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# **FBR urged to notify simplified return forms for SME taxpayers**

**KARACHI:** The tax practitioners have demanded the Federal Board of Revenue (FBR) to notify simplified return forms for the Small and Medium Enterprises.

In a letter to FBR chairman Asim Ahmad on Monday, the Karachi Tax Bar Association (KTBA) said the taxpayers of SMEs are facing difficulties due to unavailability of the registration feature and simplified return forms.

The KTBA appreciated the revenue board for removing anomalies towards simplifying the tax laws. It said during the preceding year, the FBR simplified returns of income for traders up to Rs10 million turnover and for the manufacturers up to Rs50 million turnover.

Likewise, during the present year, a host of anomalies and exceptions in both direct and indirect tax laws have been addressed through the Finance Act, 2021.

“A whole new and simplified tax regime has been introduced for the SME taxpayers, who are engaged in manufacturing by way of introducing Section 100E read with subsection 59A of Section 2 and 14th Schedule to the Income Tax Ordinance, 2001.”

The KTBA said Section 100E, the new tax regime for SMEs, has been made applicable from the tax year 2021 onwards.

“However, it is not helpful that simplified return for this purpose as required under Section 100E is yet to be notified by the FBR, especially when the process of filing of return of income for other income/business streams had timely been notified and kicked off.”

Similarly, the SME taxpayers are required to register with the tax authorities under the ordinance. “However, the registration feature for the SMEs is yet not available on the web portal of FBR, which also needs attention,” the tax bar added.

The KTBA urged the FBR chairman to enable both the provisions of simplified return and registration process to facilitate the taxpayers of the SME sector.