Written by Administrator
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<p> <p>KARACHI: A major shortfall in revenue collection of the Federal Board of Revenue (FBR) is imminent, against the annual target of Rs2381 billion, as the collection of taxes and duty on import stage recorded decline during the first half of the current fiscal year. </p> <p>�</p> <p>The total collection of duty and taxes by two collectorates of Pakistan Customs stood at Rs151.44 billion during July-December 2012 as against Rs152.15 billion in the corresponding period of last year, depicting 0.47 percent fall. The stagnant revenue collection growth of customs is alarming for the federal revenue body, which has been assigned to collect Rs2381 billion in the ongoing fiscal year, with the growth rate of 26.4 percent comparing with the last fiscal year�s revenue collection of Rs1883 billion.</p> <p>�</p> <p>The details of revenue collected by Model Customs Collectorate (MCC) of Appraisement and MCC PaCCS, which account for about 70 percent of total revenue collection by the Pakistan customs, showed that federal excise duty registered sharp decline, while collection from sales tax also fell. However, collection of customs duty and income tax posted increase.</p> <p>�</p> <p>The combined customs duty collection of both the collectorates rose 10.55 percent to Rs56.22 billion in July-Dec as against Rs50.85 billion in the comparable period.</p> <p>�</p> <p>Similarly, the collection of income tax at import stage managed to grow by 3.2 percent to Rs24.56 billion comparing previous collection of Rs23.51 billion.</p> <p>{loadposition content_adsense300}</p> <p>The sales tax collection went down by 8.16 percent to Rs70.24 billion against Rs76.45 billion and collection of federal excise duty plunged by 45.6 percent to Rs706 million.</p> <p>�</p> <p>Customs officials attributed the flat growth to fall in overall imports of the country, reduction in sales tax rate in the last budget besides elimination of federal excise duty on several items.</p> <p>�</p> <p>Pakistan�s total imports fell by $21.92 billion during July�Dec 2012, showing 3.33 percent decline when compared with $22.67 during July�Dec 2011.</p> <p>�</p> <p>In the budget 2012/13, the government announced relief in customs including maximum general tariff slabs reduced from 35 to 30 percent. The customs duty on raw materials and components for printing and stationary sector were also slashed. Besides, duty on 88 pharmaceutical raw materials and other input goods were further cut to 5 percent from 10. Most recently, the government also reduced the age limit of imported used cars to three years from five. Likewise, in the last budget the sales tax rate was brought down to 16 percent from 17.</p> <p>�</p> <p>The customs officials said that due to these reasons the shortfall in revenue collection by customs will widen in coming months.</p> <p>�</p> <p>Regarding increase in customs duty during first six months of the current fiscal year, the officials said that effective monitoring on assessment of imported goods and ensuring arrears recovery enabled the customs to collect such amount despite fall in volume of dutiable goods. The officials also attributed this to the performance of research and development wing of MCC PaCCS.</p> <p>�</p> <p>They said that considering ongoing trend of collection the FBR would request the government to revise the revenue target downward.

Courtesy: �The News</p> </p>