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KTBA slams tax offices

KARACHI: The Karachi Tax Bar Association (KTBA) on Friday criticised the tax offices for issuing audit notices without going through the facts just to avoid the time limitation prescribed in the statute.

The KTBA wrote letters to chief commissioners, highlighting the haste of tax offices in issuing notices under section 122(5) of the Income Tax Ordinance, 2001 during the last two weeks just to comply with the time limit of initiating the audit for the tax year 2015.

The tax bar expressed surprise over notices issued in those cases where audit proceedings were already concluded.

It said that the notices had wrongly been issued by the field formation without properly appreciating returns of income tax, as well as statements of wealth and also without proper application of mind, as host of such cases pertains to income from property, salary, dividend, etc, and also because the grounds advanced in the notices do not constitute “definite information” within the meaning of Section of 122(8) of the Income Tax Ordinance, 2001.

“As the time limitation prescribed for initiating proceedings for the tax year 2015 draws closer, the bar members are afraid of encountering more such weird notices in the days to come,

which in no way, tend to serve the purpose of the ordinance and are likely to create a chaotic situation,” it added.