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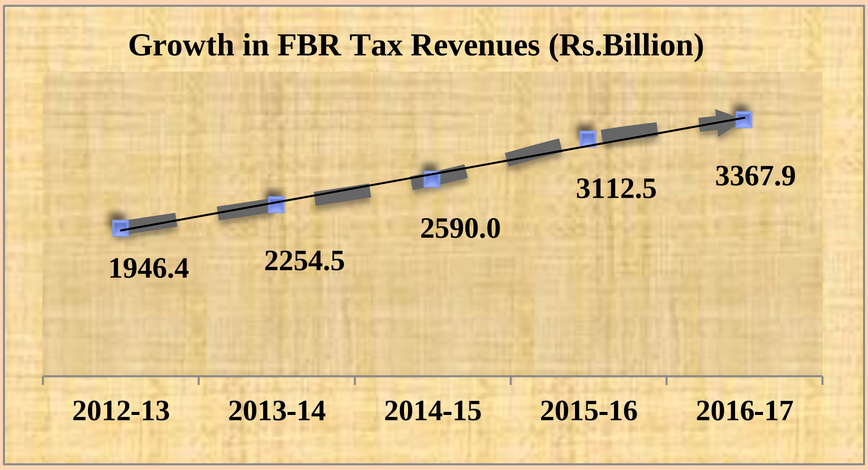
A Review of Resource Mobilization Efforts of Federal Board of Revenue



FEDERAL BOARD OF REVENUE
GOVERNMENT OF PAKISTAN
ISLAMABAD – PAKISTAN

The Biannual Review January-June 2016-17 has been prepared by the Research Team of Strategic Planning Reform & Statistics Wing.

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Foreword

The economy of Pakistan despite several challenges has witnessed a smooth upward trend in growth rate since 2013-14 and reached 5.28 percent in 2016-17. This growth trend has also been reflected in FBR tax revenues during the same period. The FBR revenues during the last four years increased substantially and overall increase has been to the tune of Rs.1.1 trillion. The four years average growth has been around 15 percent.

FY 2016-17 has also been successful as FBR collected around Rs.255.4 billion higher amount of federal taxes as compared to the previous year. The revenue target has been met to the extent of around 96%. The missing of target with small margin is linked with the relief measures taken in POL products, fertilizers, zero-rated sectors, pesticides and PM Textile package, aiming at boosting the economic activity in the country further leading to higher GDP growth, job creation and increase in revenues in the medium and long term. The tax-GDP ratio which was just 8.7% in 2012-13, is hovering around 10.6% in 2016-17. Moreover, during FY 2016-17 the broadening of tax base efforts continued more vigorously and more than 213,000 notices were issued and nearly 145,000 returns were enforced.

This issue along with analysis of federal taxes also includes an update on FBR reforms and achievements. A detailed statistical appendix showing tax-wise historical collection, ten years net collection and average share, tax-to-GDP ratio and tax-wise major commodities has also been included.

The efforts of the research team of Strategic Planning Reform & Statistics Wing are appreciable in bringing out this issue of Biannual Review. The suggestions and comments for the improvement of this publication will be appreciated.

(Dr. Muhammad Irshad)
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Abbreviations

FBR	Federal Board of Revenue
DT	Direct Taxes
CD	Customs Duties
GST	General Sales Tax
STM	Sales Tax Import
STD	Sales Tax Domestic
FED	Federal Excise Duties
WHT	Withholding Taxes
VP	Voluntary Payments
CoD	Collection on Demand
AOPs	Association of Persons
NTN	National Tax Number
USAS	Universal Self-Assessment Scheme
PCT	Pakistan Customs Tariff
GDP	Gross Domestic Product
CH	Chapter
RTO	Regional Tax Office
LTU	Large Tax Payers' Unit
FY	Fiscal Year
CFY	Current Fiscal Year
PFY	Previous Fiscal Year

I. Introduction

In the FY 2012-13, before the reforms program, the revenue collection was growing by just 3.4% and tax-to-GDP ratio was at 8.5%. The major inhibiting factors were; the stalled tax audit system, non-existing tax culture, evasion and avoidance of taxes by the potential taxpayers. Moreover, tax exemptions and aberrations in the form of special procedures and presumptive modes of taxation were distorting the system, making it inequitable and difficult to administer. However, the policy and administrative reforms measures taken by FBR have been helpful to address the said issues. The reforms program has started paying dividends in shape of higher tax revenues and transformation of FBR into an efficient, modern, transparent and taxpayer friendly revenue organization. The revenue collection, a major task, of FBR has witnessed a substantial increase during last four years. The net collection jumped from Rs. 1,946.4 billion in 2012-13 to Rs. 3,367.9 billion in FY 2016-17 registering an overall growth of around 73%. In absolute terms, revenue collection has been increased by Rs. 1.4 trillion. The tax-to-GDP ratio of the country has reached to 10.6% in FY 2016-17.

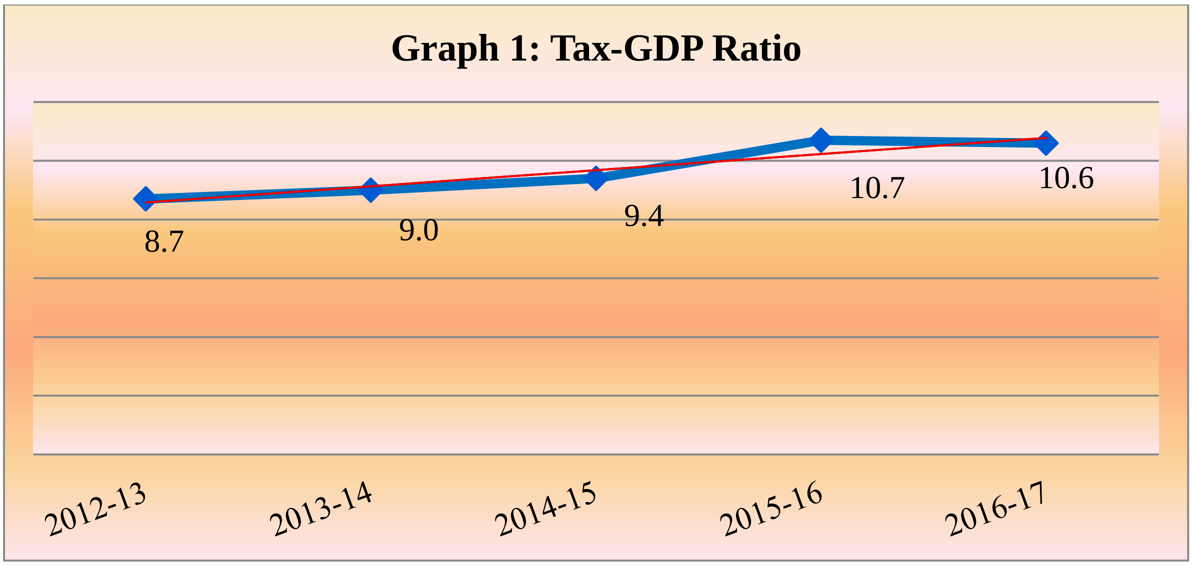
Moreover, in order to address the issue of narrow tax base, the Broadening of Tax Base (BTB) initiative was taken up in a scientific manner in the year 2013-14. A substantial progress has been made during the last four years. More than 513,000 notices have been issued and resultantly more than 203,700 returns have been filed. As a result of these efforts the number of income tax return filers which was around 750,000 for the tax year 2012 has exceeded 1.3 million in the tax year 2016 and is likely to further increase in coming years.

FBR Revenue Collection vis-à-vis Target

FBR has collected Rs. 3,367.9 billion as provisional collection during FY 2016-17 against Rs. 3,112.5 billion during FY 2015-16 entailing a growth of 8.2%. The revenue target of Rs 3,521 billion for FY 2016-17 has been achieved to the extent of around 96%. The revenue collection has crossed Rs. 3 trillion marks for the second year consecutively. An additional amount of around Rs.255.4 billion has been collected over the collection realized in FY 2015-16.

During FY 2016-17, FBR target had been fixed at Rs 3,621 billion as against Rs. 3,112.6 billion collected during FY 2015-16 reflecting a growth of around 16%. The original target of Rs. 3,621 billion was revised downward to Rs. 3,521 billion due to relief measures of sales tax which affected revenue adversely. These relief measures were aimed at POL products, fertilizers, zero-rated sectors, pesticides and PM Textile package intended for boosting economic activity in the country that will lead to enhance GDP growth, which would ultimately result in job creation and increase in revenues in the medium and long term.

During last few years, an upward trend in the tax-GDP ratio has been witnessed. The tax-to-GDP ratio which was just 8.7% in 2012-13 is now hovering around 10.6% in 2016-17. Overall increase in four years has been 2.1%. Graph 1 below shows the growth trend in the tax-to-GDP ratio during the last four years.



During FY 2016-17 the growth in tax revenue is mainly driven by customs duties. The custom duties have recorded a very healthy growth of 22.8%, followed by income tax (10.4%), FED (5.3%) and sales tax (2.0%).

Table 1: Comparison of Net Revenue Collection FY 2016-17 Vs. FY 2015-16

(Rs. Billion)

Revenue Heads	FY: 2016-17	FY: 2015-16	Growth	
			Absolute	(%)
Direct Taxes	1,344.2	1,217.5	126.7	10.4
Sales Tax	1,329.0	1,302.4	26.6	2.0
FED	197.9	188.0	9.9	5.3
Customs	496.8	404.6	92.2	22.8
TOTAL	**3,367.9**	**3,112.5**	**255.4**	**8.2**

Among the individual taxes, direct tax is the top source of revenue generation in federal tax collection. Direct tax has emerged as the major contributor with 40% share in the federal tax collection followed by sales tax 39%, customs duty 15% and FED 6% during FY 2016-17. The share of sales tax has declined from 42% in 2015-16 to 39% in 2016-17 and share of DT and customs has increased from 39% to 40% and 13% to 15% respectively.

According to month-wise and quarterly growth trends, FY 2016-17 started with growth of around 7% in July, afterward rising up to 13.7% in August, but it sharply plummeted to less than 1% in September. The overall growth achieved during quarter-1 was 6.3% (Table 2). However, in the second quarter the collection started picking up and the month of October recorded a growth of 7.8% but collection sharply decreased by -3.9% in November and afterward rising up to 16.8% in December. The second quarter ended with a growth of 8.3%. As far as third quarter's collection is concerned, the collection grew by 10.9% as compared to corresponding period of last year. In the 4th quarter the collection grew by 7.4%. The overall collection during FY 2016-17 recorded a growth of 8.2%.

