

BoR Punjab to collect Rs 61.4 millions agriculture tax in fiscal year 2018

The Board of Revenue (BoR) Punjab will collection Rs 61.40 million under the heads of agriculture income tax, land revenue, stamp duty, motor vehicle tax, urban immoveable property tax and professional tax during the Financial Year 2017-18, said budget documents.

Agricultural Income Tax (AIT) is an important direct tax of provinces, collected under AIT Act of 1997. It is levied as a payment of fixed amount per acre of land. Major amendments were introduced in this Act in 2001 whereby holders of 25 acre irrigated land (equivalent to 50 acre un-irrigated land) were required to submit their AIT return. An amount of Rs 1,280.250 million has been received during FY 2016-17 and BE 2017-18 has been fixed at Rs 1,530 million.

Land revenue is a broad category, and includes a number of receipts related to land revenue functions. This category of Provincial Tax Receipts has a lot of potential and it is expected to contribute Rs 14,589.146 million to the provincial exchequer during FY 2017-18. During the last few years, government has tried to tap the buoyancy of this source by introducing structural reforms which include introduction of valuation tables to rural areas for the purpose of mutation. Government has completed the automation of land revenue record under Land Record Management Information System (LRMIS). Punjab Land Records Authority has been established to reform and modernize the system of land records, to improve the land records service delivery; to contribute to long lasting tenure security; and, to deal with ancillary matters. The said project has since been taken over by Punjab Land Record Authority.

Government has reformed the existing system by introducing E-Stamps to facilitate taxpayers, plug leakages in this tax and to ensure greater transparency in the process of transfer of property. Budget Estimates of Stamp Duty for FY 2017-18 have been pitched at Rs 31,823.589 million.

The following pie chart shows the composition of taxes to be collected by the Board of Revenue as estimated for FY 2017-18. Excise, Taxation & Narcotics Control Department provides services for collection of eight different levies/ taxes. The department aims to promote automation of its functions to optimize service delivery through reduced interface between public and government officials.

The UIPT for FY 2017-18 stands at Rs 12,000.465 million which is four percent higher than BE 2016-17. This is a tax devolved to Municipal Committees, Municipal Corporations and Metropolitan Corporation but for administrative purpose, it is being collected by the Provincial Government and passed on to the respective local governments as per the agreed distribution formula.

The main taxation reforms for UIPT are as under:

a) Property tax record is being computerized for providing the facility of self-assessment system. In the 1st Phase, property tax record of 18 districts has been computerized which covers 85 percent revenue of the province. The computerization of remaining 18 districts is under process.

The specific pin code has been issued to the each tax payer by which he can know the description and assessment of his property unit.

The budget estimate for FY 2017-18 with respect to Professional Tax has been pitched at Rs 927.000 million against the Revised Estimates for FY 2016-2017 to the tune of Rs 720.250 million.

The following pie-chart shows the composition of taxes collected by Excise, Taxation & Narcotics Control Department as estimated by FY 2017-18. The regulatory functions performed by the Provincial Government; and rates and fees charged for the provision of certain social and economic services, constitute the non-tax revenue. However, for the purpose of this chapter, grants received from Federal Government & multilateral partners and Development surcharges on Gas and Royalties on Oil and Gas are shown separately. The next table summarizes the Revised Estimates for FY 2016-17 against the BE for FY 2017-18. The budget estimate for FY 2017-18 has been estimated at Rs 37,637.885 million.

Copyright Business Recorder, 15/6/2017