

New identification system: FBR to issue notices to 0.4 million top tax evaders

The Federal Board of Revenue will issue notices to 400,000 biggest tax evaders in the next few days to bring them into formal tax regime, as top evaders will be documented without waiting for Tax Registration Enforcement Initiative 2012 (TREI-2012) and Investment Tax Scheme, 2012 (ITS-2012).

Sources told Business Recorder here on Wednesday that the FBR for the first time has made operational a state of the art "Income Tax Evaders Identification System" to document the economy and generate additional billions of rupees on the basis of expenditures made by the citizens of the country. With the help of "Income Tax Evaders Identification System", the FBR has identified 400,000 top tax evaders. The FBR will not wait for the launching of the TREI-2012 and ITS-2012 and notices would be served on these big tax evaders. The individuals, who would receive notices for documentation, included prominent Pakistanis, professionals, service providers, businessmen, politicians and elite class of the country.

The FBR has implemented the "Income Tax Evaders Identification System" by a team of experts headed by Samad Khurram, an IT specialist and expert from National Database and Registration Authority (Nadra). The FBR is not interested to offer amnesty to biggest tax evaders, who are making huge expenditure, but are paying nothing in the form of taxes. In such cases, FBR is legally empowered to issue notices to the un-documented persons. Top 400,000 rich people would be served notices without further delay.

Sources said that the FBR has identified major tax defaulters on the basis of capacity of the tax machinery. The FBR cannot wait for the implementation of the amnesty schemes and there is no justification to offer amnesty to those earning extraordinary high income, but not having even National Tax Numbers (NTNs). Thus, without waiting for the launch of TREI-2012 and ITS-2012, the FBR has started documentation exercise by issuing notices to 400,000 biggest tax defaulters. The "Income Tax Evaders Identification System" has blindly picked these biggest tax defaulters on the basis of their expenditures.

Sources said that the FBR for the first time has finalised a state of the art "Income Tax Evaders Identification System" to document the economy and generate additional billions of rupees on the basis of expenditures made by the citizens of the country.

Sources said that Samad Khurram, Team leader of the new tax project and expert from Nadra made a presentation before the FBR on the "Income Tax Evaders Identification System". Samad Khurram and his team of tax experts have day and night worked on the new project and finally presented the analysis of the Income Tax Evaders Identification System, based on regression analysis of income and consumption patterns of citizens through data mining techniques and their subsequent matching with FBR's taxpayers' Master Index. Team leader of the project informed the FBR that as many as 3.1 million potential taxpayers have been identified as a result of the exercise. He presented a specific example of a citizen who has multiple bank accounts and undertook 45 overseas visits during last 5 years, besides having three luxury vehicles in his name and living in a posh area and yet he is not a registered taxpayer.

Tax authorities explained that this analysis presents us with a great opportunity to expand the tax base of the country. They viewed that the proper implementation would ensure huge collection through this initiative. The FBR would provide an opportunity to tax evaders to voluntarily come into the tax net. In case they fail stringent enforcement measures, including blocking of CNICs, would be ensured. Tax authorities further explained that this initiative would be accompanied by a vigorous media campaign for effective communication. In case the potential taxpayers fail to respond, electronically generated notices will be served on them. The Board-in-Council of the FBR has

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Written by Administrator

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endorsed the proposed Income Tax Evaders Identification Initiatives and recorded its appreciation for Samad Khurram and his team for carrying out the analysis.</p> </p>
<p>◆</p> <p>Courtesy: ◆B Recorder</p>