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FBR misses collection target by Rs235bn for eight months

ISLAMABAD: The Federal Board of Revenue (FBR) missed collections target by Rs235 billion during the first eight months of current fiscal year, according to provisional figures released on Thursday.

Total revenue collections during the eight months clocked in at Rs2.328 trillion, up three per cent from Rs2.259tr earned during the same period last year.

On a month-on-month basis, the FBR reported total revenue collections at Rs268bn in February as against the projected target of Rs313bn. However, the provisional figures for February were relatively higher than the Rs264bn collected during the same month last year.

The FBR will have to collect Rs2.106tr in the next four months in order to achieve the target for the fiscal year.

An FBR official while speaking to Dawn said that the maximum revenue was realised in the last week of every month. He explained that “in last three days, the collections slowed down due to Indo Pak-India tension” adding that even the goods declarations (GDs) were not filed as per the normal routine.

Finance Minister Asad Umar told Dawn that collections have registered upward growth in the month of February. “Till last week, the revenue growth was in the range of 7-8pc”, he said.

He claimed that decline in revenue collections was partly due to ongoing tensions on the eastern border but was optimistic that collections will gain momentum in the next four months. The minister ruled out any downward revision in the collections target of the FBR.

As per FBR official, the revenue collections data is still coming in and will be adjusted in the next week. However, the figures are still far behind the projections for the month under review.

The provisional figures show that the decline is mainly due to the drop in earnings of withholding taxes from contracts, mobile phone, dividends and salaries. The revenue from corporate returns also dipped because of the 1pc downward revision in tax rates.

Moreover, major hit came from drastic cuts in the allocation for Public Sector Development Programme while withdrawal of duty on cash transactions might also have had revenue impact.

The collections of customs duty on petroleum products also registered negative growth during the period under review mainly attributable to lower price and rates of petroleum products from last year, the tax official explained.

Similarly, the customs GDs were also not filed in the last three days leading to a dip in duty collections. Other taxes — sales tax and withholding tax also suffered because of non-filing of GDs at import stage.

According to the official, domestic sales tax collection was on target and federal excise duty collections witnessed growth during the period under review.

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