

## **Revenue target for 2017-18 a challenge, admits SRB chairman**

**KARACHI:** “The provincial government pursues a progressive tax policy with low tax rates as its cardinal component. Consequently, no new tax was levied in budget 2017-18,” expressed Chief Minister Murad Ali Shah, while talking to Sindh Revenue Board chairman Khalid Mahmood on Thursday.

Earlier, the SRB chairman presented the annual report for 2016-17 to the CM, saying that revenue target of Rs100 billion set for fiscal year of 2017-18, was posing an enormous challenge to the authorities. He urged the SRB employees to use all resources at their disposal and put in their best efforts to achieve this target, without compromising the organisation’s taxpayer-friendly image, espoused over the years.

The 2016-17 report says that the standard rate was reduced from 14 percent to 13 percent, while annual target was scaled up 28 percent over the previous year to Rs78 billion. This was a daunting challenge, given that SRB was already confronted with a shrinking revenue space owing to year-on-year incremental revenue expansion, since its start of operations in 2011-12.

The ports and terminal operators, telecommunication, insurance and banks remained principal contributors. Contract execution, franchise and construction also provided increased revenues. Nonetheless, a lot of areas remained uncharted and yet to be tapped.

The report acknowledges contribution of taxpayers in top 10 sectors. Nevertheless, it notes, enormous efforts are required to open up services sector, predominately in informal segment of the economy, to boost documentation and tax revenue, with past nationwide experience not serving as a guide.

The report says the SRB accords a high priority to development of human resource, to upgrade skills and intellectual talents – that grow and flourish with experience – on a continuous basis to enable employees facing emerging challenges. “With that in mind, contacts were made with international Bureau of Fiscal Documentation, Amsterdam and World Bank to seek their help in organising training during 2017-18 for SRB employees on best international practices concerning sales tax enforcement and audit.

A fresh batch of 40 officers was inducted to the organisation following a rigorous selection process, developed and supervised in association with Institute of Business Administration Karachi," it says.

During the year, the SRB's in-house training facility 'Sindh Institute of Fiscal Management' became operative under supervision of a seasoned training expert. Besides catering to SRB's own requirement, facility will be available to other fiscal and revenue organisations in the province. Over time, the facility will be upgraded to extend its services for training and research to the private sector as well.

To provide a suitable health cover for employees and their dependents, a health insurance scheme was also introduced during year.

The report says that a considerable progress has been made on improving IT-system and initiating necessary work for introduction of Point of Sales system for services involving cash transactions. By the end of year 2017-18 or around, POS system is likely to be in place embracing the key service in that sector.

The chief minister directed SRB chairman to lay the report before the provincial assembly for scrutiny, in keeping with democratic norms. The legislators would discuss report to further improve SRB performance.