

Army personnel: number of tax return filers to be raised to 125,000

Pakistan Army and Federal Board of Revenue (FBR) have developed consensus on broadening the tax base and started a joint exercise to ensure filing of income tax returns by 125,000 employees of army, reflecting national resolve on documentation drive of the government.

Sources told *Business Recorder* here on Thursday that a delegation of Pay, Pension & Accounts (PPA) Directorate, GHQ, Pak Army, Chief Controller Military Accounts, visited the Directorate General of Broadening the Tax Base, Federal Board of Revenue (FBR), here at FBR House on Thursday. Director General PPA Directorate Major General Abid Ejaz Kahloon headed the delegation of the GHQ. Senior officials of the PPA Directorate were also present. FBR side was led by Director General of Broadening the Tax Base Muhammad Tanvir Akhtar along with his BTB team. Chief Commissioner Regional Tax Office (RTO) Rawalpindi Mahbooba Razaq, under whose jurisdiction GHQ/Pak Army falls, was also present.

The meeting took place on the request of the PPA Directorate to the FBR seeking guidance of the tax authorities to ensure filing of returns by the Pak Army employees. Officials endorsed that the FBR and Army are on the same page on the issue of documentation and broadening the tax base in the country.

The exercise seems to be in line with Prime Minister Shaid Khaqan Abbasi's vision of bordering the tax base. Chief of Army Staff (CoAS) General Qamar Javed Bajwa had reportedly said in a seminar that Pakistan needs to expand its tax base.

Sources said the national institutions have started responding positively to the PM's drive for broadening the tax base. FBR's senior management had approached the GHQ to encourage return filing within the army. The FBR's outreach program to facilitate filing of returns also covered ISPR. Responding positively, Pension & Accounts (PPA) Directorate, GHQ, visited the FBR Headquarters to encourage return filing in army.

During the FBR meeting, both the sides were unanimous to develop a mutually agreed mechanism for filing of income tax returns by 125,000 employees of army. The tax of these Pak Army employees has been duly deducted and therefore they are liable to file returns. Among 125,000 employees, the figure also included those who are already filing their income tax returns. The DG BTB, FBR, and the senior officials of the PPA Directorate developed a joint strategy to encourage return filing by army employees across the country.

The FBR will facilitate, guide and assist Pak Army in filing of returns through a mutually agreed mechanism. In this regard, the FBR will carry out analysis of three categories of taxpayers covering 125,000 employees of army. Firstly, taxpayers of Pak Army who are registered and regularly filing their income tax returns. The second category covers those who are registered and liable to file returns and third category covers those who are neither registered nor filing their income tax returns.

No action is required in case of persons who are registered and regularly filing their income tax returns. Special Desk of the DG BTB FBR will facilitate filing of returns in the remaining two categories where return filing is required.

Sources said the officials of the PPA Directorate raised the issue that employees of Pak Army are working in different parts of the country and there is a need for a mechanism to ensure filing of returns by those liable to file returns.

Directorate General of Broadening the Tax Base has decided to establish a special desk at the Regional Tax Office (RTO) Rawalpindi for Pak Army. The dedicated desk of tax officials would facilitate Pak army's employees in filing of returns.

A positive step has already been taken by the Pak Army in filing of returns by establishing a Tax Cell at the PPA Directorate. The advisor to the said dedicated Tax Cell is a retired and experienced Inland Revenue Officer.

Moreover, another encouraging step is that the PPA Directorate will also establish Tax Cells in each corps of Pak Army which would be instrumental in filing of returns.

During the meeting, it has been decided that the Tax Cell at the PPA Directorate and special desk of the RTO Rawalpindi would coordinate and facilitate filing of returns by Pak Army employees liable to file returns under the law.

RTO Rawalpindi Special Desk and Tax Cell of the PPA Directorate would guide, train and groom officials in each Corps of Pak Army to facilitate filing of income tax returns. The coordinated efforts of Special Desk and Tax Cell would also respond to the queries raised by the employees in filing of income tax returns.

It has also been decided that the FBR Tax Policy Wing would prepare a simple income tax return for salaried class and fixed income category to facilitate filing of returns by individuals and salaried class including those working in Pak Army.

Directorate General of Broadening the Tax Base will also facilitate Pak Army in e-filing of returns through electric system. A software could be used in each office of army to expedite process of return filing and the data could be integrated in the FBR system. The software can facilitate speedy filing of returns and the same data could be made part of the FBR's return filing database, sources said.

Sources said that presently the total tax returns received within the jurisdiction of RTO Rawalpindi are not more than 70,000. The drive of return filing by the army would play a very positive role in increasing the total number of return filers within the jurisdiction of Rawalpindi. In this way, the number of return filers would be doubled and tripled due to the exercise of ongoing return filing by Pak Army.

On the conclusion of conference, Director General of Broadening the Tax Base Muhammad Tanvir Akhtar also took the delegation to the FBR Chairman Tariq

Pasha. Tariq Pasha was optimistic that the national institutions should sit together to ensure tax compliance and help the FBR in documentation drive and filing of returns. In this regard, tax authorities have termed the army cooperation as forthcoming.

Director General of Broadening the Tax Base Muhammad Tanvir Akhtar, who was worked as Chief Commissioner RTO Rawalpindi. During his posting as Chief Commissioner RTO Rawalpindi, he actively interacted with the Pak army and PPA Directorate on the tax related issues.

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