Table 2: Month-wise Comparative Net Collection FY 2016-17 Vs. FY 2015-16

(Rs. Million)

Months	FY 2016-17	FY 2015-16	Difference	
			Absolute	Percentage
July	158,398	148,642	9,756	6.6
August	207,003	182,025	24,978	13.7
September	261,720	259,537	2,183	0.8
Quarter-1	**627,121**	**590,204**	**36,917**	**6.3**
October	241,243	223,783	17,460	7.8
November	216,273	225,031	-8,758	-3.9
December	387,700	331,887	55,813	16.8
Quarter-2	**845,216**	**780,701**	**64,515**	**8.3**
January	223,856	201,678	22,178	11.0
February	225,486	215,502	9,984	4.6
March	347,001	300,915	46,086	15.3
Quarter-3	**796,343**	**718,095**	**78,248**	**10.9**
April	249,957	243,061	6,896	2.8
May	330,960	300,807	30,153	10.0
June	518,277	479,604	38,673	8.1
Quarter-4	**1,099,194**	**1,023,472**	**75,722**	**7.4**
Total	**3,367,874**	**3,112,472**	**255,402**	**8.2**

The monthly growth trend during whole the year remained volatile and it was at the (-) 3.9% in November and touched highest mark in December with 16.8% growth.

The overall revenue target has been achieved to the extent of around 96% during FY 2016-17 (Table 3). The target of customs duties has been surpassed by 1%, whereas the targets of direct taxes, sales tax and FED have been missed. FBR has been allocated a target of Rs 4,013 billion for FY 2017-18 which is around 19% higher than the collection in FY 2016-17.

Table 3: A Comparison of Collection FY 2016-17 vis-a-vis Target

(Rs. Billion)

Tax Head	Target	Collection	Achievement of Target (%)
Direct Taxes	1,378.8	1,344.2	97.5
Sales Tax	1,445.0	1,329.0	92.0
Federal Excise	206.1	197.9	96.0
Customs duty	491.1	496.8	101.2
All Taxes	**3,521.0**	**3,367.9**	**95.7**

Refunds/Rebates

During FY 2016-17 the refunds of around Rs. 87 billion have been paid, as compared to the Rs.110.3 billion paid in corresponding period last year. The tax-wise refund payments during FY 2016-17 have been shown in Table 4.

Table 4: Comparative Position of Refunds/ Rebates Payments

(Rs. Million)

Tax Head	Refund / Rebate		Difference	
	FY 2016-17	FY 2015-16	Absolute	Growth (%)
Direct taxes	49,973	47,523	2,450	5.2
Sales Tax	25,867	50,374	-24,507	-48.7
Federal Excise	1	411	-410	-99.8
Customs Duty	11,097	11,994	-897	-7.5
Total	**86,938**	**110,302**	**-23,363**	**-21.2**

Analysis of Head-wise Revenue Collection: FY 2016-17

***Direct Taxes*:**

The direct taxes have contributed 40 % to the total tax receipts collected during FY 2016-17. The net collection stood at Rs. 1,344.2 billion reflecting a growth of 10.4% over the corresponding period last year. An amount of Rs. 50 billion has been paid back as refund to the claimants as against Rs. 48 billion during PFY. The collection of income tax comprises of withholding taxes (WHT), voluntary payments (VP) and collection on demand (COD).

Analysis of Components of Income Tax

Collection on Demand (CoD): This part of the collection carries great importance as it reflects departmental efforts in revenue collection. The collection from arrear demand and current demand has been Rs. 19.9 billion and Rs.72.7 billion during FY 2016-17 respectively (Table 5).

It is imperative to mention here that there were certain issues faced by the field formations which effected revenue collection adversely under this head during the financial year. This includes issue of jurisdiction in newly installed IRIS program. These teething problems were resolved with the passage of time. The second issue confronted was related to arrear collection, which was stuck in litigation at various levels.

Table 5: Collection on Demand (CoD) FY 2016-17

(Rs. Million)

Heads	FY 2016-17	FY 2015-16	Growth (%)
Arrear	19,937	12,860	55.0
U/s 146(B) (TASIS 2008)	164	46	256.5
Current	72,718	74,978	-3.0
Total CoD	**92,819**	**87,884**	**5.6**

Payment with return and advances: An amount of Rs 370.5 billion has been generated in this head during FY 2016-17 as compared to Rs 340.8 billion in the PFY. Collection from this head has recorded a growth of 8.7% (Table 6). Major component of this head is advance tax where a sum of Rs 325.1 billion has been collected against Rs. 302.4 billion in the corresponding period last year. The collection from advance tax has grown by 7.5%. The second component of VP is payment with returns, which has shown a substantial growth of 18% during the period under review. This shows better efforts, effective enforcement and skillful persuasion by the field formations compelling taxpayers to comply with tax laws, file tax returns and pay their due share of tax in the form of advance tax and tax with returns.

Table 6: Advance Tax / Payments with Returns:
A Comparison FY 2016-17 Vs. FY 2015-16

(Rs. Million)

Heads	FY 2016-17	FY 2015-16	Growth (%)
With Returns	45,394	38,462	18.0
Advance Tax	325,112	302,358	7.5
Total	**370,506**	**340,820**	**8.7**

Withholding Taxes (WHT): WHT contributes a major chunk i.e. around 69% to the total collection of income tax. The WHT collection during FY 2016-17 has been Rs. 944.1 billion against Rs. 803.1 billion indicating a growth of around 17.6% (Table 7).

The nine major components of withholding taxes contributed around 84% to the total WHT collection. These are: contracts, imports, salary, telephone, dividends, bank interest, cash withdrawal, electricity and exports. As far as growth is concerned, collection from salary grew by 21%, followed by contracts (18%), dividends (18%), imports (10%), telephone (9%), cash withdrawal (5%) and electricity (1%).

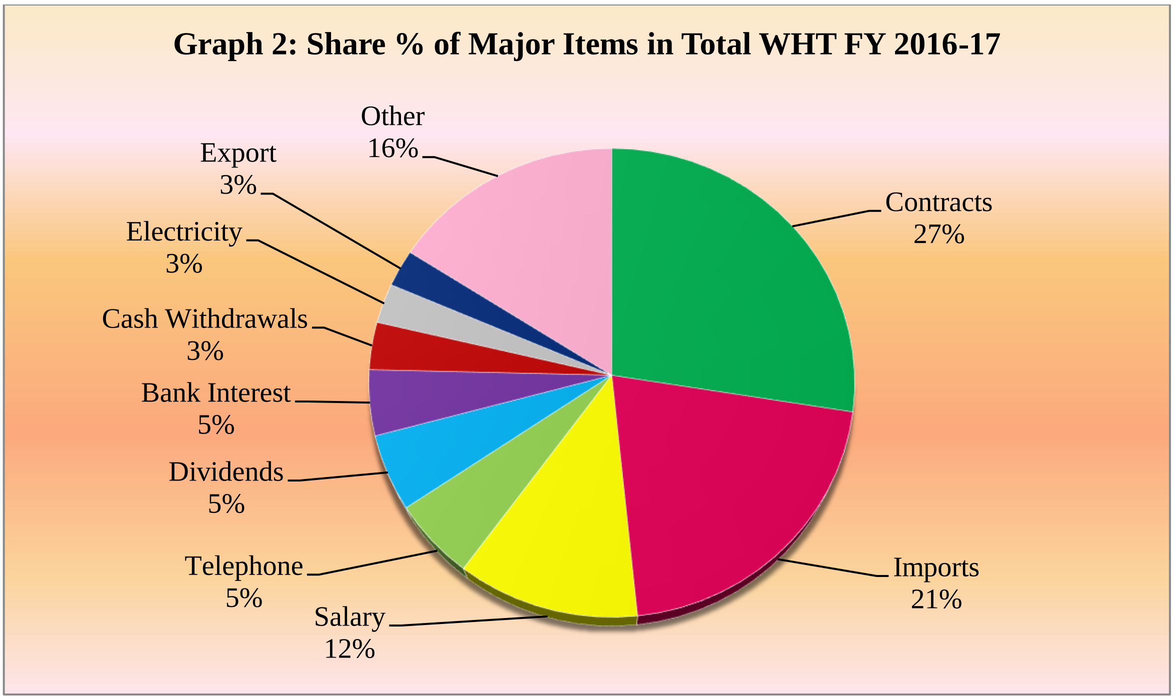
Table 7: Collection from Major Revenue Spinners of Withholding Taxes FY 2016-17 Vs FY 2015-16

(Rs. Million)

Collection Heads	FY 2016-17	FY 2015-16	Difference (Absolute)	Growth (%)
Contracts	259,539	220,062	39,477	17.9
Imports	197,041	179,728	17,313	9.6
Salary	111,188	92,253	18,935	20.5
Telephone	51,773	47,653	4,120	8.6
Dividends	49,489	42,042	7,447	17.7
Bank Interest	42,595	48,200	-5,605	-11.6
Cash Withdrawals	30,944	29,535	1,409	4.8
Electricity	25,840	25,526	314	1.2
Export	24,252	24,898	-646	-2.6
Sub-Total (9 major items)	**792,661**	**709,897**	**82,764**	**11.7**
Share in Total WHT (%)	**84.0**	**88.4**		

The highest contributor in withholding taxes is contracts with 27% share, followed by imports (21%) and salary (12%). The shares of other major items are reflected in graph 2. Further break-up reveals that the share of only two items i.e. contract and imports is around 48.4% and further addition of salary item, raises the share of these three items to more than 60.1% of the total withholding taxes, showing high reliance on few items.

Large numbers of WHT statements are received every month and audit is carried out on sample/random basis. If any discrepancies are found during desk audit, withholding audit is conducted in such cases. Furthermore, awareness campaigns, training sessions and workshops for both Government and private withholding agents are also conducted by field formations. In addition, withholding tax rate card is issued every year by the FATE Wing for the guidance and facilitation of withholding tax agents/taxpayers.



Sales Tax

Sales tax is the second in top revenue generating sources of federal tax receipts after direct tax. It constitutes around 39.5% of the total net revenue collection. The collection during 2016-17 has been around Rs. 1,329.0 billion against Rs. 1,302.4 billion in the corresponding period of last year. The overall sales tax collection grew by 2.0% and around Rs. 27 billion of additional amount has been collected during 2016-17 as compared to the collection of previous year. The collection of sales tax domestic grew by 0.4%, whereas, collection of sales tax imports increased by 3.6%. Details of collection of these two components are depicted in Table 8.

