

Wealth statement cannot be revised after 5 years

ISLAMABAD: The Federal Board of Revenue (FBR) has conveyed to the taxpayers that the wealth statement cannot be revised after expiry of five years from the due date of filing of return of income for that tax year.

According to the circular number 3 of 2020 issued by the FBR to explain important provisions of the Finance Act 2020, prior to the Finance Act, 2020 a taxpayer had the option of revising wealth statement, upon discovering any omission or wrong statement therein at any time prior to receipt of notice under section 122(9) of the Ordinance for the tax year to which it relates.

Through the Finance Act, 2020 an amendment has been made in sub-section (3) of section 116 of the Ordinance whereby effective from 1st July, 2020 intimation to the Commissioner in the prescribed form and manner, shall constitute a prerequisite for revision of wealth statement. Furthermore, through newly inserted proviso to section (3) of section 116 of the Ordinance, Commissioner has been empowered to declare such revision as void, through an order in writing after providing an opportunity of being heard.

In addition to the above, an explanation has been added in sub-section (3) of section 116 of the Ordinance wherein it has been clarified that a wealth statement cannot be revised after expiry of 5 years from the due date of filing of return of income for that tax year. As a tax laws harmonization measure, clauses (a), (ca) and (d) of sub-section (1) of section 48 of the Sales Tax Act, 1990 enabling the Commissioner to effect recovery by requiring by a notice in writing any person to stop clearance of imported goods or manufactured goods or attach bank accounts, or by sealing the business premises have also been incorporated in section 138 of the Ordinance, FBR added.

Prior to the Finance Act 2020, an assessment Order could only be amended under Section 122(1) or an amended order could only be further amended under Section 122(4) on the basis of definite information acquired from audit or otherwise. Now After amendment through Finance Act 2020, assessment order can be amended or an amended order can be further amended on the basis of audit or on the basis of definite information.