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## **SRB hits bull's eye, set to achieve Rs42bn budgetary target**

Sindh Revenue Board (SRB) has hit the bull's eye perfectly, recording highest ever monthly tax collection of over Rs 3.9 billion in the month of April alone.

The pace with which taxes are being collected in the province not only shows the confidence of tax payers in the revenue collection body but also the efficiency and friendly mechanism applied by the Board which is attracting the tax payers instead of scaring them away from meeting their due obligations, setting new trends in tax collection.

According to an official source the incentive scheme, which was launched on April 17 after the approval of government of Sindh, giving waiver of full penalty amount and 95 percent discount on default surcharge, contributed Rs 700 million in this collection.

SRB was firm in its decision of not extending the deadline for the incentive scheme which ended on April 30, 2014. The total collection from July 1, 2013 to April 30, 2014 now stands at Rs 32 billion 18.5 percent up as compared to 2012-13 collection of Rs 27.3 billion, he said.

SRB, he said, is confident that subject to receiving Rs 3.0 billion on account of taxpayer's inadvertently depositing the Sindh Sales Tax amount into Federal Board of Revenue (FBR) account, SRB will achieve its budgetary target of Rs 42 billion for current fiscal year. All the documents relating to this issue have been submitted to FBR, which has assured SRB at the highest level that the matter will be resolved soon.

Source said SRB is grateful to its taxpayers that, through their cooperation, it is making history and urge the taxpayers for their continued cooperation so that Sindh can achieve financial funding for its public development programs.

The issue of transfer of Rs 3 billion of Sindh Sales Tax (SST) revenue by FBR to Sindh government relates to the amounts which were incorrectly/inadvertently deposited by taxpayers in FBR's heads of accounts and are pending transfer since 2012. This amount (covering tax periods prior to 01.07.2013) is neither covered by section 2(22A) of ST Act, 1990, nor covered by MoU signed between the two revenue bodies recently.

Similarly, the inter-provincial sales tax issues (principles of origin v/s termination) which are directly related between SRB and Punjab Revenue Authority (PRA) is pending discussion. SRB has already communicated to PRA its position as under:

FBR also levies Federal Excise Duty (FED) and Federal Sales Tax (FST) on the principles of origin. The provision of article 141 of the constitution does not authorise provinces to make laws having extra-territorial operations. Besides the termination principle of provincial taxation being ultra vires of the constitution, it raises issues of principle, jurisdiction, operation, fairness and equity.

The state of documentation and automation of economic activities, as presently existing in Pakistan, do not justify the levy of sales tax on the principles of termination. SRB has already requested PRA to dilate and deliberate on these aspects.