

Scheme targets 2.9 million potential individuals: Tax Amend Bill sails past Senate body

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ISLAMABAD (January 05, 2013) : The Senate Standing Committee on Finance Friday cleared "Tax Laws (Amendment) Bill, 2012" aimed at bringing 2.9 million potential individuals into the tax net with a recommendation that all those who are part of the government - parliamentarians, bureaucracy, military and their dependents - would not be entitled to avail the scheme. The law known as tax amnesty scheme was approved with majority votes subsequent to opposition by Pakistan Muslim League (N) and coalition partner Muttahida Qaumi Movement (MQM). The government also accepted the recommendation of Senators that CNIC number of potential persons would be blocked with the approval of Federal Board of Revenue Chairman aimed at averting misuse of the provision by other officials. The proposal to exclude parliamentarians and their families was floated by Senator Ilyas Bilour of Awami National Party (ANP) which was accepted by the committee and made part of the report forwarded to the Senate. Federal Board of Revenue (FBR) Chairman Ali Arshad Hakeem said the scheme would help develop database of taxpayers which would be an asset for future governments to expand tax base of the country. Hakeem said the economy was in recession and revenue stagnation posed major challenge to the country. The FBR had decided to go after 2.9 million people identified by the authorities. The scheme is being introduced to provide them easy entry into the tax net after paying a nominal amount during three months after approval from the Parliament. "We are simply asking people either pay tax or file appeal against the scheme. We will set up special appeal offices where more than 180 officials of the FBR would be deputed to receive appeals. He said the next step would be to block CNIC numbers of 200,000 high consumption people who have been classified as separate class on the basis of their lifestyle. Arshad Hakeem said that these people have been leading a high consumption life but were not paying any tax. He said people with more than Rs five million assets would be required to avail investment tax scheme by paying 1 percent of their declared assets values. The delay in the scheme would deprive the exchequer of billions of rupees. "We have to incentives people to declare their assets for the economy and growth in tax base," he added. Senator Ishaq Dar and chairperson of the committee, Nasreen Jalil of MQM opposed the law saying that it would be violation of the Constitution. Dar said the government has no right to introduce such schemes during last days of its tenure. He suggested that the tax authorities should go against 0.2 million people as per regular process. The chairperson of the committee said that his party would not support this bill because it would be injustice to honest taxpayers. She said the scheme designed to whiten the tax evaders' money would bring bad name to the country.

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