

## **BTB initiative: FBR facing serious issues in delivery of notices**

The Federal Board of Revenue (FBR) is facing a serious issue in the delivery of notices at the available addresses of unregistered persons for bringing them into tax net across the country. The sources told *Business Recorder* here on Thursday that the FBR had informed the last meeting of the Tax Reform Implementation Committee (TRIC) about the issue of serving of notices for expanding the tax base.

The first situation is that the notices are issued through the courier. If notices are issued through courier, the same are returned undelivered. Manual service through notice server is not possible owing to a small setup of BTB in Islamabad. The FBR chairman assured the DG (BTB) that the officials would be placed at his disposal for service of the notices.

According to sources, director general Broadening the Tax Base (BTB) briefed the committee that initially data of 87,040 businesses was obtained which was then cross-matched by Pakistan Revenue Automation Limited (PRAL) with the data of tax filers and after exclusions of certain data, data of 22,519 businesses in Islamabad was sifted which are not filing income tax returns.

The FBR officials briefed about stages in broadening of tax base. First, an informal notice is sent to taxpayers to seek registration and filing status of the taxpayer, followed by mapping of plazas and discreet visits to identify high-value non-filers and then formal notice under section 114(4) of the Income Tax Ordinance, 2001 for filing income tax return is issued. The DG briefed the committee that he considers 2,251 non-filers as valuable, being 10 percent of the identified non-filers of 22,519. However, the issue is the service of the notice under the law. If notices are issued through courier, they return undelivered while manual service through notice server is not possible owing to a small setup of BTB in Islamabad. The chairman assured the DC (BTB) that the officials would be placed at his disposal for service of the notices.

It was decided in the meeting that the DG (BTB) would apprise the committee of the progress in service of the notices for broadening of tax base in the next meeting.

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