

Finance Bill proposes blanket powers to tax machinery: KTBA

KARACHI: The federal government through Finance Bill, 2021 proposed certain amendments in tax law, which will give blanket powers to tax machinery, said Zeeshan Merchant, President, Karachi Tax Bar Association (KTBA).

Merchant was addressing at the post budget 2021/2022 seminar held on Thursday.

“We at KTBA feel that the FBR is actively pursuing the policy to create a friendly relationship between the taxpayers and the tax collectors,” he said, adding that we feel certain amendments proposed in the law have given blanket powers to the tax machinery.

Merchant said that the government had presented the budget, which had ingredients of both a sense of direction though based on certain assumption and some measures to increase the tax base.

KTBA president said that the bar was grateful to the government for timely action taken after the issues highlighted by the KTBA and now it is heard that certain proposed amendments would have now be drafted.

While discussing the budget, he said that senior citizens had not been taken care of and they were treated at par with normal taxpayers.

He said that the bill had proposed to omit section 114A of the Income Tax Ordinance, 2001. But it should be clarified by the tax authorities that nothing requires to be done in this regard.

He said that the discretionary power had been give to assistant commissioner to arrest a person for concealment of assets.

Zeeshan Merchant said that nothing has been done to bring retailers into the tax net like an effort has been made in SMEs sector.

He highlighted that the budget had some positive measures, included: increase in minimum tax threshold from Rs10 million to Rs100 million; reduction in minimum tax rate from 1.5 percent to 1.25 percent; minimum tax not to levy in case of losses; distributors brought in the fold of minimum tax; exemptions allowed for those availing tax credit; separate tax regime for SMEs.