

FBR asked to fix errors in tax form

ISLAMABAD: The Kara-chi Tax Bar Association (KTBA) has identified errors in the income tax return form for the year 2022, asking the Federal Board of Revenue (FBR) to remove “technical glitches and illegalities” from the Iris return filing portal to help citizens or their consultants file returns without difficulty.

In a letter written on Saturday, KTBA President Syed Rehan Hasan Jafri urged FBR Chairman Asim Ahmad to address the matter as citizens were reluctant to file returns. The association regretted that none of the above issues have been addressed as yet and, therefore, the pace of compliance with filing the tax returns was very slow.

It pointed out that the column for adjusting brought-forward capital losses under the head of capital gains was not available in the income tax return form due to which tax on a capital gain cannot be calculated correctly.

The column of tax credit for specified industrial undertakings under section 65G is inadvertently available in the salaried individual return form and the non-availability of the reduced tax rate on contract receipts.

Although the rate of tax on contract receipts under section 153 was reduced from 7.5pc to 7pc for the tax year 2022, however, there is no column for a such reduced rate in the return available on IRIS.

Further glitches identified include insufficient time for taxpayer filing manual return forms, erroneous tax calculation on the gain of immovable property, incorrect tax calculation on profit on debt, error in the statement of foreign income and assets under Section 116A of the ordinance for non-resident individuals, opening wealth appearing in wealth statement.

In addition, the tax authority has lately deleted the column of “Adjustment of Refunds”, which is certainly an afterthought, whereas the Manual Tax Returns do retain the “Column of Tax Return Refund”.

There is no explanation or justification for this glaring disparity, which is to be taken care of the clarification of taxpayers.

The online refund adjust-ment column is still not available on the return loaded on IRIS irrespective of the fact that it is available in the statutory regulatory order issued by the Federal Board of Revenue.