

### **Two-third of Pakistan's filers declare just Rs41,000 monthly income**

ISLAMABAD: Two out of every three Pakistani individuals and companies that filed income tax returns declared a little over Rs41,000 monthly income - the earning that does not support a decent lifestyle - and paid either no or negligible tax, revealed an official analysis of tax year 2018.

Details also break the myth that the manufacturing sector was contributing more than its size to the tax revenues. Direct tax contribution by the manufacturing sector was almost equal to its share in the national economy, showed the details that the Federal Board of Revenue (FBR) presented to the federal cabinet.

Financial, insurance, mining and construction sectors were the ones that were paying more in direct taxes than their shares in the national output. However, it did not mean that these sectors were overburdened, rather a majority of their activities were not regulated.

The evaluation that had been submitted with the federal cabinet suggests uselessness of the tax machinery and impudence of taxpayers who remain scot free.

The FBR's indifference towards expanding the extremely narrow tax base can be gauged from the fact that even 70 days after the start of the new fiscal year it has not been able to finalise the income tax return form for tax year 2020.

FBR's spokesman Syed Nadeem Rizvi did not respond to the question as to why the income tax return form could not be finalised, which is the responsibility of the member Inland Revenue Policy.

Five chairpersons have been appointed in the past two years and some people with tainted background are serving on key positions in the FBR headquarters and its field formations.