

**ST rate cut on POL products: Govt to suffer Rs5bn revenue loss from May 1-5**

ISLAMABAD: The government would suffer an estimated revenue loss of Rs 5 billion on account of reduction in sales tax rate on petroleum products from May 1-5, 2019.

To keep prices constant pending a final decision by the cabinet the Federal Board of Revenue (FBR) reduced sales tax rates on petroleum products from May 1-5, 2019 through a notification issued on April 30: from 17 to 12 percent on petrol, from 17 to 13 percent on high speed diesel oil, from 17 to 8 percent on kerosene and from 17 to 9 percent on light diesel oil.

In monthly review for April, the FBR had maintained GST at 17 percent on all petroleum products.

The Economic Coordination Committee (ECC) of the Cabinet reduced sales tax by 5 percent in its meeting held on May 3 after the matter was referred to it by the cabinet with the notification to be issued after Cabinet approval expected on Tuesday.

Ogra had recommended ex-refinery sale price of petroleum products at standard 17 percent GST and petroleum levy on petrol and HSD. Ogra proposed PL at the rate of Rs 10 per litre on petrol, Rs 8 per litre for HSD, Rs 6 per litre for kerosene oil and Rs 3 per litre for LDO.

If the cabinet endorses the ECC decision price of HSD, most widely consumed fuel by public transporters will increase to Rs 122.32 from the current Rs 117.43 per litre. LDO would go up from Rs 80.54 to Rs 86.94 per litre while per litre price of kerosene oil will jump to Rs 96.76 per litre.

The FBR late Saturday night increased sales tax rate to 17 percent on all petroleum products except petrol on which 12 percent sales tax would be charged from May 5, according to notification.

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