

Sindh Assembly passes tax-laden finance bill

KARACHI: The Sindh Finance Bill for the next fiscal was passed on Thursday by a majority in the Sindh Assembly as the Pakistan Tehreek-i-Insaf opposed it vociferously. Their colleagues in the Muttahida Qaumi Movement-Pakistan proposed amendments to the bill, but they were rejected by the house.

The finance bill followed the Rs1,217bn Sindh budget which was approved by the house a day earlier.

Chief Minister Murad Ali Shah stuck to his stance that the tax regime introduced or changed by his government was the least as compare to the ones implemented in other provinces. He said most such taxes would not affect the common people.

The opposition leader demands concessions in taxes for Karachi

He accused the federal government of not transferring to Sindh its share, forcing the provincial government to levy taxes on certain sectors. However, he promised the people of Sindh that the government would convene a special session and lower the ratio of taxes if it received its share from Islamabad.

The opposition parties, however, would not buy the chief minister's assurances.

Mr Shah said his government had fixed 13 per cent sales tax on services in Sindh, which was the lowest as compare to other provinces. He said the cities would not be taxed more than what they paid last fiscal.

Dispelling the impression that the new tax regime had heavily affected the cities as created by certain speeches made by the opposition benches, Mr Shah said Karachi is a part of Sindh and would remain so and "there is no need to further explain it".

He said certain lawmakers in the opposition benches tried to create the impression that differentiated Karachi from Sindh. He expressed his disappointment over the "aggressive" attitude of the opposition benches. He said the provincial government had changed the valuation table of the tax net.

Concessions sought for Karachi

Leader of the Opposition Firdous Naqvi, before walking out of the house in reaction to the chief minister's bitter statement, said that since the provincial capital was the key source of revenue for the Sindh government, it should enjoy exemption in taxes in certain sectors. He said the tax regime introduced for the next fiscal would be detrimental to various businesses.

He said the sparse avenues of entertainment had been taxed, which was not justified in a city where people were starved for fun and leisure.

He demanded that the government tax the rich instead of the poor. He said the tax document should have carried a section highlighting the impact of the taxes on the people.

Choice of wording

CM Shah objected to Mr Naqvi and certain other members' choice of words that gave the impression that they differentiated between the sprawling city and the rest of Sindh.

The opposition leader, however, clarified that when he spoke specifically about Karachi, it did not mean that he and his colleagues thought the city was not a part of Sindh.

“But we think Karachi should be given concessions in certain sectors for being the highest earner for the province,” he said.

When an exchange of arguments began between leaders of the house and the opposition, the members belonging to the PTI started banging their desks. They would beat their desks whenever the chief minister began speaking.

Excise and Taxation Minister Mukesh Chawla informed the house that tax on 3,000cc luxury cars was being increased to Rs150,000 as the federal government had increased the ratio of tax on commercial vehicles.

The provincial government, he added, had designed a table according to which tax by seats would be collected on commercial vehicles.

Amendments to finance bill

Mohammad Hussain, the MQM-P's seasoned parliamentarian, was the only member on the opposition's side who filed five amendments to the finance bill.

He furnished his argument for each of his amendments, though the house rejected all of them with a majority.

Mr Hussain made the chief minister concede that an amendment in the finance bill showed the government's ill-preparedness while finalising the tax document.

Mr Shah admitted that the government made a mistake, yet, he added, the amendment was duly considered and approved by the provincial cabinet.

Mr Hussain said property taxes had been increased many times as the government would now tax immovable property on actual valuation instead of the Board of Revenue's rates.

On motor vehicle tax, he said the government had increased its target by more than Rs900m to last year's Rs8,010m target, which would overburden the people.

He demanded that such amendment should be withdrawn, saying, instead of increasing motor vehicle tax, the government should improve its transport system.

He said Rs25bn had been increased under the head of professional tax while another Rs3bn would be collected through the increased tax on stamp duty.

He was not amused with the government's taxing of food courts, saying eating out did not fall in the bracket of entertainment, while Rs200m had been increased on entertainment tax.

Mr Hussain said those taxes would directly affect the common man, opposing five per cent tax on ride-hailing services, indoor game centres, insurance agents and waste collection. He said Karachi would be affected by such taxes more than the rest.

PTI's Arsalan Taj spoke on tax on gas and petrol stations.

The opposition benches said the government had taxed mosques and other places of worship, and increased the ratio of tax on properties owned by charities.

A lawmaker demanded that the chief minister apologise for his attitude towards the opposition leader at which Local Government Minister Saeed Ghani reminded him of the day when opposition members' demeanour was also "objectionable".

After all amendments moved by the opposition were rejected by the house, the finance bill was passed with a majority of votes.

Hasan Mansoor