

FBR unveils procedure for implementing DTO concept

The Federal Board of Revenue (FBR) has issued a detailed procedure to implement the new concept of Inland Revenue Operational Arm, ie, District Taxation Officer-Inland Revenue for broadening the tax base across Pakistan. According to the FBR, Finance Bill 2017 envisages the introduction of a new Inland Revenue Operational Arm ie District Taxation Officer-Inland Revenue. Comments/suggestions are invited on enclosed concept paper of District Taxation Officer-IR.

Sources said that the FBR is planning to establish the office of district taxation officer across the country, with the target to broaden the tax base and extend the penetration of tax collecting body into the society. "There is a need to expand the territory of FBR as there is a significant gap between us and the non-compliant tax payers and those not paying taxes too," they added.

The FBR said that Finance Bill 2017 envisages and introduces a new Inland Revenue Operational Arm, ie, District Taxation Officer. This initiative is not merely revival of old/defunct Income Tax Circle system at Mufassals/districts, rather it entails an altogether new, innovative and composite field formation, which, within in its territorial jurisdiction would be responsible for all IR field operations. Facilitating the taxpayers at their doorstep, this IR field formation would also be representing the Federal Tax Regime at the level of each district.

Office of District Taxation Officer-IR, within its territorial jurisdiction would be responsible for all inland tax operations, relating to all inland taxes ie Income Tax, Sales Tax and FED. Unless specifically assigned by FBR or Chief Commissioner concerned and subject to section 209 of Income Tax Ordinance, District Taxation Officers shall manage & oversee the tax operations in the cases of all taxpayers whose jurisdiction falls in their respective Districts. In all inter-District jurisdictional matters, involving multiple RTOs, FBR shall decide the issues, the FBR said.

District Taxation Officer-IR shall be responsible for Inland Revenue Tax collection & administration in the respective District. In cases where more than one field units are necessitated & established in a district (at tehsil level), the said units would also report to the concerned district taxation officer. District taxation officers shall report to the designated zonal commissioners, as notified by the concerned chief commissioner. Organogram of district taxation officer is given hereunder. Senior most DCIRs shall be posted as District Taxation Officers, FBR said.

Office of district taxation officer shall be vested with proper financial powers of a drawing & disbursing officer and shall be responsible for utilization of funds allocated by the government of Pakistan. As far as physical infrastructure is concerned, the FBR said all district taxation offices shall be provided with proper physical infrastructure and logistics, as required for field tax operations.

In cases where currently the offices are located in rented buildings, the DCIRs posted as district taxation officers shall be responsible to initiate the process of acquisition of suitable piece of land futuristically sufficient for office cum residence of district taxation officer. Where ever

lands have already been acquired, cases for construction of official buildings may be taken up with Administration Wing FBR without any loss of time.

RTOs shall arrange, from their existing pool, roadworthy operational vehicles for all the District Taxation Offices, the FBR said.

Concerned Supervisory officers are obligated to conduct periodical visits of District Taxation Offices and the following visit schedule is mandatory in this regard. Additional Commissioner and Commissioners concerned shall alternately visit each District Taxation Office each month. Chief Commissioner shall visit once in each Quarter of the Financial Year.

All district taxation offices shall maintain a proper inspection/visit book with details to be filled by the visiting officers. Visit of Chief Commissioner shall be used to hold an open "Taxpayers Katchery" where the visiting officer would listen to the local Bar and taxpayers. Schedule of this Quarterly visit shall be notified & publicized in advance so as to make this event meaningful and fruitful.

For public Image of the Service and Taxpayers education & facilitation, Each District Taxation Officer shall ensure that FBR/IR's policies, decisions and initiatives are properly publicized in local print media and duly explained to local Bar and Trader's bodies.

For tax directories & Sector profiling, the FBR said that each District Taxation Officer shall prepare, maintain and update District Tax Directories and Sector Profiling keeping in view the peculiar features of businesses and taxation in each District. This permanent record shall be made the basis for annual input during Budget exercise.

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