

FBR's efforts to broaden tax base will succeed

ISLAMABAD: The Federal Board of Revenue's (FBR) exercise of broadening the tax base would be successful as tax authorities would strictly follow up all actions against the top non-filers and tax evaders till full compliance with the law.

Sources told Business Recorder that the FBR is also following up the action taken against the major non-filers to whom notices have been served under the Income Tax Ordinance 2001.

The FBR has announced that the Board has issued notices to 154 potential non-filers in the third phase of national drive to expand the tax net.

The FBR has intensified the exercise of broadening the tax base. So far tax authorities have forwarded notices to 169 and 75 individuals in first two phases respectively.

According to sources, the FBR prepared lists of 220 individuals for launching crackdown in the third phase but the tax machinery found that certain cases were selected from FATA and PATA where the FBR's tax laws were not fully applicable and issues of jurisdiction arose. Secondly the tax machinery also found some flaws in addresses of certain individuals so the notices could not be served because of unavailability of full addresses despite getting assistance from NADRA.

Out of 154 individuals, around 83 cases were found on account of rental income and remaining were those who purchased vehicles but failed to file their income tax returns.

Sources said that the drive aimed at creating deterrence instead of generating revenue to force non-filers to ensure compliance with the tax laws.

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