

 Islamabad- The government has given tax exemptions worth Rs 239.535 billion to different sectors during outgoing financial year 2012-13 against Rs 205.920 billion during previous fiscal year 2011-12, revealed the Economic Survey on Tuesday.

According to Economic Survey 2012-13, the cost of exemptions in respect of income taxes are worth of Rs 82.393 billion during the outgoing fiscal year, which was Rs 69.608 billion in last financial year 2011-12. Meanwhile, the cost of sales tax exemption has estimated to be Rs 39.436 billion for the fiscal year 2012-13, which was Rs 24.3 billion in last fiscal year. Similarly the cost of customs exemptions has projected to be Rs 119.706 billion against Rs 112.012 billion of the previous year.

The break-up of estimated revenue loss in income tax expenditures revealed that Rs 0.800 billion revenue loss occurred due to exemption given to pensions and gratuity, Rs 9.1 billion on income from funds, board of education, universities and computer training institutions, Rs 1.3 billion on donations and contributions to charitable organisations, Rs 48.6 billion on independent power producers, Rs 0.6 billion on income from certain trust, welfare and charitable institutions non-profit organisations. Similarly, income tax exemption worth of Rs 2 billion has been given to the profits on debt/interest from government securities and certain foreign currency accounts etc, Rs 0.993 billion on export of information technology, Rs 4 billion on capital gains and Rs 15 billion on other sector and enterprise specific exemptions during the outgoing financial year.

According to survey, sales tax exemptions are provided at import stage and on domestic supply of goods and services. Sales tax exemptions were available on certain items including tractors, fertilizers and pesticides. The break-up of sales tax exemptions revealed that Rs 2.140 billion on tractors, Rs 7.076 billion on pharmaceutical and Rs 12 billion on sugar and Rs16.220 billion on others were extended in the outgoing financial year.

Meanwhile, Customs exemptions are mainly given on raw materials and components, plants, machinery and equipment imported by high-tech, priority and value added industries, imports for energy sector projects and exemptions to exploration and production companies. Some of these exemptions are due to international contractual obligations. The government has given Rs 119.706 billion Customs exemptions during the outgoing fiscal year against the Rs 112.011 billion of the last year 2012-13.

Courtesy: ♦Nation