Table 8: Collection of Sales Taxes FY 2016-17 Vs. FY 2015-16

(Rs. Million)

Tax-Head	Net Collection		Growth	
	FY 2016-17	FY 2015-16	Absolute	%
Sales Tax Imports	702,565	678,313	24,252	3.6
Sales Tax Domestic	626,400	624,058	2,342	0.4
Sales Tax (Total)	**1,328,965**	**1,302,371**	**26,594**	**2.0**

As a whole, the revenue target of sales tax has been met to the extent of 92% of the assigned target of Rs. 1,445.0 billion for FY 2016-17.

Reasons for shortfall: In the year 2016-17, sales tax collection witnessed shortfall of Rs. 116 billion compared to the target. Some of the major reasons leading to shortfall in achievement of sales tax targets are enumerated as under:

(i) In POL products, sales tax rates on per liter basis remained 26 to 31% lower in 2016-17 as compared to sales tax rates for 2015-16.

(ii) Sales tax rate of urea fertilizer was reduced to 5% in current year as compared to 17% in the previous year.

(iii) Inputs of Export-oriented sectors like textiles, leather, carpet, sports goods and surgical goods were zero rated in 2016-17 as compared to 3% sales tax on them in previous year.

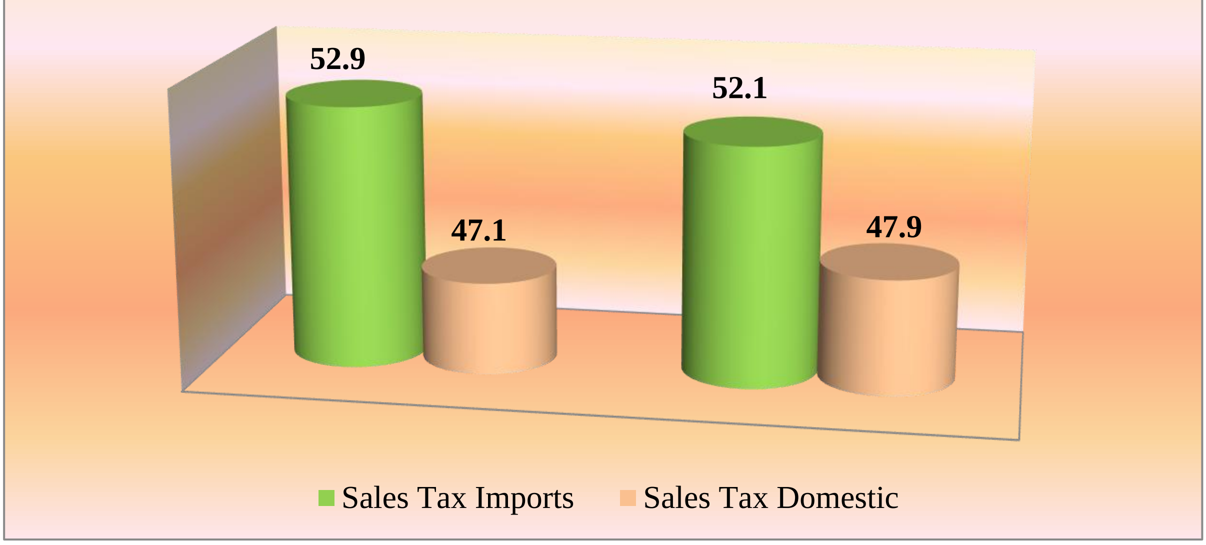
(iv) Pesticides were fully exempted in 2016-17, whereas, previously, there was 7% sales tax on them.

(v) According to PM's Textile Package, sales tax on textile machinery was reduced from 10% to 0% and on cotton from 5% to 0%. In the same way, customs duty and 1% additional duty exemption were also given to cotton and other man-made 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 which led to capture of significant market share of legitimate cigarette industry by non-duty paid, illicit cigarettes. If shortfall from the cigarettes is added to the above mentioned overall shortfall, the total shortfall comes to Rs. 219,596 Million.

Within sales tax, the share of sales tax on imports is around 52.9% and that of domestic sales tax is around 47.1% during 2016-17 (Graph 3). This composition has been slightly changed as the share of STM has gone up from 52.1% to 52.9% and share of STD has gone down from 47.9% to 47.1% compared with FY 2015-16.

Graph 3: Share of STD and STM in Sales Tax Total



Monthly growth behavior of sales tax collection has been shown in Graph 4.

Graph 4: Monthly Growth (%) Trends in Collection of ST FY 2016-17

Sales Tax Domestic Collection: The overall net collection of Sales Tax Domestic (STD) was Rs. 626.4 billion against Rs. 624.1 billion in the PFY and the net collection grew by 0.4%. In absolute terms Rs. 2.3 billion additional amount of revenue has been collected in FY 2016-17 as compared to PFY.

Major Revenue Spinners of STD: The collection of sales tax domestic is concentrated in few commodities. This is confirmed by the fact that seven commodities i.e. petroleum products, electrical energy, cement, collection from withholding agents, sugar, aerated water/beverage and cigarettes contribute around 61.4% to the total sales tax domestic. The share of major 10 commodities is 68% in the total net sales tax domestic. The detail of major ten items has been shown in Table 9.

Table 9: Net Collection of GST (Domestic) from Major Revenue Spinners FY 2016-17 Vs. FY 2015-16

(Rs Million)

Commodities/Items	Net Collection		Growth (%)	Share (%)	
	FY 2016-17	FY 2015-16		FY 2016-17	FY 2015-16
POL Products	225,826	274,824	-17.8	36.1	44.0
Electrical Energy	45,701	37,539	21.7	7.3	6.0
Cement	29,730	28,336	4.9	4.7	4.5
Withholding agents	23,541	21,803	8.0	3.8	3.5
Sugar	23,449	15,478	51.5	3.7	2.5
Aerated Waters/Beverage	18,682	13,187	41.7	3.0	2.1
Cigarettes	17,562	23,767	-26.1	2.8	3.8
Food Products	15,584	15,137	3.0	2.5	2.4
Motor Cars	13,446	8,877	51.5	2.1	1.4
Iron & Steel Products	12,348	10,226	20.8	2.0	1.6
Major Ten Commodities	**425,869**	**449,174**	**-5.2**	**68.0**	**72.0**
Other	200,531	174,884	14.7	32.0	28.0
All Commodities	**626,400**	**624,058**	**0.4**	**100.0**	**100.0**

Out of ten major items, except cigarettes and POL products, all other major items have registered a positive growth during FY 2016-17. In terms of growth, sugar and motor cars were on the top with 51% growth each, followed by aerated water/beverage (42%), electrical energy (22%), iron & steel products (21%) and withholding agents (8%). The collection of other items contributed marginally towards total collection during FY 2016-17.

POL is the top most contributors with 36% share in sales tax domestic collection followed by electrical energy (7.3%) and cement (4.7%) during FY 2016-17. It is pertinent to mention that during FY 2016-17, the share of POL products has declined from 44% in FY 2014-15 to 36%. On the other hand, the share of electrical energy has increased from 4.5% in FY 2014-15 to 4.7% in FY 2016-17. The share of cement was increased from 4.5% in FY 2015-16 to 4.7% in FY 2016-17.

Sales Tax at Import Stage: Sales tax on imports is a significant component of federal tax receipts. The share of sales tax (imports) in total sales tax net collection is around 52.9%. The net collection of sales tax imports during FY 2016-17 stood at Rs. 702.6 billion against Rs. 678.3 billion in FY 2015-16 entailing a growth of 3.6%. Apart from imports, customs duties are also a basis for determination of sales tax on imports. Thus, robust growth in the collection of customs has contributed significantly to the growth in the sales tax collection during FY 2016-17.

Major 10 commodities of sales tax import have contributed a major chunk i.e. 73.8% in sales tax (imports) collection (Table 10). The detailed data indicates that 54.5% of sales tax imports is contributed by POL products (Ch:27), machinery (Ch:84 & 85), iron & steel (Ch:72) and vehicles (Ch:87).

Like sales tax domestic, petroleum is a leading source of sales tax collection at import stage as well. Its share in sales tax imports is around 30.2%. The collection from POL products was Rs. 212 billion during July-June, 2016-17 against Rs.219 billion in the corresponding period of previous year. The collection decreased by 3.2%. Since customs duty is also a base of sales tax, higher revenue in POL Products in customs has been ample in improving the collection of sales tax import related to petroleum product.

The collection from vehicles grew significantly by 24%. The collection from machinery & mechanical appliances, oil seeds, electrical machinery and rubber products including others exhibited growth in the collection of sales tax driven by growths in their respective value of imports. On the other hand, the collection from POL products exhibited negative growth of 3.3% due to decline in the value of imports of POL products. The top ten major revenue spinners for sales tax imports during FY 2016-17 and FY 2015-16 have been shown in table 10.

Table 10: Major Revenue Spinners (Sales Tax Imports)
FY 2016-17 Vs. FY 2015-16

(Rs. in Million)

Ch	Commodities	Collection			Share (%)	
		FY 2016-17	FY 2015-16	Growth (%)	FY 2016-17	FY 2015-16
27	POL Products	211,959	219,097	-3.3	30.2	32.3
84	Machinery & Mechanical Appliances	62,869	50,627	24.2	8.9	7.5
72	Iron and Steel	55,309	53,959	2.5	7.9	8.0
87	Vehicles (Non-Railway)	53,139	42,183	26.0	7.6	6.2
85	Electrical Machinery	49,993	42,338	18.1	7.1	6.2
39	Plastic Resins etc.	35,577	33,456	6.3	5.1	4.9
29	Organic Chemicals	13,376	13,281	0.7	1.9	2.0
12	Oil Seeds and Oleaginous Fruit; Misc	13,255	10,938	21.2	1.9	1.6
9	Tea & Coffee	12,080	11,446	5.5	1.7	1.7
40	Rubber Products	11,225	10,004	12.2	1.6	1.5
	Sub Total	**518,782**	**487,329**	**6.5**	**73.8**	**71.8**
	Others	183,949	191,090	-3.7	26.2	28.2
	Gross	**702,731**	**678,419**	**3.6**	**100.0**	**100.0**
	Refund/Rebate	166	106	56.6		
	Net	**702,565**	**678,313**	**3.6**		

Customs Duty

Customs duty constitutes around 24.6% and 14.8% of the indirect taxes and federal taxes respectively. The gross and net collection from customs duty during July-June 2016-17 has been Rs. 508 billion and Rs. 497 billion entailing growths of 21.9% and 22.8% respectively. This significant growth has cast healthy influence on the overall growth of the federal taxes and contributed substantially in achievement of country's target for 2016-17.

