

KTBA declares online income tax return form as defective

KARACHI: Karachi Tax Bar Association (KTBA) on Thursday declared the available income tax return form at IRIS – the web portal of Federal Board of Revenue (FBR) – as defective and taxpayers are unable to file their returns for tax year 2020.

“Needless to state that the return of income is still defective and incomplete as certain fields are missing to date. The time prescribed of 90 days under Section 118 to file return will not start until all defects in the return of income are completely removed and the return is error free and taken to have been finalized,” the KTBA said in a letter sent to the FBR chairman.

It is pertinent to mention here that the last date for filing income tax returns for tax year 2020 was September 30, 2020. The FBR finalized the return form on September 08, 2020. On the demand of tax bars the FBR extended the last date by 90 days to December 08, 2020.

The tax bar further said that to incorporate/correct certain fields/errors, appropriate Rules needs to be amended which can only be made through a notification as required under section 237(3) of the Income Tax Ordinance, 2001, the KTBA added.

Muhammad Zeeshan Merchant, President, KTBA in its letter to the FBR chairman said that the incorrect computational issues in the return of income still persist and members were facing severe difficulties and were in extreme pressure because of two main situations, which are:

- (1) they cannot file the returns on the forms presently available on the IRIS, with wrong formulas, calculating erroneous tax; and
- (2) resurgence of the currently ongoing, since many past days, the dangerous life threatening second wave of COVID-19 which has not only gripped the taxpayers but have also affected the members of KTBA in particular and tax consultants in general and their staff.

The KTBA through its letter explained in detail about the incorrect computation of tax under various heads of income. The tax bar said that the members were working very hard during such extraordinary extreme and testing time, however, due to non-removal of above irritants and rising COVID-19 cases, the members are unable to file their returns of income which could transpire in low number of returns that have been filed till date.