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Tax returns

In 2015, the FBR made it obligatory for all salaried individuals to file income tax returns electronically. An overwhelming majority of employees encouraged this system as it is secure and fast, and has considerably reduced the need for paperwork. However, it has been observed that many employees are unable to file returns due to consistent technical errors. Since there is no proper guidance from the FBR in this regard, many people hire accountants who assist them in filing returns.

Since many consultants charge substantial fees, a large number of employees don't bother to file returns. This situation is also risky as it allows outsiders to know about a person's financial position. The FBR should introduce helpdesks in FBR offices to provide guidance to people. It should also organise workshops at district levels to create awareness among people regarding the importance of filing income tax returns. This step should be taken to encourage people to become tax filers.

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Pakistan is a country of generous people. Large amounts of money are given in charity and zakat annually and no questions are asked about its source. Less than two percent of the population file their tax returns. With a growing middle class and a large number of self-employed people, there should be more tax filers. The reasons why people are reluctant to file tax returns involves the growing ignorance about tax laws, the fear of facing the tax authorities, and the difficulties that arise while filing returns online.

At one time, the FBR used to explain how taxable income was to be calculated. The return forms were simple and manual filing was allowed. Now, the process of electronic filing and complicated return forms (which are subject to revision) make it necessary for filers to hire specialists to file returns who do this for a fee. Not many people want to hire an accountant to pay taxes. It would be beneficial for a lot of people if the filing system is simplified and made user-friendly so that people can file returns with ease.

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