

**‘Taxing times’**

THIS refers to the editorial ‘Taxing times’ (Dec 10). The issue of waiver of sales tax on mobile phones arose owing to the high rate of sales tax on mobile phone.

In the first place, had the rate of sales been reasonable, the need for its abolition would not have arisen. Now the shortfall from revenues of this tax have touched a staggering amount of Rs16 billion. Revival of this tax is warranted to meet the targets.

However, the rates should be fixed according to affordability levels of the common man. In addition, the proposal of fixing the sales tax per liter of petrol irrespective of rise or fall of international prices can be a viable alternative.

Similar initiative could also be taken for direct taxes. Incomes of professionals such as doctors, lawyers and chartered accountants can be averaged out by market surveys. Standardisation of incomes can effectively check tax evasion and corruption in the taxation machinery.

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