

FBR collects Rs 3,367.9 billion in fiscal year 2016-2017, Senate told

Minister of State for Finance, Revenue and Economic Affairs Rana Mohammad Afzal Khan Wednesday informed the Senate that Federal Board of Revenue (FBR) has collected Rs 3,367.9 billion during FY 2016-17 against Rs 3,112.5 billion collected during FY 2015-16 entailing a growth of 8.2 percent. In a written reply to the House, he said that the revised revenue target for FY 2016-17 of Rs 3,521 billion has been achieved to the extent of around 96 percent.

An additional amount of about Rs 255.4 billion has been collected over and above the collection of Rs 3,112.5 billion realized in FY 2015-16, he added. About the reasons for shortfall, he said that in the year 2016-17, the target could not be met and major reasons of shortfall are related to sales tax.

He also shared the following major revenue sources of sales tax remained on the lower side: (i) In POL products sales tax rates on per liter basis remained 26-31 percent lower in 2016-17 as compared to 2015-16 sales tax rates. (ii) Whereas sales tax rate of urea fertilizers was reduced to 5 percent in current year as compared to 17 percent in the previous year. (iii) In the export oriented sectors like textiles, leather, carpet, sports goods and surgical goods were zero rated in 2016-17 as compared to 3 percent sales tax on them in previous year.

(iv) The pesticides were fully exempted in 2016-17, whereas, previously, there was 7 percent sales tax on them. (v) According to PM's Textile Package, sales tax on machinery was reduced from 10 percent to 0 percent and on cotton from 5 percent to 0 percent. In the same way, he said that customs duty and 1 percent additional duty exemption were cotton from 5 percent to 0 percent. In the same way, customs duty and 1 percent additional duty exemption were also given to cotton and other fibers. (vi) Sales tax and FED from cigarettes faced a shortfall of Rs 49,925 Million compared to the target due to increase in FED, resultantly increasing the price of tax paid cigarettes. If shortfall from the cigarettes is added to the above mentioned overall shortfall, the total shortfall comes to Rs 219,596 Million. (vii) In income tax, government is gradually reducing corporate tax rates for better trade and business activities and furthermore government has also rationalized the tariff regime in customs.

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