

## Fiscal Year 2018 revenue target seems more challenging, intricate

The Federal Board of Revenue (FBR) would be required to collect Rs 650 billion additional revenue to achieve extremely ambitious target of Rs 4,013 billion in the current fiscal year. The FBR officials in a brief presented to the Senate Standing Committee on Finance, which met on August 2, 2017, stated that around 19 percent growth would be required in the current fiscal year over provisional collection of Rs 3362.1 billion in the just concluded fiscal year.

The committee was given briefing on the revenue collection achieved during the last fiscal year as well as on the revenue collection. According to FBR in 2016-17, Rs 250 billion additional revenue was collected against the budgetary target of Rs 508.3 billion over and above the collection of Rs 3112.7 realized in 2015-16. The revenue target of Rs 4,013 billion for fiscal year 2017-18 is based on the premise of 22.4 percent growth in customs, 22.4 percent in federal excise duties, 18.6 percent indirect taxes and 18.5 percent in sales tax.

The meeting was informed that Rs 1594.9 billion collection would be required in direct taxes against the provisional collection of Rs 1344.5 billion for the last fiscal year, followed by Rs 1579.2 billion in sale tax as opposed to Rs 1332.3 billion for the last fiscal year.

The government has estimated Rs 231.5 billion in federal excise duty (FED) and Rs 607.4 billion in customs for the current fiscal year against Rs 189.2 billion in FED and Rs 496.1 billion in customs respectively for the last fiscal year to achieve 19 percent increase. The tax authorities also claimed that monthly revenue collection target for the month of July 2017 projected at Rs 200 billion was surpassed but the exact figures are being reconciled.

The meeting was further stated that in July 2016 revenue collection of Rs 164 billion by Pakistan Revenue Automation Limited (PRAL) was reduced to Rs 158.4 billion after reconciliation with Accountant General Pakistan Revenue (AGPR) and State Bank of Pakistan (SBP). The increase in revenue was stated to be very encouraging for the month of July 2017 during the last five years.

*Copyright Business Recorder, 10/8/2017*