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GOVERNMENT OF PAKISTAN
REVENUE DIVISION
FEDERAL BOARD OF REVENUE

C.No. 4(3)ITP/2013-Bud / 28230 R.

Islamabad, the 6th March, 2013.

To

All Chief Commissioners,
Inland Revenue,
LTUs/RTOs

Subject: **Budget Proposals 2013-14.**

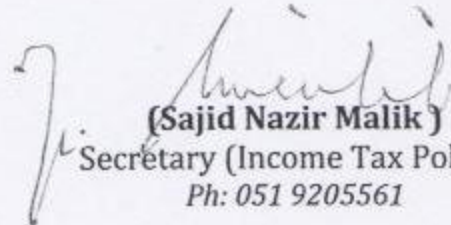
Budget exercise 2013-14 has been initiated and the process of formulation of Budget Proposals has to be completed in the context of current tax/economic practices in vogue. The suggestions/proposals should be meant to ameliorate the irritants and to rejuvenate the economic growth via-a-viz state revenues. The following areas can be identified as revenue potential for enhanced efforts of optimum realization of taxes:-

- (i) Broadening of Tax Base;
- (ii) Measures for improvement in tax to GDP ratio;
- (iii) Rationalization/analysis of tax exemptions;
- (iv) Capital Gain Tax (CGT);
- (v) Enhancement of Minimum taxation regime;
- (vi) Withholding taxes and its application for economic development in the country;
- (vii) Rationalization of Presumptive Tax Regime and abolishing of the concept of the Final Tax;
- (viii) Option for taxability under the normal tax regime of all the sectors of economy;
- (ix) Effective monitoring of the claims/issuance of refunds;
- (x) Taxation of the non-residents, transfer pricing and royalty etc;
- (xi) Taxation of Human Resources providers companies;
- (xii) Taxation of e-Trading;
- (xiii) Realization of potential in the commodity trading;
- (xiv) Taxation of Banking Sector vis-à-vis lending borrowing ratio (being highest in the world);

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- (xiv) Taxation of Banking Sector vis-à-vis lending borrowing ratio (being highest in the world);
 - (xv) Transport sector viability and potential;
 - (xvi) Real Estate development vis-à-vis contribution in revenue;
 - (xvii) Telecom sector vis-à-vis share in GDP and tax revenues;
 - (xviii) Rationalization tax procedures of Foreign Remittances; and
 - (xix) Marginal Rate of Tax regime for all those sectors which are enjoying exemptions up-till now.

2. The proposals encompassing all the areas enumerated above and any other venues for the generation of state revenues may please be forwarded on the prescribed format (copy enclosed) to the Board by **20th March, 2013**, the soft copy of the proposal may also be e-mailed at the following address:

chief.itp@fbr.gov.pk


(Sajid Nazir Malik)
Secretary (Income Tax Policy)
Ph: 051 9205561

Budget Proposal - 2013-14

Sr. No.	Section / Schedule	Existing Law	Proposed Amendments	Rationale for Amendments	Financial Impact
(1)	(2)	(3)	(4)	(5)	(6)