

Reforms to help improve tax receipts

Experts suggest sales tax should be collected by provinces instead of federal agencies

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ATL 2021 has replaced ATL 2020 that carried names of 3.12 million individuals and companies. A comparison of both lists showed that over 932,000 names were missing from the new list.

ISLAMABAD:

Experts have voiced a unanimous opinion that tax reforms, coupled with increased fiscal powers for provinces, will significantly improve revenue collection by the country.

Sharing their views at a public-private dialogue held to discuss pre-budget proposals and business regulations on Wednesday, they stressed that sales tax should be collected by the provinces instead of federal agencies.

Former Sindh finance minister Asad Ali Shah emphasised the need for reexamining the entire tax structure of Pakistan. “We should focus on digital solutions to steer transparency in budget-making,” he said.

“Besides, Pakistan also needs to work on improvement in skills development, education and health sectors.”

The government should make efforts to ensure ease of doing business by reducing costs for businessmen, he said, adding that the nation needed to invest in skills development at provincial levels.

Speaking on the occasion, Sindh Revenue Board member Mushtaq Kazmi told dialogue participants that most of the business enterprises were required to file tax returns five times a year, which was a hassle for them.

“In this regard, the Sindh Revenue Board and other tax collecting agencies are signing a memorandum of understanding with the Federal Board of Revenue to create a central portal for single filing of tax returns to improve the ease of doing business.”

He added that the National Tax Council would also be advised to reduce the tax rate. Sindh Revenue Board member Abdul Majid pointed out that the board was improving the ease of doing business by adopting information technology solutions.

“This way, the registration process has been streamlined and tax is being collected electronically,” he said