

KTBA seeks extension in income tax returns deadline till Dec 31

The Karachi Tax Bar Association appealed to Prime Minister Imran Khan for an extension in the last date for filing of income tax returns for a period of three months.

ISLAMABAD: The Karachi Tax Bar Association (KTBA) on Tuesday appealed to Prime Minister Imran Khan for an extension in the last date for filing of income tax returns for a period of three months, that is, until Dec 31.

Meanwhile, the Federal Board of Revenue (FBR) is optimistic that it will receive more than two million returns by the deadline of September 30, which could become a ‘historic moment’ for the tax machinery in case it’s achieved. The FBR had received approximately 1.4m tax returns till Sept 28.

The KTBA pointed out that fulfillment of 90 days’ time was provided under the law to file the return of income under section 118 of the Ordinance. It further highlighted unavailability of FBR Portal for 15 days. “90 days’ time should only start when a flawless and error-free return of income in line with the provisions of the ordinance is uploaded on Iris portal, which per se is yet to be notified,” the association said.

The KTBA further said the FBR Portal, both e-FBR and Iris “remained hacked and disabled from August 14, 2021” and it was intermittently not working properly till the end of August 2021 which again denied taxpayers 90 days’ seamless time prescribed under the law to file the return of income.

On Tuesday, the FBR issued a circular to facilitate taxpayers in filing their tax returns in the last two days with extended hours for filing of returns as well as payment of taxes. This is in addition to the extensive nationwide awareness campaign engaging national heroes, urging people to file their returns to improve tax compliance in the country.

This year, the FBR notified the tax returns from July 2021 to meet the 90-day (three-month) requirement under the tax law. Until now, the FBR has clarified that the last date will not be extended. The FBR has also engaged cellular companies to send SMS to taxpayers to remind them about filing of their tax returns.

Last year, the government had not extended the last date for filing of tax returns beyond Dec 8, 2020. It is worth mentioning that people can file their tax returns beyond the last date, but will have to pay fine which in the current year will be Rs1,000 per day.

Without fine, a commissioner can also grant 15 days' extension on specific request by the individual taxpayer.

The KTBA in a letter, a copy of which was shared with media through WhatsApp, mentioned that letters were earlier sent to chairman of FBR for seeking extension in the return on the plea to correct the flaws in the notified return.

It further said that the KTBA feels its responsibility that the taxpayers are not at all in a position to meet the deadline of filing the Return of Income by September 30, till such time all the flaws and formulae errors are removed and the return of Income is flawless and error-free.

“As such we are hopeful that you will kindly instruct the chairman FBR to extend the date of filing of Return of Income at least up to Dec 31, 2021 and oblige,” President KTBA Muhammad Zeeshan Merchant said.

He said the FBR is completely ignoring the part of the tax advisors and tax consultants who are in fact the partners of the FBR in helping to achieve their targets. “We at the KTBA feel that if the date is not extended, the target in the mind of FBR cannot be achieved,” Mr Zeeshan said.

It further said it is habitual at the FBR to amend and modify the return of income till last moment without notifying the same to the stakeholders which creates bad impression on the part of the FBR.