

FBR faces uphill task to meet annual revenue target

KARACHI: The tax officials are facing a daunting challenge to achieve around 16 percent growth in revenue collection during this month – last of the current fiscal year – over an average monthly collection to meet the annual target in the face of coronavirus panic, it was learnt on Thursday.

A senior official told The News that the revenue collection is in full swing as June is the last month of the fiscal year. The efforts require physical presence of staff in order ensure timely payment by the taxpayers.

The official said there is a fast spread of coronavirus and the FBR officials tested positive. At least three officials of the FBR were died of coronavirus, while the working at tax offices is almost at the full strength to achieve revenue collection target.

The official said the FBR headquarters issued verbal instructions to ensure achievement of revenue collection target, which was once again revised to above Rs4 trillion from Rs3.9 trillion for the current fiscal year.

The actual revenue collection target for the current fiscal year was set at Rs5.5 trillion that was later reduced to Rs5.2 trillion, considering slowdown in economy.

However, lockdown after the outbreak resulted in an adverse impact on revenue collection and the target was reduced to around Rs3.9 trillion.

Official figures showed that the FBR collected Rs3.5 trillion in the July-May period of 2019/20, compared to Rs3.3 trillion collected in the corresponding period of the last fiscal year, showing a growth of 7.7 percent.

But, the latest figures indicate that the FBR needs to pull in Rs382 billion in the June to achieve the target. Average monthly collection is estimated at Rs320 billion. The collection for May fell 31 percent to Rs227 billion. That compared with Rs330 billion collected in the same month of the last year.

The sources said a similar decline in collection was expected in the current month as most of the payment based on economic activities in May. The business activities remained partially halted during May due to lockdown.

The FBR collected Rs518 billion in June 2019. In case of 31 percent decline in June too, the collection for June would likely come at Rs358 billion.

The sources said the offices of Inland Revenue are working with full strength, including women staff and officials above 50 years of age, to get the desired revenue collection.

Though the FBR issued instructions to field offices to work with lesser strength of staff with allowing women and old-age staff to work from home, at the same time the FBR is demanding the field offices to ensure revenue collection target.

The efforts to achieve tax target may put health of tax officials at stake due to widespread coronavirus as besides recent deaths many other tax officials already tested positive for COVID-19.