Education related expenses remitted abroad	236R
24	Advance tax on general insurance premium	236U
25	Advance tax on life insurance premium	236U
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