

### **LTU refrains from 'strict' action to meet revenue target**

KARACHI: Large Taxpayers Unit, Karachi, the main revenue collecting arm of the FBR, is going easy on non-compiled taxpayers despite facing difficult challenge to meet the tax target for the current fiscal year ending in a week, officials said on Tuesday.

"Since COVID-19 has dampened business activities and taxpayers are already facing challenges, they are asked to pay their outstanding liabilities as much as they could," a senior official of the department said.

Officials said Large Taxpayers Unit Karachi outreached taxpayers to ensure maximum revenue collection without taking harsh action.

The tax officials said the unit decided not to take harsh action to enhance the revenue collection unlike the practice of past years.

The official said the unit conducted meetings with taxpayers of various sectors, including banks, oil marketing, oil and gas exploration, insurance, chemical, fast moving consumer goods companies and discussed with them the revenue collection measures.

The official said taxpayers were explained the difficult economic conditions and importance of revenue in this tough time. Taxpayers were asked to fulfill their statutory requirements in payment of due amount of duty and taxes.

The official said the Federal Board of Revenue (FBR) headquarters gave freehand to field offices for taking all such measures for achieving revenue collection target. Some of the offices have already started harsh measures, including freezing bank accounts and arrests to make recovery, the official added. The FBR field offices have been given Rs415.5 billion as revenue collection target for June. That was down from the revenue collection Rs518 in June last year.

However, the revenue collection during the past three months witnessed significant decline due to adverse impact of lockdown after the coronavirus outbreak and it registered 31 percent decline in May.

Sources said the revenue collection for June may come at around Rs358 billion if revenue collection witnessed the same downward pattern. The government decided to lift the lockdown that was imposed in late March after decimating economic and social life.

Initially, the full-year revenue collection target assigned to the FBR was Rs5.5 trillion. The target was first reduced to Rs5.2 trillion considering economic slowdown and then it was further cut to Rs3.9 trillion after economic challenges due to coronavirus-associated lockdown. Usually, June is an important month every year due to closing of fiscal year and efforts are made for achieving revenue collection target.

Unlike past years, the tax offices are facing multiple issues in June, which are including shortage of staff due to lockdown and panic after increase in infections. The performance of the FBR has not much been encouraging during the past fiscal year as it posted negative growth first time in past half a century. The FBR collected Rs3.8 trillion in 2018/19 and failed to reach numbers of preceding year of Rs3.8 trillion.