

### **The tax target**

The present government has set an ambitious target for this fiscal year in terms of tax collection – Rs5.5 trillion – to tide over its financial woes. It is commendable for Pakistan’s financial and tax managers to realize that the country must drastically enhance its tax collection system and bring those sections of society in the tax net that have evaded payment of taxes so far though they have been reaping high profits.

The tobacco and soft drinks sectors are the ones that make big profits. Among others, the government’s revenue collection machinery must focus on these sectors to achieve the new revenue collection targets. The government has already adopted various new means to increase its tax revenues. However, it is imperative for the tax managers to immediately introduce more innovative ways and means by which tax revenues can be further enhanced. In this regard, the government must not waste time in reinventing the wheel and should instead follow the most developed and efficient tracking systems prevalent both in the developed and developing economies to further expand the tax net through its own initiatives. It must take on board entities that meet international standards and regulations so that they can help it achieve its revenue targets through the use of technology, especially in those sectors that have a history of tax evasion. The government can then channelize these additional revenues into a genuine national development regime.

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