

Revenue shortfall: Proposals under study to further amend Finance Act 2018

In order to overcome revenue shortfall of over Rs 100 billion during 2018-19, the government is examining proposals to further amend Finance Act 2018 to generate additional revenue in remaining months of current fiscal year. It is learnt that the Federal Board of Revenue (FBR) is working on different proposals to overcome revenue shortfall during 2018-19. The budget makers are examining different proposals like imposition of standard rate of sales tax on all petroleum products, further duties/tariff rationalization on imports, changes in excise duty rates on some excisable commodities and further increase in rates of withholding taxes on non-filers of income tax returns.

If any new taxation proposals are finalized for 2018-19, this would require amendments in the Finance Act 2018. Through Finance Supplementary (Amendment) Bill, 2018, the government has already amended the Finance Act 2018, sources added.

During July-November 2018-19, the FBR has suffered shortfall of around Rs.100 billion. The government had downward revised revenue collection target of the FBR from Rs.4,435 billion to Rs.4,390 billion for 2018-19.

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