

Withdrawal of money from bank accounts: PTAA approaches PM

Pakistan Tax Advisors Association (PTAA) has approached Prime Minister Shahid Khaqan Abbasi against practice of the tax department to withdraw the money from the bank accounts of taxpayers after attaching their accounts when the matter is sub judice before Appellate Commissioners.

In this regard, Chairman PTAA Javed Iqbal Qazi has written a letter to the PM on the subject of 'conduct of the FBR officials towards taxpayer in the country.'

According to the chairman PTAA, it is submitted that due to arbitrary and illogical collection targets given for collection and the subsequent mal-planning of Federal Board of Revenue, the taxpayers are being harassed by the field forces, especially on the following three issues:

The first issue is the illegal withdrawal of tax from the bank accounts of taxpayers after attachment of bank accounts. It is a practice of the tax department to withdraw the money from the bank accounts of the taxpayers after attaching the bank accounts of the taxpayer when the matter is sub judice in appeal before Appellate Commissioners. Although the high courts of all the provinces have held on the basis of settled principle of the law that access to justice is a fundamental right of a party moreover, an assessee should not be forced to pay an arbitrary tax demand created by a revenue authority unless the order creating such demand has undergone the scrutiny of at least one independent forum.

Reliance is placed on the judgments reported as ZN Exports (Pvt) Ltd vs Collector of Sales Tax (2003 PTD 1746), Sun-Rise Bottling Company (Pvt) Ltd vs Federation of Pakistan and 4 others (2006 PTD 535), Messrs Aidy Vee & Co (Pvt) Ltd through Director vs Taxation Officer of Income Tax Lahore and 4 Others (2009 PTD 1715), M/s Saigol Qingqi Motors Ltd vs Federation of Pakistan and others (PTCL 2011 CL. 801) and M/s Farooq Khalid Pipe Mills (Pvt) Ltd Lahore vs Federation of Pakistan and 5 others (PTCL 2012 CL 282), Javed Iqbal Qazi said.

The second issue is the non-issuance of exemption certificates within reasonable time. The exemption certificates under Section 148,153 of the Income Tax Ordinance, 2001 are being issued with inordinate delay and without appreciating the fact that an applicant has to its credit refund payable for prior years. Even in the presence of huge refunds, cash collection is being made from the Taxpayers, Javed Iqbal Qazi said.

Thirdly, income tax refunds are not being issued even in those cases wherein the department has made commitment before the Federal Tax Ombudsman and in this way cash flow is being affected adversely.

The FBR may be directed to refrain from arbitrary and unjust collection of taxes and further should facilitate the taxpayers so that justice is provided to the taxpayers at all levels enabling them to run their business smoothly, Javed Iqbal Qazi added.

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