



April 27, 2022

KTBA demands extension in Sales Tax Returns Filing Date

KARACHI: The Karachi Tax Bar Association (KTBA) on Wednesday demanded the tax authorities to extend the date to file sales tax returns for March 2022, as the taxpayers are unable to file the returns due to the online system denying taxpayers without payment of POS service fee, a statement said.

In a letter sent to Federal Board of Revenue (FBR) FBR Chairman Dr Muhammad Ashfaq, the KTBA urged to take urgent note of the matter and extend the date to file sales tax returns for the tax period March 2022.

Further, it demanded allow a mechanism to upload the evidence of POS service already paid to enable them to file the sales tax returns.

The tax bar informed that through its SRO 1279/(I)/2021 dated September 30, 2021, the FBR levied Point of Sale (POS) service fee of Re/ invoice on all invoices raised through POS integrated with the board's computerised system.

It also specified that the above amount collected by the Tier-1 retailers from the customers would be deposited along with the monthly sales tax returns in a designated bank account.

However, even before such levy was introduced through the above SRO, the board vide SRO1006 (I)/2021 dated August 9, 2021 had already issued a standardised format for the issuance of invoices by Tier-1 retailers through POS.

The above format provided for separate line and row for collection of the POS service fee. Further, a procedure for the operationalisation of SRO 1006 (1)/2021 dated August 9, 2021" was issued.

The KTBA sought clarification on the applicability of POS service fee on invoices issued from October 1, 2021 and adjustment of POS service fee in the sales tax returns.