Customs Duty from Major Revenue Spinners

It is evident from Table 11 below that around 60.2% of customs duty has emanated from 10 major commodities grouped in PCT Chapters. It is encouraging that all these major revenue spinners have exhibited positive growth in the collection except edible oil with negative growth of 3.7% due to decrease in its rate of duty on dutiable imports from 13.1% to 11.4%.

Vehicles (Non-Railway) (Ch: 87) the leading revenue spinner, has contributed 15.8% to the customs duty during July-June: 2016-17 and recorded a robust growth of 26.4%.

POL products are the second major contributor of customs duty. The collection of customs from POL (Ch: 27) has exhibited a massive growth of 60.4% during 2016-17. Machinery & Mechanical Appliances (Ch: 84) has been the third major revenue source of customs during July-June 2016-17. A massive growth of 36.0% was manifested by customs duty in Machinery & Mechanical Appliances while 12.3% in its dutiable imports.

On other hand, duty free imports of iron and steel have also increased by 15.8%. This implies that tariff rationalization of iron and steel has played pivotal role in the increased collection of customs duties. Similarly, the collection from articles of iron and steel (Ch: 73) has also increased revenue significantly i.e. by 17.2% mainly due to 5.8% surge in the dutiable imports. The Iron & Steel (Ch: 72) is the 4th major source of customs duty. The collection of customs duty from mechanical machinery has grown by 9.9% as compared to FY 2015-16 figures.

The collection of customs duty from edible oil (Ch: 15) has declined by 3.7%. Edible oil is mainly subjected to specific rate of customs duty. On the other hand, electrical machinery (CH:85) recorded positive growth by 22% while dutiable imports grew by 7% during the period under review. The collection from plastic resins (Ch: 39) has also increased by 7.8% against 8% growth in the dutiable imports. Moreover, the collection from textile material (Ch: 54) has recorded a robust growth of 19.1% mainly due to growth of 34.1% in dutiable imports.

Table 11 : Major Revenue Spinners of Customs Duties

FY 2016-17 Vs. FY 2015-16

(Rs Million)

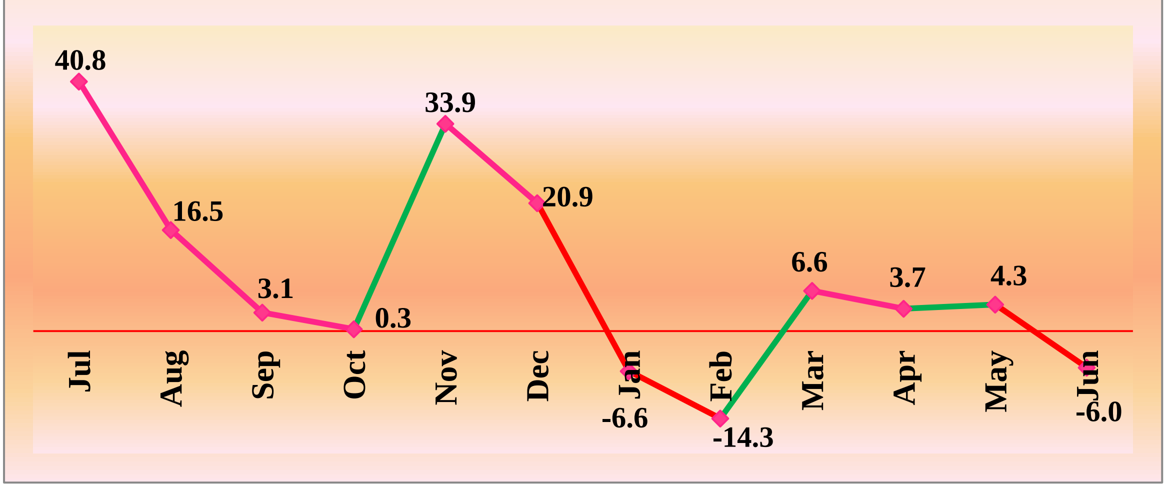
Ch	Description	Collection		Growth (%)	Share (%)	
		FY 2016-17	FY 2015-16		FY 2016-17	FY 2015-16
87	Vehicles (Non-Railway)	78,313	61,947	26.4	15.8	15.3
27	POL Products	60,921	37,992	60.4	12.3	9.4
84	Machinery & Mechanical Appliances	35,628	26,191	36.0	7.2	6.5
72	Iron & Steel	33,227	30,230	9.9	6.7	7.5
85	Electrical Machinery	26,093	21,382	22.0	5.3	5.3
15	Edible Oil	24,944	25,910	-3.7	5.0	6.4
39	Plastic Resins etc	17,042	15,813	7.8	3.4	3.9
73	Articles of Iron & Steel	11,613	9,911	17.2	2.3	2.4
48	Paper & Paperboards	9,591	8,889	7.9	1.9	2.2
54	Textile Materials	8,356	7,018	19.1	1.7	1.7
	Sub Total	**305,728**	**245,289**	**24.6**	**60.2**	**58.9**
	Other	202,140	171,277	18.0	39.8	41.1
	Gross	**507,868**	**416,566**	**21.9**	**100.0**	**100.0**
	Refund/Rebate	11,096	11,994	-7.5		
	Net	**496,772**	**404,572**	**22.8**		

Federal Excise Duty (FED)

FED constitutes around 10% of indirect taxes and 6% of the federal taxes collected by FBR. The collection from federal excise duties has registered a growth of 5.3% during 2016-17 as compared to the corresponding period last year. The net revenue stood at Rs. 197.9 billion in FY 2016-17 against Rs. 188.0 billion during the corresponding period last year. The revenue target of FED has been missed by around 4%.

The monthly growth trend in FED collection remained inconsistent. In the months of July and November, it touched the highest marks of 40.8% and 33.9% respectively whereas it was negative in the months of January, February and June (Graph 5).

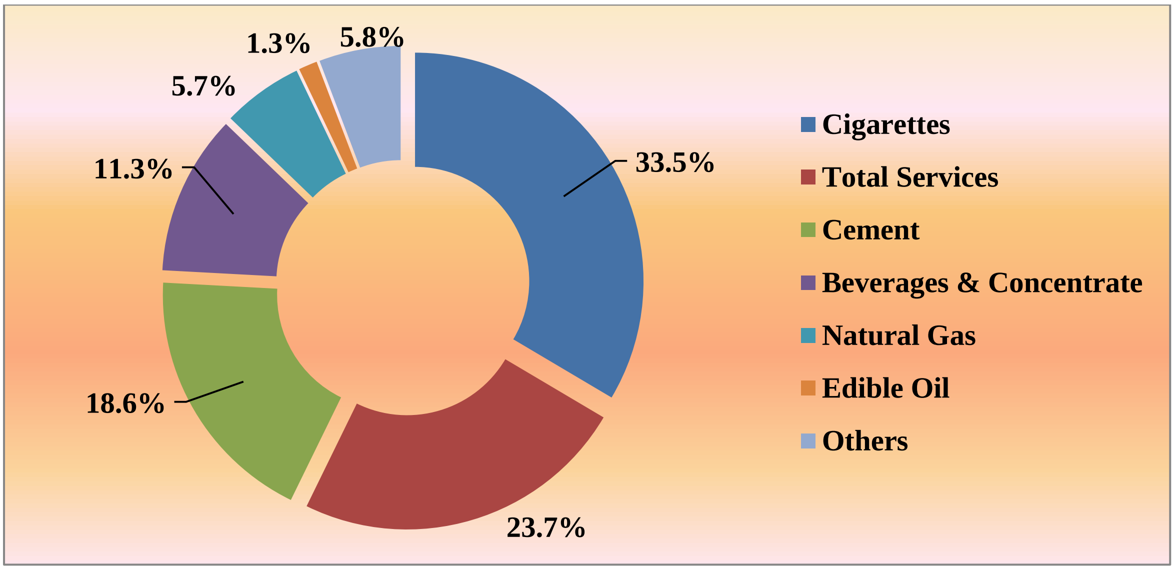
Graph 5: Monthly Growth(%) Trands in Collection of FED FY 2016-17



FED Major Items

Like other taxes FED revenue is concentrated on few items. The share of 6 major items is around 94.2% in total collection of FED (Graph 6). The cigarette is the top contributor with 33.5% share, followed by services (23.7%), cement (18.6%), beverages (11.3%), natural gas (5.7%) and edible oil (1.3%).

Graph 6: Share (%) of 6 Major items in FED Collection FY 2016-17



During FY 2016-17 the collection from cigarette and edible oil declined by 27.1% and 34.5% respectively (table 12). On the other hand the items like cement, vehicles and services recorded a healthy growth. This shows increasing economic activities in the economy and particularly, more than 150% growth in collection from cement reflects substantial jump in construction projects. However, a declining collection from cigarettes demands strict monitoring by the field formations to fetch potential revenue from this head.

Table 12: FED Collection from Major Commodities FY 2016-17 Vs FY 2015-16

(Rs. Million)

Commodities	Collection		Growth (%)
	FY 2016-17	FY 2015-16	
Cigarettes	66,324	90,919	-27.1
Total Services	46,971	40,808	15.1
Cement	36,820	14,528	153.4
Beverages & Concentrate	22,457	18,018	24.6
Natural Gas	11,295	11,896	-5.1
Edible Oil	2,613	3,987	-34.5
Sub Total	**186,480**	**180,156**	**3.5**
Others	11,432	8,310	37.6
Gross	**197,912**	**188,466**	**5.0**
Refund	1	411	-99.8
Net	**197,911**	**188,055**	**5.2**

FBR's Revenue Targets FY: 2017-18

The revenue target for FY 2017-18 has been fixed at Rs. 4,013 billion. The required growth is around 19% over the provisional collection of Rs. 3,361.1 billion during FY 2016-17 (Table 13). In absolute terms, Rs. 652 billion additional amount need to be collected in FY 2017-18.

