

### **FBR collects Rs1.3trln to surpass four-month target**

ISLAMABAD: The Federal Board of Revenue (FBR) has surpassed the revenue collection target by Rs15 billion for the first four months of the current fiscal year and logged 4 percent year-on-year growth, although it needs to accelerate the pace to meet the annual goal.

The FBR on Monday said it collected Rs1.33 trillion in net revenue from July to October as against the assigned target of Rs1.32 trillion, whereas it was Rs1.28 trillion in the previous year.

This showed growth of just 3.8 percent compared to the same period of the last fiscal year. The FBR has collected taxes of Rs333 billion during October as against the monthly target of Rs352 billion, reflecting a shortfall of Rs19 billion.

The FBR surpassed its assigned revenue collection target. But, it requires growth of 22 percent for achieving annual tax collection target of Rs4.96 trillion. With this performance in first four months, the FBR has been facing gigantic task to materialize its assigned annual target.

The internal rift within the ranks of the FBR already started appearing so it would be an uphill task for tax collection machinery to materialise the annual target without taking additional revenues as suggested by the International Monetary Fund.

The breakup of tax collection revealed that the income tax collection for July to October stood at Rs470 billion. Similarly, collection of sales tax, federal excise duty, and customs duty remained at Rs643 billion, Rs81 billion, and Rs206 billion, respectively.

The FBR's gross revenue collection stood at Rs1.40 trillion in the first four months, which was Rs1.32 trillion in the previous year, showing an increase of Rs77 billion in the current year.

In October, the total collected revenue stood at Rs333 billion, which was Rs325 billion in the same month last year.

In the first four months of the current fiscal year, refunds to the tune of Rs128 billion have been issued as against only Rs52 billion last year. The growth in refunds has greatly helped in boosting the economic activity in the country. The refunds issued in October are over Rs15 billion, which were Rs4.5 billion in the corresponding month last year.

Despite increase in refunds, the FBR has still managed to cross the revenue collection of October last year. The FBR's appreciable performance is despite the fact that the economy has been sluggish in the wake of the ongoing COVID-19 pandemic.

Moreover, the government extended significant tax relief measures to the public and there was a two percent drop in revenues at the import stage. However, the domestic revenues grew 13 percent during the four months, which reflected taxpayers' growing confidence on the revenue measures being taken by the present government.

In July-October, smuggled goods worth Rs21.4 billion have been seized as compared to seizures of Rs13.4 billion during the corresponding months of 2019. The FBR is fully geared towards automation, e-audit, and simplification of procedures, e-payment of duty draw back to add to the ease of doing business. Furthermore, the FBR has launched an effective crackdown against corruption, harassment, and misuse of authority.

The FBR introduced simplified one pager Income tax returns for the retailers in the current tax year. Moreover, FBR has also uploaded income tax returns in Urdu and regional languages for the retailers and salaried people. FBR has appealed the taxpayers to avail these facilitative measures and ensure filing to annual income tax returns before the last date: 8th December.