

KARACHI: The Federal Board of Revenue (FBR) may speed up the screening process of the data of potential taxpayers in the wake of disappointment of the International Monetary Fund (IMF) and the World Bank over the proposed tax amnesty schemes, sources said on Friday. The sources said that in the recent meetings held in Washington the IMF and the World Bank expressed their dissatisfaction over the proposed amnesty schemes by the government for giving an opportunity to tax evaders to come in the tax net. They said that the foreign lending agencies asked officials of the finance ministry and revenue authorities to utilise the available data, which they had obtained through the National Database Registration Authority (NADRA). The sources said that the lending agencies are fed up with the empty talks of the authorities about tax evasion and the data of tax evaders, and their failure in bringing untaxed affluent into the tax net. Recently, the FBR chairman claimed that there were three million potential tax payers who paid foreign jaunts and bought high-end vehicles, or classy properties. In the budget speech 2011-12, the federal minister put up a figure of potential taxpayers at 700,000. Of the total population of 180 million, number of taxpayers is over three million in the country, while only 1.4 million national tax number holders filed their income tax returns in the last fiscal year. About two months back, the Tax Registration & Investment Scheme-2012 was proposed to attract tax dodgers to file their returns and pay their tax liabilities. However, the genuine taxpayers protested against the scheme and dubbed it as an injustice with them. The IMF in its report released on November 29 advised the authorities that fiscal consolidation should focus on changes in tax policy and improvements in compliance. In the report, the lending agency also asked the government to reconsider the tax amnesty schedule and suggested that recognising the political difficulties in implementing value added tax the authorities should consider credible alternative revenue measures including a modified general sales tax and strengthening of the income tax. If the government goes with its plan to pardon tax evaders, it will become difficult to enter into a fresh loan programme with the IMF, which is direly needed owing to the heavy outflows, observed the sources. Another option that can be used by the FBR in case of non-implementation of the schemes is to tap into the NADRA and banks to get personal profiles of rich and their deposit records, they said. Notably, the banks had refused to share depositors' data with the government in the past under certain confidentiality laws. However, a commissioner of the Inland Revenue is entitled under Section 176 of Income Tax Ordinance, 2001 to demand documents from a taxpayer by force, they added. The federal tax body is desperate to achieve revenue collection target of Rs2.381 trillion for the current fiscal year, but so far failed to achieve desired level of revenue in the first five months of the current fiscal year.

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