

## **KTBA urges FBR to withdraw section 214D**

Karachi Tax Bar Association (KTBA) has strongly urged the Federal Board of Revenue (FBR) to delete section 214D as it discourages the people to file returns. Speaking at a post-budget seminar organized by KTBA at a hotel, Abdul Aziz Tayabani, president KTBA said that the section 214D which was expected to be deleted long ago, still remains enforced.

He was of the view that this section discouraged the persons who were not able to file their return, for any reason, in time, due to fear of being selected for audit through random selection. Therefore, this section should be deleted, he urged. He said that the government, like last year, paid more importance on enhancing the rates of tax for non-filer as compared to the rates of tax for filer, which seemed that they were satisfied collecting more tax from the non-filers sans making efforts to bring them into the tax net.

Tayabani urged that government should differentiate persons, who were not required to file return of income and non-filer because both were treated as non-filers. He said that withholding agents incurred a lot of costs for withholding the taxes for the government but didn't get rewards. He said they also face coercive measures such as recovery, additional surcharge if not paid within specified time, fulfill obligation of filing monthly statements and heavy penalties.

Moreover, he suggested that the dates of filing the monthly statements of WHT should be 25th day of each month, instead of 15th of each month as it was close to the date of filing of the monthly sales tax returns (18th each month). He proposed the authorities to reduce the penalties under section 182, which was very much expected in this budget and added that the rate of increase in WHT on dividends from 12.50% to 15%, particularly for the senior citizens earning finally taxed income shall considerably reduce their net income, which may create a lot of problems for them.

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