

FBR forbids attaching properties, funds of defaulters for recovering sales tax

ISLAMABAD: The Federal Board of Revenue (FBR) has withdrawn powers of its officers to attach houses, buildings of agriculturists, government servants, pensioners and provident funds for recovery of sales tax from defaulters. The FBR has barred its officers not to attach stipends, gratuities of pensioners, government servants' emoluments and deposit of provident funds for sales tax recovery.

Through a notification, the FBR amended the Sales Tax Rules, 2006 to issue a list of properties/funds etc exempted from attachment. It stated that the FBR exempted from attachment as 1) the necessary wearing apparel, cooking vessels, beds and bedding of the defaulter, his wife and children, and such personal ornaments, as, in accordance with religious usage, cannot be parted with by any woman; 2) the tools of artisans, and, where the defaulter is an agriculturist, his implements of husbandry and such cattle and seed grain as may, in the opinion of the commissioner, be necessary to enable him to earn his livelihood as such; 3) houses and other buildings (with the materials and the sites thereof and the land immediately appurtenant thereto and necessary for their enjoyment) belonging to an agriculturist and occupied by him; 4), books of accounts; 5) a mere right to sue for damages 6) any right of personal service; 7), stipends and gratuities allowed to a pensioner of the government, or payable out of any service family pension fund notified in official gazette by the federal government or the provincial government in this behalf, and political pensions; 8) all compulsory deposits and other sums in or derived from fund to which the Provident Funds Act, 1925, for the time being applies in so far as they are declared by the Sales Tax Act not to be liable to attachment; 9) any allowance forming part of the emoluments of any servant of government or of any servant of a railway or local authority which the appropriate government may, by notification in the official gazette, declare to be exempt from attachment and any subsistence grant or allowance made to any such servant while under suspension and any expectancy of succession by survivorship or other merely contingent or possible right or interest and a right to future maintenance.

The particulars (stipends and gratuities allowed to a pensioner and allowance forming part of the emoluments) are exempt from attachment or sale whether before or after they are actually payable, and in the case of salary other than salary of a servant of the government or a servant of railway local authority the attachable portion thereof is exempt from attachment until it is actually payable.

Meanwhile, in order to check sales tax evasion, all restaurants, bakeries, caterers and sweetmeat shops supplying prepared food, foodstuff and sweetmeat would be required to display prices and amount of tax separately on menu cards or menu board displayed in their outlets for the end consumers.

The FBR announced this through its amended sales tax rules 2006 through an S.R.O. 353 (1)12020. Moreover, it is also mandatory for all the retailers to display prices and amount of tax separately on the price tags attached with finished fabric and locally manufactured finished articles of textile and textile made-ups and leather and artificial