

### **LHC suspends notices for agriculture tax**

LAHORE: The Lahore High Court on Friday suspended notices for the recovery of agriculture income tax issued to hundreds of individuals for the period prior to promulgation of Finance Act 2013.

Justice Ayesha A Malik issued the stay order on petitions challenging the tax recovery notices for the year of 2012 by district collector of the Punjab government. The judge also directed the district collector, Federal Board of Revenue, federal and Punjab governments to submit their replies.

The petitioners' counsel argued that the district collector of the provincial government had no powers to collect the agriculture income tax for the period prior to promulgation of Finance Act, 2013.

He said the government inserted a Section 3-B in Punjab Agricultural Income Tax Act 1997 giving retrospectively effect, which was a violation of settled tax laws and statutes. He pointed out that all the tax laws envisaged that any amendment to the law would have prospective effect, but not retrospective. However, he said, the government had been issuing notices for the tax recovery to the petitioners while relaying and misinterpreting a Supreme Court judgment.

The counsel argued that the Section 3-B of Punjab Agricultural Act, 1997 was promulgated through Finance Act, 2013; however, the recovery was being sought in respect of period prior to promulgation of that section. He argued that the agricultural income was exempted under the provisions of Income Tax Ordinance, 2001. After hearing the arguments, the judge suspended that tax recovery notices and directed the district collector, FBR and other respondents to submit their replies until June 26.

Our Correspondent