Table 13: Revenue Target FY 2017-18

(Rs. Billion)

Revenue Target FY 2017-18	Provisional Collection FY 2016-17	Required Growth (%)
4,013.0	**3,367.9**	**19.2**

During Budget 2017-18 various revenue measures were announced. The overall net revenue effect is estimated at around Rs. 87 billion. The tax-wise revenue effect of these measures is given in the table below;

Table 14: Aggregate Revenue Effect of all Measures for FY 2017-18

(Rs. in Million)

Tax Description	Revenue Effect		Net Effect
	(+)	(-)	
Income Tax	47,350	12,585	34,765
Sales Tax & Federal Excise	52,600	18,735	33,865
Customs Duties	20,050	1,150	18,900
Grand Total	**120,000**	**32,470**	**87,530**

II. TAXATION AS INSTRUMENT OF FISCAL POLICY IN PAKISTAN[1]

By Saqib Mahmood **2**

ABSTRACT

Fiscal policy has more controversial debate regarding its effectiveness on different macroeconomic activities of an economy. Taxation and government expenditure are two main instruments of fiscal policy. Pakistan was one of the few developing countries that had achieved an average growth rate of over 5% over a four decade period ending in 1990. This paper is aimed to analyze and update the effects of different instruments of fiscal policy on inflation in Pakistan economy. The outcomes of the study show that fiscal deficit is also one of the reasons to increase the inflation in the country. The study proposed that government should decrease the level of expenditure to reduce the level of fiscal deficit and investment have to be promoted to decrease the inflation in the country. Furthermore, it is also suggested to increase the level of taxation for controlling inflation.

Key Words: Taxes, Public Expenditure, Fiscal Deficit, Public Debt, Inflation, Tax-to-GDP

INTRODUCTION

The thought that taxes change economic growth, has developed to be politically debatable and the question of much debate in the press and among advocacy groups. That is in part because there are contending theories about what motivate economic growth. Some donate to Keynesian, demand-side elements, others Neoclassical supply-side factors, while yet others donate to some combination of the two or something exclusively unique.

In ordinary sense tax is a compulsory payment to government by the public, in exchange for the services indirectly to public by the government. Basic objective of tax systems is to finance public expenditures. Tax system also plays a vital role in achieving the other targets like equity, social and economic improvement in any economy (Omojemite and Godwin 2012).

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[1] ***Disclaimer:*** *This article was published to encourage research by the Officers of the SPR&S Wing, FBR and is written in the personal capacity of the author. The views, thoughts, and opinions expressed in this article belong solely to the author, and not necessarily reflect the views of the Federal Board of Revenue, or any other Government Department.*

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A well organized, efficient and effective tax system is a necessary requirement for economic growth. Taxes determine the level and speed of economic growth in countries of the globe. Countries with organized and stable taxation system grow rapidly, over the period compared, with those countries, not have such good individualities (Omojemite and Godwin 2012).

Taxation system plays a very important role, to meet developmental and non-developmental expenditures, and ultimately to augment economic growth. Taxation effects production and growth. Analyses demonstrate that government revenue, at some time is motivated by the changes in tax base, tax policies and tax rates. Taxes impedes, household's ability to work, will to work, decisions to save, consumption, labor supply and investment. Tax system of any country also interfere the allocation of resources.

Historically, for the initial few decades the tax system of Pakistan remained constant because Pakistan inherited its taxation system from British in the form of government of India act 1935. Since from the inception of Pakistan, country had been relying on foreign resources like IMF, WB, International donors etc. as well as on domestic resources like State Bank of Pakistan and other financial institutions located in Pakistan due to shortage of funds to run the economy.

The tax to GDP ratio of Pakistan in 1950's was 5 percent then in 1960's it rose to 9 percent. Government took action to broaden the tax base, to improve the tax laws, to eliminate corruption, and to bring improvement in tax administration. Pakistan's tax system was facing structural problems like much reliance on indirect taxes and taxes on international trade. Since 1947 Pakistan's tax system needed tax reforms seriously to improve its economic status. Serious efforts regarding taxation reforms were started in 1990's and initially the introduction of withholding tax. (Dr Ishrat Hussain, 2009)

Tax to GDP ratio is a best and comprehensive indicator to check the tax revenue status in any country. Tax to GDP ratio in Pakistan is 11.2 percent. Tax to GDP ratio in Finland is 57 %, in Denmark and Norway is 55.6 %, 55.4% respectively.

LITERATURE REVIEW

During the past four to five decades, there has been a considerable amount of studies conducted on reasons of low tax to GDP ratio and it relationship with fiscal deficit. Following literature review provide evidence that fiscal policy has different impacts on inflation in the world as well as Pakistan by using same techniques and methods. Most of the studies explored the relationship of fiscal policy and inflation but much attention was not given for instruments of fiscal policy regarding their impact on inflation.

Saleem et al (2013) studied the determinants of inflation in Pakistan for the period of 1990-2011. In this study, fiscal deficit, unemployment, exchange rate, interest rate and gross domestic production are considered as independent variables while inflation rate is used as dependent variables. Regression results describe that fiscal deficit and unemployment have negative relationship with inflation while interest rate, exchange rate and gross domestic production positively affect the inflation rate in Pakistan. This study considers the monetary policy as a main instrument of inflation. But on the other side, reduced borrowings and increase in tax levels are advised to control inflation.

Rehman et al (1996) applied the co-integration technique for U.S economy and explored the long run relationship between inflation rate and real exchange rate, budget deficit and real exchange rate.

Dua.et al. (2000) uses the macroeconomic model and concluded that income tax has negative and significant effect on GDP, while Export taxes have negative and significant effect. Income taxes, government expenditures and overseas capital inflow has the common impacts in both countries, while currency provisions, overseas funds, interest rates and monetary liberalization have not common impacts in both countries.

Agha and Khan (2006) investigated the relationship between inflation and fiscal indicators in Pakistan using the data from 1973 to 2003. It is found that inflation in Pakistan is mainly attributable to unsustainable fiscal deficit. To finance the deficit from seignorage or borrowing from banking sector affects the general price level. However, it is suggested that macroeconomic and monetary implications should be considered and coordination between fiscal and monetary authorities is required to achieve their objectives.

Keho (2011) analyzes the relationship, between different taxes and output by applying ARDL approach, during the period 1960-2006. Outcomes of the research demonstrate that all variables are co integrated in the long run, except real gdp and direct taxes. All taxes except direct taxes have a positive link with economic growth. As a policy recommendation study suggests, the transformation of direct taxes into indirect taxes, to augment economic growth.

Chaudhary and Ahmad (1995) applied 2SLS technique for the economy of Pakistan covering the period from 1973-1992 and suggest that domestic financing of the budget deficit, is inflationary in the long run. The results found a positive relationship between budget deficit and inflation during acute inflation periods of the seventies. The general conclusion is that the execution of monetary policy is heavily dependent on the fiscal decisions made by the government. In order to control inflationary pressure, government needs to cut the size of budget deficit.

Brasovenu and Brasovenu (2008) check the existence of relationship, between financial policy and economic growth, in Romania, by using time series data starting 1990 to 2007. When they tested the effect of fiscal policy on economic growth, they found that distortionary and non-distortionary fiscal revenues, give a harmful association to real GDP growth rate.

Hondroyiannis and Papapetrou (1994) analyzed the Greece economy by using data from 1960 to 1992. They applied the Granger Causality and co-integration test to prove that there is long run relationship between price level and budget deficit.

Khalid et al (2007) used VAR model for Pakistan to investigate the fiscal reaction function and transmission mechanism and found that effect of changes in fiscal policy is not significant to inflation.

Haan and Zelhorst (1990) investigated the relationship between government budget deficit and money growth in developing countries but did not find much support for the hypothesis that government budget deficit influences monetary expansion and thus leads to inflation.

Brown and Yousefi (1996) investigated for ten developing countries namely Pakistan, India, Indonesia, Israel, Mexico, Philippines, South Africa, Thailand, Turkey and Venezuela and found that there is no empirical relationship between price level and budget deficit.

Vieira (2000) explored the relationship between budget deficit and inflation for six major European countries and found a little support for the hypothesis that budget deficit has been an important factor to inflation in these countries over the last 45 years.

Lozano (2008) used quarterly data from 1983-2007 and applying vector error correction (VER) model explored a mixed relationship of inflation and money growth with fiscal deficit.

These results of these studies emphasize the argument that experimental outcomes are likely to change from time to time and country to country, even by using same methodology and techniques.

FISCAL POLICY OF PAKISTAN

Fiscal policy is comprised of decisions of government spending and taxation. There is a considerable argument over the effectiveness of fiscal policy on macroeconomic activities, especially in developing countries like Pakistan. On the theoretical front, however, there are two main strands of literature regarding the role of fiscal policy which are given below.

"A well-established hypothesis in macroeconomics is that fiscally dominant governments running persistent deficits have sooner or later to finance those deficits with money creation, thus producing inflation." (Sargent and Wallace, 1981)

"A common criticism of this stress on the budget deficit is that the data rarely shows a strong positive association between the size of the budget deficit and the inflation rate." (Blanchard and Fischer, 1989, p.513)

Whenever government expenditures exceed revenues, it has to face budget deficit. The impact of budget deficit is based upon that how it is financed. It can be financed by borrowing or printing new money. If budget deficit is financed by seignorage then it causes inflation.

On the other hand, borrowing may be domestically and externally. Due to domestic borrowing, government increases its demand for available credit and interest rate goes up that causes a fall in private investment so budget deficit "crowd out" productive private investment while external borrowing leads to current deficit and may cause an external debt problem.

There is widely disagreement regarding the efficacy of fiscal policy for inflation. Alesina and Drazen (1991), Cukierman, Edward and Tabellini (1992), and Calvo and Vegh (1999) recognized that in developing countries less efficient tax collection, political instability and more limited access to external borrowing tend to increase the inflation rate.

King and Plosser (1985) found no relationship between fiscal deficits and inflation. Haan and Zelhort (1990) analyzed that seignorage is weakly related to budget deficits except during very high inflation episodes. Fisher, Sahay and Vegh (2002) concluded that fiscal deficits are main drivers of high inflation.

MAJOR INSTRUMENTS OF FISCAL POLICY IN PAKISTAN

There are six major instruments of fiscal policy in Pakistan

1. Taxes
2. Public Expenditure:
3. Fiscal Deficit
4. Public Debt
5. Inflation
6. Tax to GDP Ratio

TAXES

Tax can be defined as the charge levied by the government of a country upon its habitants for its support or for the purpose of facilitating the public of that country. It is neither a voluntary payment by the tax payer nor like a donation. Rather it is an enforced payment to the government. On nonpayment of it, the tax payer will be punishable by law.

