

FBR asked to troubleshoot Tax Asaan application issues

KARACHI: Taxpayers are unable to avail input sales tax adjustment as there is no option to change or update their profile in Tax Asaan application, tax lawyers said on Tuesday.

In a communication to Federal Board of Revenue (FBR), Karachi Tax Bar Association (KTBA) called the attention of the tax authorities in Islamabad to the issue barring taxpayers from utilising adjustment facility under Section 8B of Sales Tax Act, 1990.

“Under the Section 8B the FBR restrains taxpayers from using input tax adjustment; however, taxpayers are still provided with certain exclusions,” the tax bar said in its communication to the FBR.

“After introduction of Sales Tax Real-time Invoice Verification (STRIVE), there are impediments at the time of filing sales tax returns to avail the exclusion.”

The KTBA further said the option of exclusion had been allowed only to certain taxpayers under SRO 1190(I)/2019.

“Consequently, taxpayers who are engaged in multiple businesses or have not updated their tax profiles were not allowed to avail the benefit of the aforesaid exclusion, despite the fact that their activity was excluded from Section 8B of the Act,” the bar said.

Further, it said the FBR through a notification dated November 11, 2019 had asked the taxpayers to update their tax profiles to avail the benefits of SRO 1190(I)/2019 dated 02/10/2019.

“The situation on the other hand has further deteriorated as there is no option in the Tax Asaan application for “change in particulars”, due to which complications have cropped up for taxpayers to update their tax profiles as required,” the tax bar said.

The KTBA said presently the taxpayers are left with no other option but to file an application for change in particulars on the line of previous prescribed procedure whereby a ‘No Objection Certification (NOC)’ was required to be issued by the concerned Commissioner to the ‘Local Registration Office’.

“This consumes considerable time and it has been observed that even after updating the tax profile, certain taxpayers, mostly importers, are not getting exclusions from Section 8B,” the KTBA added.

The tax bar said the taxpayers did not have clear understanding about the business classification available on IRIS portal.

“While updating the tax profile, taxpayers are unable to select their applicable business category from the IRIS portal as FBR has not provided any guideline about the correct classification of business category of respective businesses,” the KTBA said.

It added that the taxpayers were also not getting any support from the FBR helpline as the support officers were themselves not clear on it and often provided different suggestions through telephone, email etc.

“Consequent to above lack of training or knowledge, taxpayers are unable to avail the above benefit even after updating their tax profile,” the bar added. The tax bar urged the FBR to address the problem on priority basis as such issue may give rise to litigations.