

Senate panel informed: CNIC condition assumes prime importance in input adjustment

The Federal Board of Revenue (FBR) has linked the broadening of tax base with the condition of CNIC as proposed measure would compel the unregistered buyers of manufacturers to get themselves registered. A senator suggested to the government to construct jails to house five million people after the implementation of the next fiscal year's budget because it would give powers to the tax officials to put people behind bars.

As the Senate Standing Committee on Finance and Revenue met under the chairmanship of Senator Farooq H Naek Friday in the Parliament House to discuss and finalise recommendations for the budget 2019-20, members of the committee reiterated their concerns over the proposed measure in the Finance Bill 2019 to disallow input adjustment without CNIC.

Member Inland Revenue (IR) Hamid Attiq Sarwar stated, "If manufacturers don't want to tell about those (unregistered) persons who purchase goods for them then they should not complain about the tax burden." The proposed measure is very critical for broadening of tax base and the government is heavily relying on it to plug the leakages, he added. He further stated that bringing unregistered persons into the tax net would help spread the tax burden on other sectors as well. The committee was informed that 10 percent sales tax has been proposed in packed cereals and corn flakes.

The committee also decided to discuss the Ordinance of tax amnesty scheme and also proposed amendment to the definition of the "asset declaration" scheme as it wanted removal of the words "unreported and understated" from the definition. The committee approved the proposal to introduce life token for registration of vehicles with taxation office in the federal capital authority and decided that Rs 10,000 life time token fee for locally manufactured 1000cc vehicles and Rs 15,000 for 1000cc imported vehicles.

The committee wanted that life time token fee for 10 years old vehicles must be below Rs 10,000 and if Rs 7,000 has already been paid on account of token then life time should be issued after taking remaining Rs 3,000 tax. The committee decided to make amendment to the clause on Monday when it would firm up its recommendations for transmitting them to the National Assembly through the Senate for consideration into the budget for the next fiscal year.

ZAHEER ABBASI