The purpose of taxes is to create welfare for the society by providing public services, protection to properties, defense expenses, economic infrastructure etc. There are four main purposes of taxation which are:

1. **Revenue** i.e. collects a sum of money for government
2. **Redistribution** i.e. transfer from rich to poor
3. **Reprising** i.e. levied on harmful things e-g; tobacco, carbon
4. **Representation** i.e. accountability to general public by the government

In case of direct taxes, the taxpayers are generally more curious to know about their taxed income. That's why they stress the government for the representation of its consumption. Taxes are levied at different percentage rates. These percentage rates are determined by comparing with income or consumption level. It has three basic types that are progressive, regressive and proportional rates.

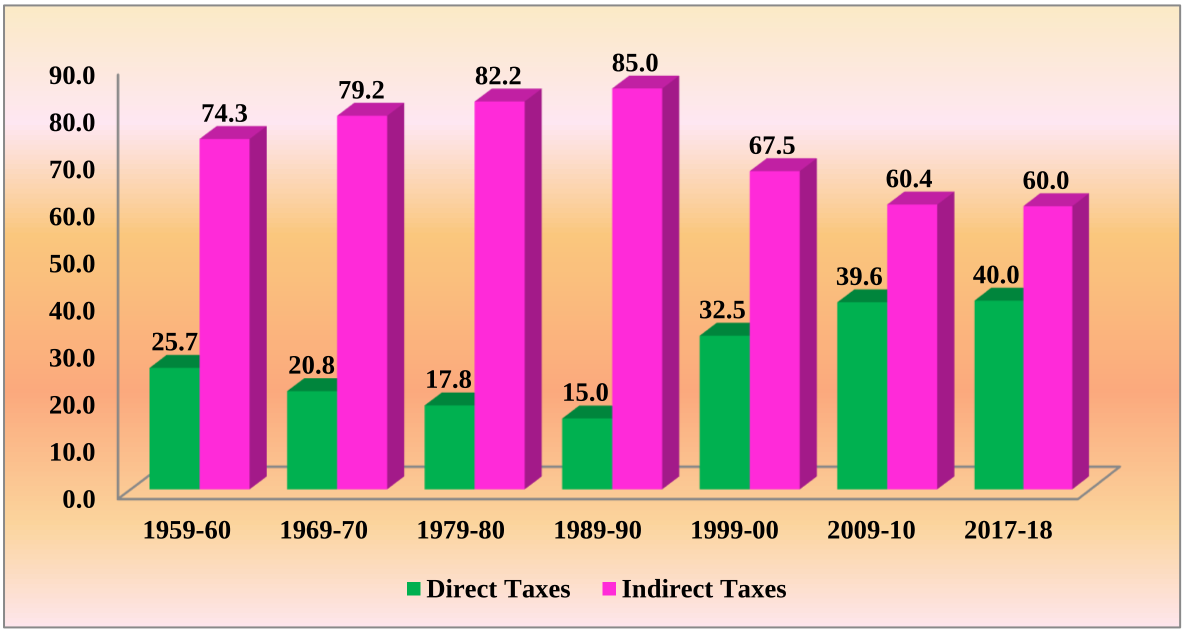
There are two major types of taxes which are direct and indirect taxes. There are different views about the definition of these two types. In simple words it can be describes as direct taxes are those the burden of which is directly born by the tax payer and contrary to this if the burden of taxes is transferred to other or public, are called indirect taxes.

Table 1: Direct Taxes V/s Indirect Taxes in FBR Collection

(Rs in Million)

Year	Direct Taxes	Indirect Taxes	Total Taxes
1959-60	303	875	1,178
1969-70	958	3,652	4,610
1979-80	5,333	24,683	30,016
1989-90	15,642	88,591	104,233
1999-00	112,950	234,154	347,104
2009-10	525,977	801,405	1,327,382
2017-18	1,536,583	2,307,172	3,843,755

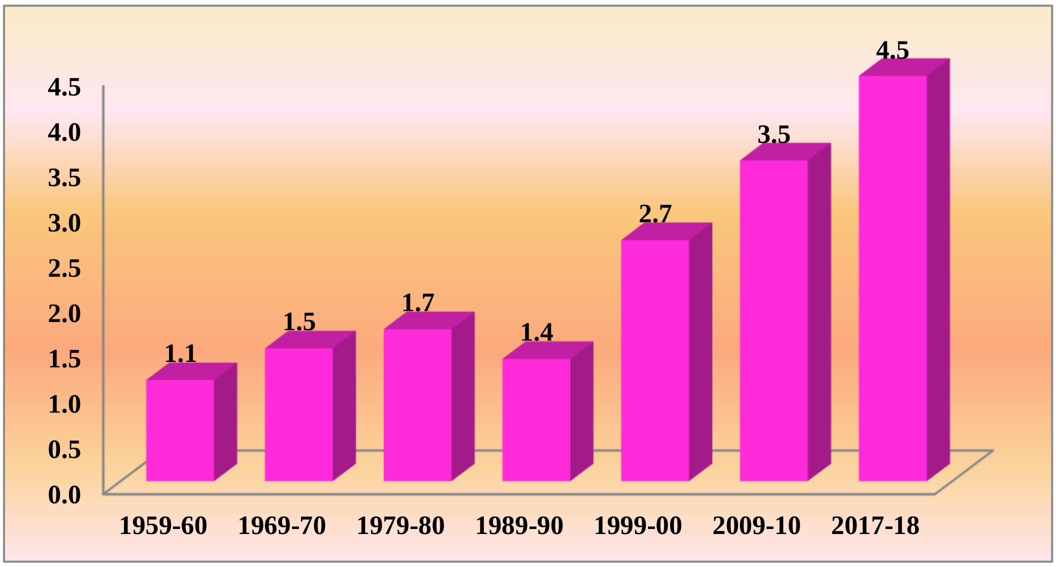
Graph 1: Share of Direct and Indirect Taxes in FBR Collection



1. Direct Taxes

Taxes imposed on income/wealth and in form of wealth tax, income tax, capital value tax, corporate tax and worker's welfare fund is considered as direct tax. In Pakistan, direct taxes are only 4.5% of GDP while other developing countries have this ratio around 8% of GDP. There is an upward trend in direct taxes as it was 25.7% and 15.0% of total tax collection in 1959-60 and 1989-90 respectively and increased to 40.0% in 2017-18 but it is dire need to improve it.

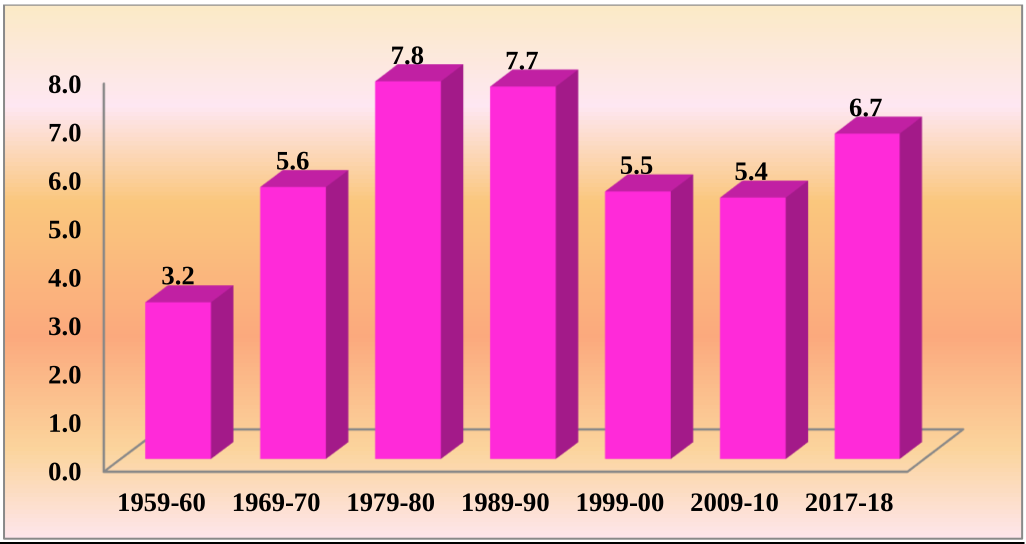
Graph 2: Direct Taxes as percentage of GDP



2. Indirect Taxes

Custom duties, federal excise duties and sales taxes are counted as indirect taxes. Indirect taxes are not fruitful for lower income groups and affect them broadly while higher income groups are not affected much by indirect taxes. Unfortunately, government hesitates to tax on elite class under severe pressure of powerful groups and to generate more revenues, indirect taxes are imposed. In developing countries as well as Pakistan, a big portion of revenues is gained from indirect taxes. It is true that situation is improving as in 1989-90, share of indirect taxes in total revenue was 85.0% of total revenue and in 2017-18, it decreased to 60.0% of total revenue collection but it is still higher as compared with other developing countries

Graph 3: Indirect Taxes as percentage of GDP



PUBLIC EXPENDITURE:

The active participation of the government in economic activity has brought public spending to the front line among the fiscal tools. The appropriate variation in public expenditure can have more direct effect upon the level of economic activity than even taxes. The increased public spending will have a multiple effect upon income, output and employment exactly in the same way as increased investment has its effect on them. Similarly, a reduction in public spending can reduce the level of economic activity through the reverse operation of the government expenditure multiplier.

1. Public Expenditure in Inflation:

During the period of inflation, the basic reason of inflationary pressures is the excessive aggregate spending. Both private consumption and investment spending are abnormally high. In these circumstances, public spending policy must aim at reducing the government spending. In other words, some schemes should be abandoned and others be postponed. It should be carefully noted that government spending which is of productive nature, should not be shelved, since that may aggravate the inflationary dangers further.

However, reduction in unproductive channels may prove helpful to curb inflationary pressures in the economy. But such a decision is really difficult from economic and political point of view. It is true, yet the fiscal authority can vary its expenditure to overcome inflationary pressures to some extent.

2. Public Expenditure in Depression:

In depression, public spending emerges with greater significance. It is helpful to lift the economy out of the morass of stagnation. In this period, deficiency of demand is the result of sluggish private consumption and investment expenditure. Therefore, it can be met through the additional doses of public expenditure equivalent to the deflationary gap. The multiplier and acceleration effect of public spending will neutralize the depressing effect of lower private spending's and stimulate the path of recovery.

FISCAL DEFICIT

Fiscal deficit means a situation when government expenditures exceed than its generated revenues. Uzair (2004) concluded that fiscal deficit has got greater attention after Bretton woods, during the last two decades most of the developing countries including Pakistan have faced fiscal deficits and is considered as one of the major source of macro-economic imbalances. But it is also difficult to conclude that whether reduced fiscal deficit causes a positive effect on the economy or not. If there is reduction of developmental expenditures in spite of expansion of revenues, then it has a negative effect on economic growth in long run.

