

Rs 40,000 registration tax for first month

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ISLAMABAD (January 05, 2013) : The new Tax Laws (Amendment) Bill, 2012 has incorporated registration and investment schemes allowing individuals to pay registration tax of Rs 40,000 (first month), Rs 50,000 (second month) and Rs 70,000 (third month) for legalisation of assets and income. Sources said on Friday that the Federal Board of Revenue has included major features of the schemes in the Tax Laws (Amendment) Bill, 2012. The details of both the schemes have been incorporated in the Bill and it has been revised on the recommendation of Senate Standing Committee on Finance. According to the Bill, where a person has paid registration tax, he shall be entitled to incorporate income/assets/expenses with a declared value up to Rs 5 million in his books of accounts. He shall not be liable to any further tax, charge, levy, penalty or prosecution under the Income Tax Ordinance in respect of his income for any of the tax years prior to the tax year in which he has paid the registration tax. The contents of a declaration shall remain confidential and shall not be disclosed. Tax Laws (Amendment) Bill, 2012 said that the taxpayers availing the schemes shall be obliged to file returns of income for the succeeding tax year and subsequent three consecutive tax years. If any taxpayer fails, without reasonable cause to file return for the succeeding tax year and the subsequent three consecutive years the immunities granted shall automatically stand withdrawn. Tax Laws (Amendment) Bill, 2012 said that the unregistered non-filers and registered non-filers who have made declaration under a scheme made under section 120B and desire to declare undisclosed income/assets/expenditure with declared value exceeding Rs 5 million shall be required to pay in addition to Registration Tax, as defined in section 120B, Investment tax on the declared value of the assets/income/expenditure exceeding Rs 5 million at one percent during first month of payment, 1.25 percent in second month and 1.50 percent in the third month. An existing taxpayer who desires to declare undisclosed income/assets/expenditure up to the declared value of Rs 5 million shall file a declaration under the scheme made by payment of token Investment Tax of Rs 100 and an existing taxpayer who desires to declare undisclosed income/assets/expenditure with a declared value exceeding Rs 5 million shall pay Investment Tax as provided. Where any person has paid Investment Tax, he shall be entitled to incorporate income/assets/expenses declared in the declaration filed under the scheme in his books of accounts, Bill added. Following is the text of the amended called the Tax Laws (Amendment) Act, 2012 presented before the Senate Standing Committee on Finance on Friday: A bill to amend tax laws WHEREAS it is expedient further to amend certain tax law for the purposes appearing hereinafter; **It is hereby enacted as follows:** 1. Short title and commencement.- (1) This Act may be called the Tax Laws (Amendment) Act, 2012. (2) It shall come into force at once. 2. Amendment of section 195-C, Act IV of 1969.- In the Customs Act, 1969 (IV of 1969) in section 195-C,- (a) in sub-section (1), the commas and words ",except in the cases where first information reports (FIRs) have been lodged or criminal proceedings have been initiated or where interpretation of question of law having larger revenue impact in the opinion of the Federal Board of Revenue is involved," shall be omitted; and (b) for the sub-section (4), the following shall be substituted, namely:- "(4) The Board shall, within forty-five days of the receipt of the recommendations of the Committee, pass an order accepting the recommendations or rejecting the same after recording the reasons thereof in the aforesaid order." 3. Amendment of section 47A Sales Tax Act, 1990.- In the Sales Tax Act, 1990, in

section 47A,- (a) in sub-section (1), in clause (e), the commas and words, ",except in the cases where first information report (FIRs) have been lodge under the Act or criminal proceedings initiated or where interpretation of question of law having larger revenue impact in the opinion of the Federal Board of Revenue is involved," shall be omitted; and (b) for sub-section (4), the following shall be substituted, namely:- "(4) The Board shall, within forty-five days of the receipt of the recommendations of the Committee, pass an order accepting the recommendations or rejecting the same after recording the reasons thereof in the aforesaid order.". 4. Amendment of Ordinance XLIX of 2001.- In the Income Tax Ordinance, 2001 (XLIX of 2001), the following further amendments shall be made namely:- (a) in section 79, in sub-section (2), after the word "person" the words "not a citizen of Pakistan" shall be inserted; (b) in section 120A,- (i) sub-section (2) shall be substituted by the following, namely:- "(2) (a) Un-registered non-filers and registered non-filers who have made declaration under a scheme made under section 120B and desire to declare undisclosed income/assets/expenditure with declared value exceeding Rs 5 Million shall be required to pay in addition to Registration Tax as defined in section 120B, Investment tax on the declared value of the assets/income/expenditure exceeding Rs 5 Million at the following rates:

Rate of Investment Tax	Sr. No	Payment Month
First Month	1.00%	1.
Second Month	1.25%	2.
Third Month	1.50%	3.

