Ref : KTBA/04.2026/054
Date : April 23, 2026

Mr. Rashid Mahmood Langrial,
Hon'ble Chairman,
Federal Board of Revenue,
FBR House, Constitution Avenue G-5,
Islamabad.
(chairman@fbr.gov.pk)

Dear Rashid Sahib, AOA

SUBJECT: SERIOUS CONCERNS OVER DEFAULT SURCHARGE PROCEEDINGS ON SUPER TAX PAYMENTS

We respectfully submit this representation regarding the imposition of default surcharge under Section 205 of the Income Tax Ordinance, 2001, concerning the payment of Super Tax.

2) While taxpayers fully recognize their obligation to discharge tax liabilities, it is equally imperative that levies and collections strictly adhere to the law. Following the short order of the Federal Constitutional Court, taxpayers have discharged the principal amount of Super Tax in full compliance with legal directives.

It has, however, become a matter of grave concern that, despite the lawful discharge of the principal amounts, field formations have initiated default surcharge proceedings under Section 205 of the Ordinance, citing alleged non-compliance with payment timelines.

2.1) Respectfully, in numerous cases, such proceedings have been initiated despite bona fide reliance on subsisting stay orders, judicial pronouncements, and appellate relief granted by competent forums, which legally restrained or justified the timing of payments.

3) Outstanding Refunds and Equity Considerations

The situation is further aggravated by the fact that, on one hand, adverse default surcharge orders have been issued, while on the other hand, excess tax payments declared in submitted returns and pending tax refunds are yet to be processed. Imposing surcharge without properly accounting for these outstanding refund amounts is not aligned with the principles of equity and fair tax administration.

4) Legal Position and Judicial Framework

It is essential to emphasize that the High Court of Sindh, through its order dated December 22, 2022, declared the Super Tax levy for Tax Year 2022 ultra vires the Constitution. This binding judgment under Article 201 of the Constitution required strict compliance by the Board and its field formations.

This legal position remained authoritative until the matter's final determination by the Federal Constitutional Court on 27 January 2026. Throughout this period, the Sindh High Court's order remained effective and was consistently followed in appellate proceedings before the Commissioner Inland Revenue (Appeals) and the Appellate Tribunal Inland Revenue.

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Similarly, taxpayers acted in accordance with binding judicial directions regarding retrospectivity of rates and Super Tax chargeability on income under the Final Tax Regime issued by the Islamabad High Court.

It is a well-established constitutional principle that rulings of the courts, whether interim or final, must be respected and implemented. The imposition of default surcharge in circumstances where payment timings were directed or influenced by such authoritative orders is not only inconsistent with the legal framework but also represents a grave undermining of the rule of law and taxpayer confidence.

5) Impact on Taxpayers and Economic Environment

We would also like to highlight that Super Tax is essentially applicable on high-earning persons who contribute positively to Pakistan's economy and exchequer. While these taxpayers generally face delays in the timely processing of their tax refunds, they are now burdened by additional financial obligations arising from default surcharge proceedings. This situation is neither conducive to fostering a cooperative tax environment nor supportive of economic growth.

6) Request for Way Forward

In light of these considerations, we urge that all proceedings for default surcharge under Section 205 be immediately reviewed and withdrawn in cases involving stay orders, judicial pronouncements, appellate relief or refundable tax credits, following thorough verification of the facts and applicable law. Furthermore, necessary instructions should be issued to facilitate the prompt issuance of due tax refunds in accordance with the law.

We trust the Board will appreciate the urgency and gravity of these concerns and ensure a fair, just, and lawful resolution.

Thank you for your kind consideration.

Yours sincerely,

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Copy to:

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ii. **Senator Azam Nazeer Tarar,** (Nishan-i-Imtiaz), Federal Law Minister, Islamabad
iii. **Mr. Zubair Bilal**, Member (Inland Revenue - Operations), FBR, Islamabad.
iv. **Dr. Sajjad Taslim Azam**, Member (Inland Revenue - Policy), FBR, Islamabad.
v. **Mr. Mir Badshah Khan Wazir,** Member (Legal-IR), FBR, Islamabad.
vi. **Sheikh Ahsan ul Haq**, President, Pakistan Tax Bar Association
vii. **Press Media**