



Tax evasion in retail

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THERE are tens of thousands of retail businesses in a large city like Karachi. They range from pushcart vendors to large supermarkets and everything in between. While it is unreasonable to expect vendors to pay taxes, the larger outlets doing brisk business certainly should pay their fair share.

One frequently comes across large stores with a good turnover that do not offer the facility of paying by credit card. The real reason for not offering this option is that they do not wish to disclose their actual sales in order to 'save' on --read evade-- taxes.

A couple of commendable steps have been taken recently in some other areas. It is now mandatory to be a filer for the purchase of locally assembled vehicles as well as for first time registration of imported vehicles. Ditto for the purchase of real estate valued at over Rs5 million. These measures are intended to document the shadow economy.

In a similar fashion, it is suggested the government makes it compulsory for retail businesses above a certain size to offer credit card facility. The technology in vogue now has made it even easier to implement credit card solutions whereby merchants can even accept payments via smartphones or tablets.

Everyone must pay their due taxes. A strong regulatory institution and public censure are the need of the hour.

Ali Hassan

Karachi

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