

**FBR's revenue shortfall stands at Rs 236 billion in just eight months**

Federal Board of Revenue (FBR) has suffered revenue shortfall of Rs 236 billion in first eight months (July-Feb) of 2018-19. FBR's Members Hamid Ateeq Sarwar and Seema Shakil informed media persons here at the FBR House on Thursday that FBR collected Rs 2,330 billion against the assigned target of Rs 2,566 billion during July-Feb 2018-19.

The federal government has fixed FBR's total fixed target at Rs 4,398 billion for whole fiscal year of 2018-19 ending on June 30, 2019. On the conclusion of the FBR briefing, when inquired about projected shortfall for the whole fiscal year, they said that the FBR is making plans to generate an additional amount of Rs 260 billion in the last quarter (April-June) and special campaign is on the cards to achieve the objectives.

Sharing reasons for tax shortfall of Rs 236 billion in first eight months, the FBR Members said that the tax was reduced on POL products, LNG and furnace oil due to which the FBR faced shortfall to the tune of Rs 75 billion, while increase in income tax limit from Rs 0.4 million to Rs 1.2 million and reduction in tax rates for salaried class resulted into revenue loss of Rs 35 billion.

So far, the fiscal tightening by slashing Public Sector Development Programme (PSDP) caused loss of Rs 55 billion, suspension of tax on telecom by the Supreme Court posed negative impact of Rs 35 billion, import compression reduced collection on duty on imported items by Rs 20 billion and others (cement, fertilizers and natural gas, etc) caused revenue loss of Rs 15 billion in the current fiscal year.

The revenue loss from telecom sector would increase by the end of current fiscal year, they claimed. When asked about advances taken from business community to increase revenue collection, they said neither can the FBR force the business community to pay taxes in advance nor do traders opt this. They said advances do not play big role in overall tax collection.

When asked about taking away FBR's powers regarding formulation of tax policy, the FBR officials said that FBR never approved any tax policy because any policy or legal framework is approved by the finance minister; therefore, tax policy has never been in the domain of the FBR.

**RECORDER REPORT**