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Blanket powers to tax machinery

Govt contemplating redrafting proposed amendments: KTBA

RECORDER REPORT

KARACHI: President of Karachi Tax Bar Association (KTBA), Zeeshan Merchant said that the government is contemplating to redraft the proposed amendments that would give blanket powers to the tax machinery.

While addressing at an online post budget seminar, he said that certain amendments proposed in the law through the federal budget 2021-22 have given the blanket powers to the tax machinery.

"We are grateful to the government for timely action taken after the issue highlighted by the KTBA and now proposed amendments will now be drafted," he said.

Moreover, he said that the

government had not taken care of the senior citizens in this budget and they were treated at par with the normal taxpayers. President KTBA said that after a long time, the federal budget 2021-22 had shown both a sense of direction and viable measures to increase the tax base.

Meanwhile, Asif Haroon, who spoke on direct taxes said that the government estimates of growth and revenue measures were often unreliable and the implementation of a track and trace system in cement, fertiliser, sugar and cigarettes sectors was in vogue for the last many years. Moreover, he said that strong political will was required to implement POS integration.

While elaborating the proposals made in the Finance Bill 2021 which are business friendly and address those issues which remained unresolved for many years, Asif said that the rate of turnover tax reduced from 1.5 percent to 1.25 percent whilst also allowing carry forward of minimum tax in case of loss; simplified tax regime for small manufacturers (SME) having turnover upto Rs250 million; telecom sector declared as industrial undertaking with tax withholding rate reduced from 8 percent to 3 percent; taxation of export of services at 1 percent and capital gains tax on listed securities reduced from 15 percent to 12.5 percent.

Talking about the

enforcement measures proposed in the budget, he was of the view that the proposed punishment over the deliberate concealment of income (being non-declaration of receipt / assets etc or claim of excessive deduction) that would result into arrest even before any adjudication process need to be rationalised and should not be applied in case of filers.

Adnan Mufti, who spoke on indirect taxes, said that after the withdrawal of reduced tax rate under 8th Schedule, the fat filled milk, flavoured milk, yogurt, cheese, butter, cream, milk and cream are now taxable at standard tax regime, if sold in retail packing under brand name.