

LTBA accuses FBR of charging high tax from pensioners, BSC holders

President Lahore Tax Bar Association (LTBA) Ch Qamaruz Zaman has criticized Federal Board of Revenue (FBR) for charging high tax to pensioners and bearers of Bahbood Saving Certificates (BSC). He has demanded withdrawal of Circular No.06 of 2017 by the Federal Board of Revenue, stipulating high taxation of profit/income received from Bahbood Saving Certificates and Pensioner's Benefit Account.

In a letter sent to the FBR, Chairman LTBA said: "The tax law clearly suggests that in respect of any amount paid as yield or profit on investment in Bahbood Saving Certificate or Pensioner s Benefit Account shall not exceed 10% of such profit." According to him, Section 36-A of the Ordinance stipulates that the provisions of clause (a) of sub-section (I) of section 151 shall not apply in respect of any amount paid as yield or profit on investment in Bahbood Saving Certificate or Pensioner's Benefit Account.

Since these two instruments have been taken out from the scope of Section 7B of the Ordinance, the same cannot be subjected to tax as per table in Division III A of Part I of First Schedule to Ordinance where three slabs have been provided, he added. He pointed out that the FBR has overlooked Section 7B of Income Tax Ordinance, 2001 while issuing the circular No 06 of 2017.

Copyright Business Recorder, 18/10/2017