After having a look on Pakistan economy, we come to know that fiscal deficit was only 2.1% of GDP in 1960's and it increased to 5.3% of GDP in 1970's due to 1971's war. After that, it decreased to 7.1% of GDP in 1980's and further reduced to 6.9% of GDP in 1990's due to commitments made with International Monetary Fund (IMF) by Structural Adjustment Program (SAP). In 2000's, fiscal deficit was reduced to 4.5% of GDP.

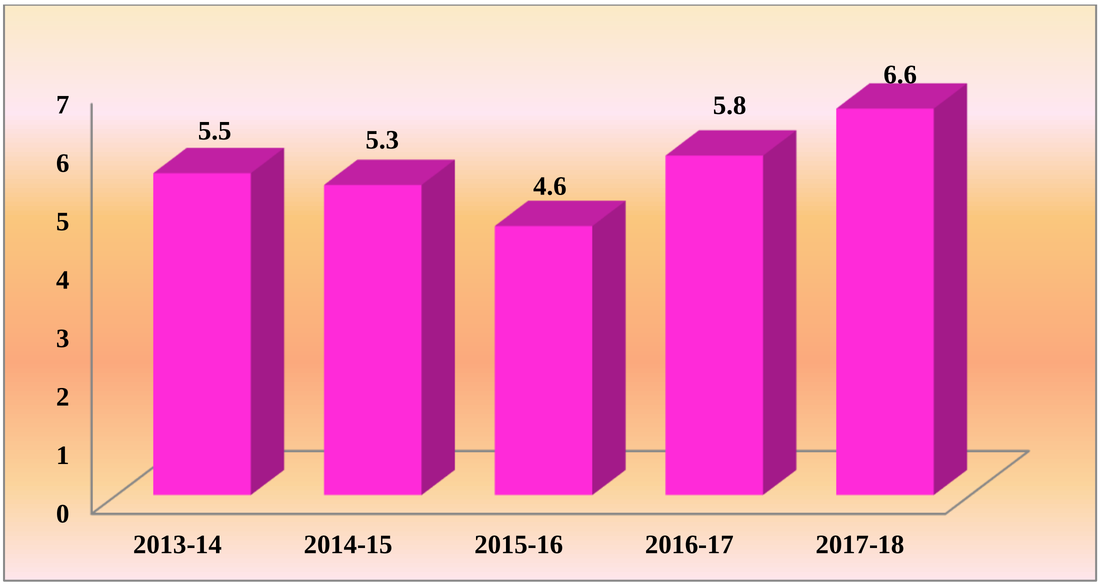
Table 2: Fiscal Deficit of Pakistan

(As percentage of GDP)

Years	Expenditure	Revenue
2013-14	20.0	14.5
2014-15	19.6	14.3
2015-16	19.9	15.3
2016-17	21.3	15.5
2017-18	21.8	15.2

Source: Ministry of Finance, GOP

Graph 4: Fiscal Deficit of Pakistan (As percentage of GDP)



PUBLIC DEBT

Public debt is a sound fiscal weapon to fight against inflation and deflation. It brings about economic stability and full employment in an economy.

The government borrowing may assume any of the following forms mentioned as under:

1. Borrowing from Non-Bank Public:

When the government borrows from non-bank public through sale of bonds, money may flow either out of consumption or saving or private investment or hoarding. As a result, the effect of debt operations on national income will vary from situation to situation. If the bond selling schemes of the government are attractive, the people induce to curtail their consumption, the borrowings are likely to be non inflationary.

When the money for the purchase of bonds flows from already existing savings, the borrowing may again be non-inflationary. Has the government not been borrowing, these funds would have been used for private investment, with the result that the debt operations by the government will simply bring about a diversion of funds from one channel of spending to another with the similar quantitative effects on national income.

If the government bonds are purchased by non bank individuals and institutions by drawing upon their hoarded money, there will be net addition to the circular flow of spending. Consequently, the inflationary pressures are likely to be created. But funds from this source are not commonly available in larger quantity. Its main implication is that borrowings from non bank public is more advantageous in an inflationary period and undesirable in a depression phase. In short, the borrowing from non bank public are not of much significant magnitude whether it comes out of consumption, saving, private investment or hoarding.

2. Borrowing from Banking System:

The government may also borrow from the banking institutions. During the period of depression, such borrowings are highly effective. In this period, banks have excessive cash reserves and the private business community is not willing to borrow from banks since they consider it unprofitable.

When unused cash lying with banks is lent out to government, it causes a net addition to the circular flow and tend to raise national income and employment. Therefore, borrowing from banking institution has desirable and favorable effect especially in the period of depression when the borrowed money is spend on public works programs.

3. Drawing from Treasury:

The government may draw upon the cash balances held in the treasury for financing budgetary deficit. It demonstrates dishoarding resulting in a net addition in the supply of money. It is likely to be inflationary in nature. But, generally, there are small balances over and above what is required for normal day to day requirements. Thus, such borrowings from treasury do not have any significant result.

4. Printing of Money:

Printing of money i.e. deficit financing is another method of public expenditure for mobilizing additional resources in the hands of government. As new money is printed, it results in a net addition to the circular flow. Thus, this form of public borrowing is said to be highly inflationary.

Deficit financing has a desirable effect during depression as it helps to raise the level of income and employment but objection is often raised against its use at the time of inflation or boom. Here, it must be added that through this device, the government not only gets additional resources at minimum cost but can also create appropriate monetary effects like low interest rates and easy money supply and consequently economic system is likely to register a quick revival.

INFLATION

Inflation in Pakistan had always been highly volatile. The highest inflation was recorded in FY 1974 which was 30 percent and multi decade lowest 2.9 percent in FY 2016. Since July 1993, the monthly data suggests that CPI was highest in August 2008 at 25.3 percent and lowest in September 2015 at 1.3 percent.

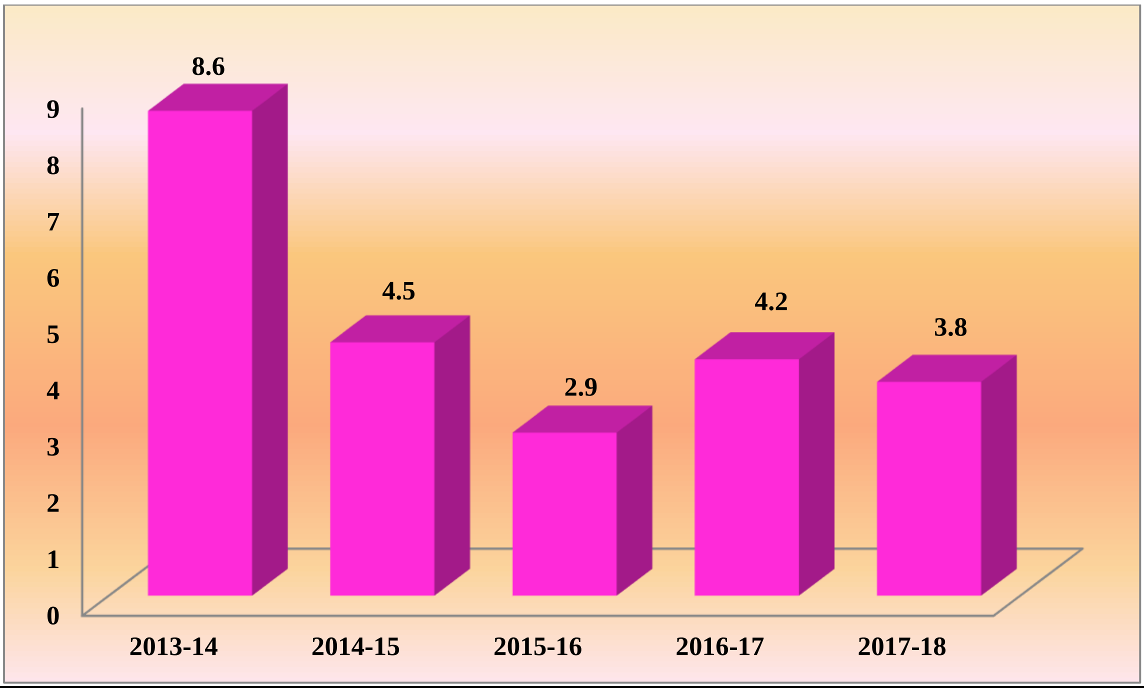
The maintenance of price stability has always remained high on the policy agenda of the government as to keep the prices of essential items at affordable level so that common man reap the benefits of low prices. To meet this objective, government pursues price stability both through demand and supply management. The average inflation during last five years recorded at 5.5 percent. The graph below presents the inflation trend during last five years as well as current year.

Table 3: Inflation Rate in Pakistan

Years	Inflation Rate (%)
2013-14	8.6
2014-15	4.5
2015-16	2.9
2016-17	4.2
2017-18	3.8

Source: Ministry of Finance, GOP

Graph 5: Inflation Rate in Pakistan (%)



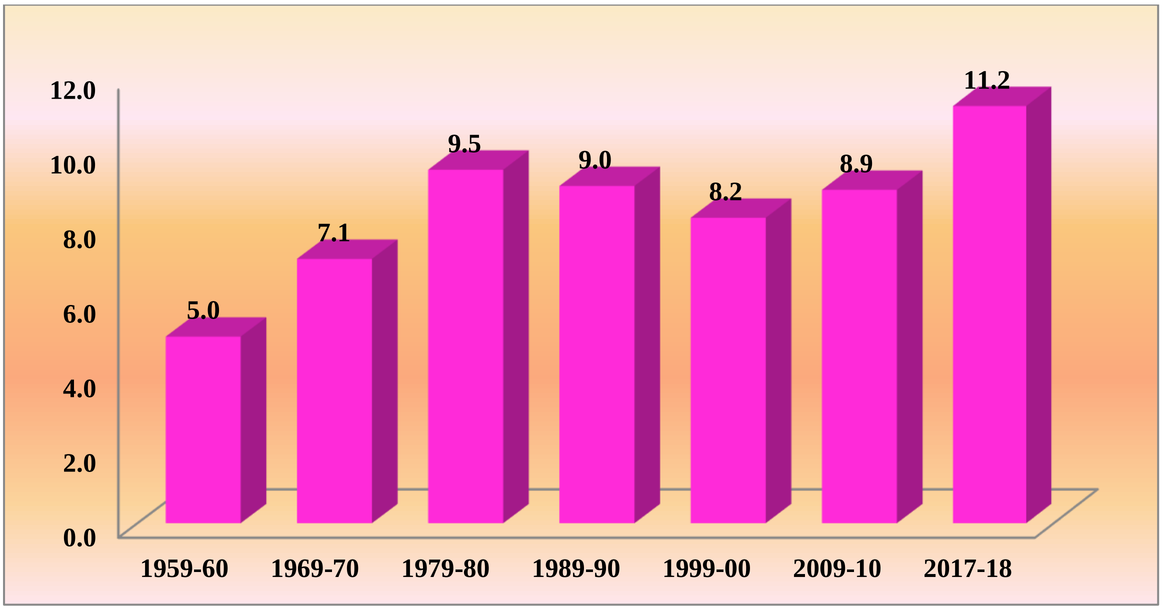
TAX TO GDP RATIO

When government is ambitious to increase the social welfare of people by increasing the developmental expenditures, then it has to increase the tax to GDP ratio and reduce its fiscal deficit. But unfortunately, this situation is inadequate with respect to Pakistan. In 1980's, FBR's tax to GDP ratio was 9.5% and it was declined to 9.0% in 1990's.