(b) An existing taxpayer who desires to declare undisclosed income/ assets/expenditure up to the declared value of Rs 5 Million shall file a declaration under the scheme made under sub-section (1) by payment of token Investment Tax of Rupees 100 ; and (c) An existing taxpayer who desires to declare undisclosed income/assets/expenditure with a declared value exceeding Rs 5 Million shall pay Investment Tax at the rates provided in clause (a) of this sub-section."; (ii) sub-section (3) shall be substituted by the following, namely; "(3) (a) Where any person has paid Investment Tax under sub-section (2) and in accordance with the scheme made under sub-section (1), he shall be entitled to incorporate income/assets/expenses declared in the declaration filed under the scheme in his books of accounts; (b) Where a person has paid tax in accordance with the scheme, he shall not be liable to any further tax, charge, levy, penalty or prosecution under the Ordinance in respect of the income/assets/expenses; (c) The contents of a declaration shall remain confidential and shall not be disclosed. The provisions of section 216 shall be fully applicable to the declarations made under the scheme under sub-section (1); and (d) Nothing contained in any declaration shall be admissible in evidence against the declarant for the purposes of any tax/charge/proceedings/penalty/prosecution under any of the following Acts/Ordinance:- (i) Income Tax Ordinance 2001 as amended from time to time; (ii) Foreign Exchange Ordinance 2002 as amended from time to time; (iii) Companies Ordinance 1984 as amended from time to time; (iv) National Accountability Ordinance 1999 as amended from time to time; (v) Federal Investigation Agency Act 1974 as amended from time to time. Provided that the immunity under

this sub-section shall not extend to offences under:- (i) Narcotic Substances Act, 1997 As amended from time to time; (ii) The Anti Terrorist Act, 1997 as amended from time to time; and (iii) The Anti Money Laundering Act, 2010." (iii) after sub-section (3) substituted as above the following new sub-sections shall be inserted, namely:- "(3A) For the purposes of execution and implementation of a scheme under this section besides Income Tax authorities, National Database and Registration Authority (NADRA) and banks shall also be authorised to,- (a) accept declaration; (b) accept registration tax; (c) issue receipts; and (d) issue NTN, in accordance with the said scheme. (3B) Tax payers availing the scheme made under sub-section (1) shall be obliged to file returns of income for the succeeding tax year and subsequent three consecutive tax years. If any taxpayer fails, without reasonable cause to file return for the succeeding tax year and the subsequent three consecutive years the immunities granted under sub-section (3) shall stand automatically withdrawn and action under Chapter VII, Parts I, II, IV, VIII, X, XI and XII of Chapter X of the Ordinance shall be taken notwithstanding any limitation prescribed under the Ordinance."; (iv) in sub-section (4), after clause (ii) the following new clauses shall be added, namely:- "(iii) "Declaration" means declaration made on the prescribed form annexed to the Scheme made under sub-section (1); (iv) "Declarant" means a person, as defined under section 80 of Income Tax Ordinance, 2001, who files declaration under the Scheme made under sub-section (1); (v) "Registration Tax" means Registration Tax as defined in sub-section (9) of section 120B and as per rates given in sub-section (2) of section 120B; (vi) "Registered non-filer" means any person who has been allotted an NTN and,- (a) has not filed a return of income for three tax years out of any five completed tax years; (b) has never filed a return of income; or (c) has filed a return of income for any of the tax year prior to five completed tax years; and (vii) "Unregistered non-filer" means a person who does not have an NTN or has never filed a return of income.". (c) after section 120A, the following new section shall be inserted, namely:- "120B. Registration tax.- (1) Notwithstanding anything contained in this Ordinance or any other law for the time being in force, the Board may make a scheme of registration, on payment of registration tax under sub-section (2), in respect of registered and un-registered non-filers. (2) Where any person being an individual or an Association of persons to whom an intimation from NADRA or from the Commissioner has been issued opts to regularise his income tax affairs vide the scheme made under sub-section (1), he shall be required to pay registration tax at the following amounts depending on the time of payment:

=====	Sr. No	Payment Month	Amount
=====	1.	First Month	Rs 40,000
Second Month	3.	Third Month	Rs 70,000
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(3) Where a person has paid registration tax in accordance with sub-section (2) and the scheme made under sub-section (1),- (a) He shall be entitled to incorporate income/assets/expenses with a declared value upto Rs 5 Million in his books of accounts; (b) He shall not be liable to any further tax, charge, levy, penalty or prosecution under the Ordinance in respect of his income for any of the tax years prior to the tax year in which he has paid the Registration tax; (c) The contents of a declaration shall remain confidential and shall not be disclosed. The provisions of section 216 shall be fully applicable to the declarations

