

LCCI hands over set of proposals to Inland Revenue Chief

While expressing a very serious concern over SRO 821(I), 2011, and calling for its immediate withdrawal, the Lahore Chamber of Commerce and Industry Thursday handed over a set of proposals to Inland Revenue Chief that could pave way for much needed expansion in the tax net. The LCCI President Irfan Qaiser Sheikh, Senior Vice President Kashif Younis Meher and Vice President Saeeda Nazar informed the Chief Commissioner Inland Revenue Fiza Muzaffar, during a meeting at the Lahore Chamber, the business community was extremely perturbed by FBR's stance to implement SRO 821(I)/2011 requiring Importers, Exporters and Manufacturers to provide CNIC or NTN of all non-registered buyers with monthly Sales Tax and Federal Excise Returns. This will not only hurt businesses but will also unduly burden the tax collection machinery. The LCCI office-bearers said that the LCCI is well aware of the fact that tax to-GDP ratio is much lower when it is compared to other regional countries but the SRO 821 (I) 2011 is not the only solution and the LCCI wants that all incomes should be taxed irrespective of the source and it does support the idea of increasing the tax burden on those individuals and businesses that are regularly paying their dues. The LCCI office-bearers said that another major problem faced by manufacturers cum importers is that they have to obtain Reduced Rate Certificate in order to pay 3% Withholding Tax instead of paying 5%. As there is no such provision in the law and tax payers end up wasting their precious time in fulfilling these requirements therefore it is suggested that the claim of such registered taxpayers should be verified through online database to expedite the process of granting Reduced Rate Certificate.

They said that the LCCI has also noticed that it is very difficult for ordinary taxpayers to get Income Tax Exemption Certificate because it is unnecessarily time consuming and involves a cumbersome process. This needs to be addressed on priority basis. The LCCI office-bearers also urged the Chief Commissioner to set a clear timeline for completing inquiries as the LCCI has received a number of complaints from its members that when they are faced with an inquiry, the investigations often prolong for very long periods which greatly disturbs business operations of taxpayers. Another problem faced by importers is that their refundable tax is adjusted against advance payment of turnover tax and when the businessmen claim refund of their input tax, the department starts doing their audit. The LCCI demands that refund of income tax and input of sales tax should be allowed without any undue hindrance. There should be predefined parameters for any formal audit. The LCCI office-bearers said that the LCCI duly supports documentation of the economy. This is evident from the fact that it is mandatory for new members of Lahore Chamber to provide NTN or copy of last Income Tax return to get membership. Similarly, membership renewal also requires copy of latest filed Income Tax Return. Irfan Qaiser Sheikh said the FBR should streamline the process of Sales Tax registration as it has become very cumbersome and coming in the way of all efforts aimed at tax net expansion. Speaking on the occasion, the Chief Commissioner Inland Revenue Fiza Muzaffar said that the FBR understands that enhanced revenue collection lies in the promotion and growth of businesses therefore all efforts are being done to facilitate business community, She said that to expedite the redressal of complaints of the business

community she would be available to all the complainants from 11 am to 12 in the noon daily. The Chief Commissioner said that all the suggestions and the reservations of the business community are forwarded to the Federal Board of Revenue. Fiza Muzaffar said that both the FBR and the private sector are the wheels of same vehicle therefore they should act in unison in the larger interests of the economy.

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