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Claiming service input tax

KTBA urges FBR to gradually phase out old system

RECORDER REPORT tax gradually instead of sudden disallowance; Karachi Board of Revenue (FBR) Tax Bar Association (KTBA) suggested here on Thursday.

In a letter sent to the newly appointed chairman FBR, the KTBA urged the board to use both old and new system for claiming service input tax to allow taxpayers to claim genuine service tax till the time the new system was fully functional.

“Once the system is fully functional, an option to claim service input tax manually should also be provided as it is not available and through manual entry the service tax invoice is not uploaded automatically. Such entry should then be checked and if found otherwise be routed through S. No. 7 (a) (b) (c) of the Sales Tax Return,” it said.

Furthermore, the KTBA said that the board should ensure invoice wise entry by all taxpayers against NTN / STRN of each taxpayer, which would not only

streamline the process but also ensure proper submission of input tax claims in both federal and provincial tax authorities and added that the board should also incorporate the module of re-uploading of service input tax in the new system.

“Although the digitalisation of records is the only way to address many complex issues, instant implementation of new scheme in the midst of MoU signed by the Federation and the Provinces to develop one sales tax return may create chaos like situation for the taxpayers,” it said.

Keeping the said in view, the KTBA has requested the board to extend the date for the tax period of March 2021 for filing of sales tax return and facilitate the taxpayers.