

### **Sales tax collection on imports up 4.5pc in July-Oct**

KARACHI: The collection of sales tax at import stage increased 4.5 percent to Rs279 billion during first four months (July–October) of FY2021 from Rs267 billion in the same period last fiscal year, officials said.

Officials at Large Taxpayers Office (LTO) Karachi said the reduced collection was a result of lower imports during the period as the second wave of COVID-19 had already hit many European countries as well as Americas. They said the local importers were cautious about placing new orders for importing raw materials for manufacturing of export-based products, given the pandemic situation around the world.

The LTO Karachi has jurisdiction to report sales tax on imported goods collected at the ports of the city. A breakdown showed Model Customs Collectorate (MCC) Port Qasim collected Rs125 billion during July–October FY2021 as compared with Rs127.6 billion collected in the same months of the last fiscal year, a 2 percent decline.

However, sales tax collection at MCC Appraisalment West posted 41 percent growth to Rs46.5 billion during the period under review against Rs33.1 billion in the same period last fiscal year.

MCC Appraisalment East collected Rs82.7 billion during July–October FY2021 as compared with Rs74 billion in the corresponding period last fiscal year, showing 12 percent growth. In October 2020, the collection of sales tax at import stage fell 8 percent to Rs72 billion as compared with Rs78.25 billion in the same month last year.

The LTO Karachi also collects Federal Excise Duty (FED) on import of goods, which registered a growth of 18 percent to Rs3.76 billion during July–October FY2021 compared with Rs3.19 billion in the same period last fiscal. October FED clocked in at Rs972 million, up 14 percent, against Rs849 million in the same month last year