made under the scheme made under sub-section (1). (d) Nothing contained in any declaration shall be admissible in evidence against the declarant for the purposes of tax/charge/proceedings/ penalty/ prosecution under any of the following Acts/Ordinance:- (i) Income Tax Ordinance 2001 as amended from time to time; (ii) Foreign Exchange Ordinance 2002 as amended from time to time; (iii) Companies Ordinance 1984 as amended from time to time; (iv) National Accountability Ordinance 1999 as amended from time to time; and (v) Federal Investigation Agency Act 1974 as amended from time to time. Provided that the immunity under this sub-section shall not extend to offences under:- (i) Narcotic Substances Act, 1997 As amended from time to time; (ii) The Anti Terrorist Act, 1997 as amended from time to time; and (iii) The Anti Money Laundering Act, 2010 as amended from time to time. (4) For the purposes of execution and implementation of a scheme under this section besides Income Tax authorities, National Database and Registration Authority (NADRA) and banks shall also be authorised to,- (a) accept declaration; (b) accept registration tax; (c) issue receipts; and (d) issue NTN, in accordance with the said scheme. (5) Any claim for adjustment of tax already paid, collected or deducted under the Ordinance against the registration tax payable under sub-section (2), shall not be admissible unless regular return of income is filed by the taxpayer and in such case provisions of this section shall not apply. (6) Tax payers availing the scheme made under sub-section (1) shall be obliged to file returns of income for the succeeding tax year and subsequent three consecutive tax years. If any taxpayer fails, without reasonable cause to file return for the succeeding tax year and the subsequent three consecutive years the immunities granted under sub-section (3) shall stand automatically withdrawn and action under Chapter VII, Parts I, II, IV, VIII, X, XI and XII of Chapter X of the Ordinance shall be taken notwithstanding any limitation prescribed under the Ordinance. (7) A "registered non-filer" and/or "un-registered non filer" having multiple bank accounts, or having undertaken foreign travel or living in expensive localities or owning immovable assets who after receiving intimation from NADRA or from the Commissioner feels that he or she is not liable to pay registration tax under the scheme made under sub-section (1) may file an appeal in the appeal form annexed with the scheme with reasons and basis and evidence of objection by the date provided in the scheme before the concerned Commissioner who shall dispose off the same within 20 days of its receipt after affording an opportunity of hearing. (8) Any person who does not opt to pay the registration tax required to be paid under the scheme made under sub-section (1) and does not file appeal before the concerned Commissioner in the time and the manner provided under sub-section (7) and the scheme or the appeal filed by him is rejected by the Commissioner, shall be liable to finalisation of provisional assessment under section 122C and all the provisions of the Ordinance shall apply accordingly. During the pendency of proceedings under section 122C and the resultant recovery proceedings the person shall, notwithstanding anything contained in any other law, be liable to suspension of his CNIC, placement of his name on the Exit Control List (ECL), freezing of his bank accounts and blocking of his mobile phone SIMs after being provided an opportunity of being heard. (9) For the purposes of this section,- (i) "Declaration" means declaration made on the prescribed form annexed to the Scheme made under sub-section (1) ; (ii) "Declarant" means an individual or and AOP, who files declaration under the Scheme made under sub-section (1) ; (iii) "Exit Control List" means an exit control list maintained by the Federal Government in pursuance of an order made under sub-section (1) of section 2 of the Exit from Pakistan (Control) Ordinance 1981 (XLV of 1981); (iv) "Investment Tax" means investment tax as defined in section 120A(4)(ii) and an Investment Tax Scheme as announced by the Federal Board of Revenue ; (v) "Registration Tax" means tax payable under

the scheme under sub-section(1) and shall be deemed as tax as defined in clause (63) of section 2; (vi) "Registered non-filer" means any person who has been allotted an NTN and,- (a) has not filed a return of income for three tax years out of any five completed tax years; (b) has never filed a return of income; or (c) has filed a return of income for any of the tax year prior to five completed tax years;; (vii) "Undisclosed income" means any income/expenditure/ asset which was chargeable to tax but could not be so charged under Income Tax Ordinance, 2001, for any tax year(s) or assessment year(s) ended on or before 30th day of June, immediately preceding the tax year in which the scheme under sub-section (1) was made and includes deemed income under section 111 or any other deemed income under the Ordinance(s), (viii) "Unregistered non-filer" means an individual who does not have an NTN or has never filed a return of income." (d) in section 134A,- (i) in sub-section (1), the commas and words ",except where prosecution proceedings have been initiated or where interpretation of question of law having effect on identical other cases," shall be omitted; and (ii) for the sub-section (4), the following shall be substituted, namely:- "(4) The Board shall, within forty-five days of the receipt of the recommendations of the Committee, pass an order accepting the recommendations or rejecting the same after recording the reasons thereof in the aforesaid order."; and (e) in section 216, in sub-section (3),- (i) in clause (q), the word "or" at the end shall be omitted; (ii) in clause (r), for the full-stop ".", at the end, a semicolon shall be substituted and thereafter the following new clause shall be added, namely:- "(s) to National Database and Registration Authority (NADRA) for the purposes of implementing any scheme made by the Board under section 120A and 120B.". 5. Amendment of Federal Excise Act, 2005.- In the Federal Excise Act, 2005, in section 38,- (a) in sub-section (1), in clause (e) the commas and words ",except in the cases where first information reports (FIRs) have been lodged under the Act or criminal proceedings initiated or where interpretation of question of law having larger revenue impact in the opinion of the Board is involved," shall be omitted; and (b) for the sub-section (4), the following shall be substituted, namely:- "(4) The Board shall, within forty-five days of the receipt of the recommendations of the Committee, pass an order accepting the recommendations or rejecting the same after recording the reasons thereof in the aforesaid order." [Copyright Business Recorder, 2013](#)