

FBR faces massive shortfall of Rs317 bn

ISLAMABAD: The FBR's tax shortfall has gone up to Rs317 billion in first nine months (July-March) period of the current fiscal year as the tax collection machinery collected Rs2,681 billion against the desired target of Rs2,998 billion.

Now it becomes increasingly difficult for the FBR for achieving its envisaged annual collection target of Rs398 billion for the current fiscal year. The FBR requires collection of Rs1,717 billion in the remaining period of last quarter (April-June) period of the current fiscal year for displaying its desired target of Rs4,398 billion on June 30, 2019.

"The provisional tax collection for March 2019 stands at Rs351 billion so far against the fixed monthly target of Rs432.125 billion, indicating that the tax machinery faced massive shortfall of over Rs81 billion alone in March 2019," official sources confirmed while talking to The News here on Saturday night.

One FBR official said that the tax collection might go up by Rs05 to 10 billion and could touch to Rs360 billion as some taxes were in the pipeline which might get cleared in next few days. The tax collection stood at Rs2,330 billion in first eight months of the current fiscal and after collection of Rs351 billion in March, the overall revenue collection went up to Rs2,681 billion against total desired collection of Rs2,998 billion.

The provisional revenue collection stands at Rs2,681 billion during July-March in fiscal year 2018-19 against Rs2,624 billion in the same period of last fiscal 2017-18, reflecting an increase of just Rs57 billion so far in first nine months of the ongoing financial year.

Alarming, the FBR has provisionally collected Rs351 billion during March 2019 against amount collected of Rs365 billion in March 2018, reflecting a decrease of Rs14 billion.

The fiscal woes of the PTI led regime are multiplying as the budget deficit target even after revision from 5.1 to 5.6 percent and even 6.1 percent could not be achieved as the independent economists are expressing fears that it is heading towards 7 percent of GDP for the current fiscal year.

In last ditch efforts to minimise the yawning gap on account of shortfall, the FBR is now making plans to net additional collection of Rs260 billion in the last quarter (April-June) period and special campaign was on cards to achieve the objectives.

Sharing reasons for massive tax shortfall, the official sources said that the tax reduction on POL products, LNG and furnace oil resulted into shortfall to the tune of Rs75 billion, jacking up income tax ceiling from Rs0.4 million to Rs1.2 million and reduction in taxes rates resulted into revenue loss of Rs35 billion, slashing down into Public Sector Development Programme (PSDP) caused loss of Rs55 billion, suspension of tax on telecom by the Supreme Court possessed negative impact of Rs35 billion, import compression nosedived collection by Rs20 billion and others Rs15 billion so far in the current fiscal year.

To another query regarding received income tax returns, one FBR official said that the FBR received total 1.793 million tax returns so far in the current fiscal year and the number of returns went up in the range of approximately 0.3 million.