

28 October, 2022

FBR asked to fix errors in tax form

ISLAMABAD/LAHORE: The Kara-chi Tax Bar Association (KTBA) has urged the Federal Board of Revenue (FBR) to fix several technical and legal issues in the return forms uploaded on its online tax filing portal Iris.

In a letter to the FBR chairman, the association urged to fix these errors to help taxpayers file returns. The tax authority also resolved several issues in the tax returns last month as well. The deadline for filing income tax returns has been set for Oct 31.

One issue highlighted by the KTBA is an inactive column for refund adjustment of genuine refunds to taxpayers. Another problem relates to income attribution with respect to minimum taxation under Section 153 of the income tax ordinance as it led to “unwarranted higher taxation on the same income of a taxpayer”, the association said.

The association said the issue of initial depreciation allowance on plant and machinery under Section 23 also needed to be corrected in IRIS, as its web portal was presently not catering to this scenario in line with the law, resulting in an incorrect computation of tax depreciation.

Senior official in Lahore says tax authority likely to extend deadline for filing returns

It was also pointed out that the erroneous calculation of the written-down value of assets — one calculated after accounting for depreciation or amortisation — was still unresolved.

Another issue in the income tax return form was the adjustment of brought-forward capital losses on listed securities under the head of capital gains, due to which tax on capital gain could not be calculated correctly under Section 37A of the ordinance, the KTBA said.

The association pointed out that returns for small and medium enterprises finalised without draft returns and the value of properties to calculate deemed income under Section 7E also needed to be resolved.

It said the tax return had yet to be finalised, several corrections were still pending and frequent changes were taking place. Therefore, it urged the FBR to provide taxpayers with reasonable time to file tax returns.

Deadline extension likely

Meanwhile, the Lahore region's chief commissioner of FBR's inland revenue wing said the tax authority was likely to extend the date for filing returns.

Speaking at the Lahore Chamber of Commerce and Industry (LCCI) on Thursday, Nasir Iqbal said the FBR had developed a strategy to limit its physical interaction with the business community and facilitate tax filers while making it difficult for non-filers to easily use untaxed income.

“This paradigm shift has borne fruits for the department as 80,000 new filers are entering into the system each year in the Lahore RTO [regional tax office] alone,” he said.

He sought LCCI's help in educating and informing businesspeople to become filers and informed its members that unnecessary notices had also been stopped.

Last year, some 588,000 tax returns were filed in the Lahore RTO, Mr Iqbal said, adding that instead of making efforts to bring non-filers into the tax net, the department was minimising the use of their untaxed and illegal capital.