This downward trend was continued and it reached to 8.2% of GDP in 2000's. To finance the expenditures, government relied upon the loans. In 2001, tax reforms were introduced to increase the tax revenue and Central Board of Revenue took many steps to improve the condition of revenues.

During last few years, an upward trend in the tax to GDP ratio has been witnessed. The tax to GDP ratio which was just 8.7% in 2012-13 is now hovering around 10.6% in 2016-17. Overall increase in four years has been 2.1%.

Graph 6: FBR Tax-GDP Ratio (%)



DISCUSSION & RECOMMENDATIONS

The basic purpose of this paper is to examine that how fiscal policy is affecting the inflation in Pakistan. It is evident that fiscal policy has two main instruments i.e. government expenditure and taxes. Beside of other reasons, it is found in results that fiscal deficit is also a big hindrance in the way of progress. It can be controlled by decreasing the government expenditure and increasing the government revenues. It has to be controlled to encourage investment.

Different studies show that government should keep its fiscal deficit in narrow band of 3 to 4 percent of GDP. Behind this limit the unsustainable deficit could have undesirable macroeconomic costs and the government's macroeconomic objectives such as low inflation and high economic growth might be in jeopardy. If the government will control the fiscal deficit by bringing down its unnecessary expenditure then it will get rid of the problem of debt. To sustain the price level, fiscal deficit has to be treated seriously.

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III. STATISTICAL APPENDIX

Comparative Statements of

Month – to – Month and Progressive

Collection for the period FY 2016-17 & FY 2015-16

Provisional Collection of Federal Taxes 2016-17 Vs. 2015-16

(Rs Million)

MONTHS	M/P	Collection											
		FY 2016-17			FY 2015-16			COMPARISON			Growth (%)		
		Gross	Reb/Ref	Net	Goss	Reb/Ref	Net	Goss	Reb/Ref	Net	Gross	Reb/Ref	Net
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
JULY	M	170,380	11,982	158,398	168,640	19,997	148,643	1,740	-8,015	9,755	1.0	-40.1	6.6
AUGUST	M	217,347	10,344	207,003	190,925	8,900	182,025	26,422	1,444	24,978	13.8	16.2	13.7
	P	**387,727**	**22,326**	**365,401**	**359,565**	**28,897**	**330,668**	**28,162**	**-6,571**	**34,733**	**7.8**	**-22.7**	**10.5**
SEPTEMBER	M	265,253	3,533	261,720	270,978	11,441	259,537	-5,725	-7,908	2,183	-2.1	-69.1	0.8
1st Quarter		**652,980**	**25,859**	**627,121**	**630,543**	**40,338**	**590,205**	**22,437**	**-14,479**	**36,916**	**3.6**	**-35.9**	**6.3**
OCTOBER	M	243,096	1,853	241,243	226,140	2,358	223,782	16,956	-505	17,461	7.5	-21.4	7.8
	P	**896,076**	**27,712**	**868,364**	**856,683**	**42,696**	**813,987**	**39,393**	**-14,984**	**54,377**	**4.6**	**-35.1**	**6.7**
NOVEMBER	M	240,044	23,771	216,273	228,747	3,716	225,031	11,297	20,055	-8,758	4.9	539.7	-3.9
	P	**1,136,120**	**51,483**	**1,084,637**	**1,085,430**	**46,412**	**1,039,018**	**50,690**	**5,071**	**45,619**	**4.7**	**10.9**	**4.4**
DECEMBER	M	396,099	8,399	387,700	335,266	3,379	331,887	60,833	5,020	55,813	18.1	148.6	16.8
2nd Quarter		**879,239**	**34,023**	**845,216**	**790,153**	**9,453**	**780,700**	**89,086**	**24,570**	**64,516**	**11.3**	**259.9**	**8.3**
Upto 2nd Qtr		**1,532,219**	**59,882**	**1,472,337**	**1,420,696**	**49,791**	**1,370,905**	**111,523**	**10,091**	**101,432**	**7.8**	**20.3**	**7.4**
JANUARY	M	230,069	6,213	223,856	203,230	1,552	201,678	26,839	4,661	22,178	13.2	300.3	11.0
	P	**1,762,288**	**66,095**	**1,696,193**	**1,623,926**	**51,343**	**1,572,583**	**138,362**	**14,752**	**123,610**	**8.5**	**28.7**	**7.9**
FEBRUARY	M	230,479	4,993	225,486	219,199	3,697	215,502	11,280	1,296	9,984	5.1	35.1	4.6
	P	**1,992,767**	**71,088**	**1,921,679**	**1,843,125**	**55,040**	**1,788,085**	**149,642**	**16,048**	**133,594**	**8.1**	**29.2**	**7.5**
MARCH	M	350,829	3,828	347,001	306,231	5,316	300,915	44,598	-1,488	46,086	14.6	-28.0	15.3
3rd Quarter		**811,377**	**15,034**	**796,343**	**728,660**	**10,565**	**718,095**	**82,717**	**4,469**	**78,248**	**11.4**	**42.3**	**10.9**
Upto 3rd Qtr		**2,343,596**	**74,916**	**2,268,680**	**2,149,356**	**60,356**	**2,089,000**	**194,240**	**14,560**	**179,680**	**9.0**	**24.1**	**8.6**
APRIL	M	252,082	2,125	249,957	247,720	4,660	243,060	4,362	-2,535	6,897	1.8	-54.4	2.8
	P	**2,595,678**	**77,041**	**2,518,637**	**2,397,076**	**65,016**	**2,332,060**	**198,602**	**12,025**	**186,577**	**8.3**	**18.5**	**8.0**
MAY	M	336,174	5,214	330,960	306,294	5,487	300,807	29,880	-273	30,153	9.8	-5.0	10.0
	P	**2,931,852**	**82,255**	**2,849,597**	**2,703,370**	**70,503**	**2,632,867**	**228,482**	**11,752**	**216,730**	**8.5**	**16.7**	**8.2**
JUNE	M	522,960	4,683	518,277	519,404	39,799	479,605	**3,556**	**-35,116**	**38,672**	**0.7**	**-88.2**	**8.1**
4th Quarter		**1,111,216**	**12,022**	**1,099,194**	**1,073,418**	**49,946**	**1,023,472**	**37,798**	**-37,924**	**75,722**	**3.5**	**-75.9**	**7.4**
Annual		**3,454,812**	**86,938**	**3,367,874**	**3,222,774**	**110,302**	**3,112,472**	**232,038**	**-23,364**	**255,402**	**7.2**	**-21.2**	**8.2**

DIRECT TAXES

(Rs Million)

MONTHS	M/P	Collection											
		FY 2016-17			FY 2015-16			COMPARISON			Growth (%)		
		Gross	Reb/Ref	Net	Gross	Reb/Ref	Net	Gross	Reb/Ref	Net	Gross	Reb/Ref	Net
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
JULY	M	61,617	10,946	50,671	66,771	9,159	57,612	-5,154	1,787	-6,941	-7.7	19.5	-12.0
AUGUST	M	74,853	5,773	69,080	64,787	4,528	60,259	10,066	1,245	8,821	15.5	27.5	14.6
	P	**136,470**	**16,719**	**119,751**	**131,558**	**13,687**	**117,871**	**4,912**	**3,032**	**1,880**	**3.7**	**22.2**	**1.6**
SEPTEMBER	M	116,285	2,344	113,941	124,033	2,232	121,801	-7,748	112	-7,860	-6.2	5.0	-6.5
1st Quarter		**252,755**	**19,063**	**233,692**	**255,591**	**15,919**	**239,672**	**-2,836**	**3,144**	**-5,980**	**-1.1**	**19.7**	**-2.5**
OCTOBER	M	89,462	826	88,636	73,990	364	73,626	**15,472**	**462**	**15,010**	**20.9**	**126.9**	**20.4**
	P	**342,217**	**19,889**	**322,328**	**329,581**	**16,283**	**313,298**	**12,636**	**3,606**	**9,030**	**3.8**	**22.1**	**2.9**
NOVEMBER	M	82,684	1,564	81,120	74,045	575	73,470	8,639	989	7,650	11.7	172.0	10.4
	P	**424,901**	**21,453**	**403,448**	**403,626**	**16,858**	**386,768**	**21,275**	**4,595**	**16,680**	**5.3**	**27.3**	**4.3**
DECEMBER	M	195,672	7,625	188,047	156,633	2,626	154,007	39,039	4,999	34,040	24.9	190.4	22.1
2nd Quarter		**367,818**	**10,015**	**357,803**	**304,668**	**3,565**	**301,103**	**63,150**	**6,450**	**56,700**	**20.7**	**180.9**	**18.8**
Upto 2nd Qtr		**620,573**	**29,078**	**591,495**	**560,259**	**19,484**	**540,775**	**60,314**	**9,594**	**50,720**	**10.8**	**49.2**	**9.4**
JANUARY	M	86,993	5,253	81,740	65,526	887	64,639	21,467	4,366	17,101	32.8	492.2	26.5
	P	**707,566**	**34,331**	**673,235**	**625,785**	**20,371**	**605,414**	**81,781**	**13,960**	**67,821**	**13.1**	**68.5**	**11.2**
FEBRUARY	M	83,012	2,993	80,019	72,066	1,046	71,020	10,946	1,947	8,999	15.2	186.1	12.7
	P	**790,578**	**37,324**	**753,254**	**697,851**	**21,417**	**676,434**	**92,727**	**15,907**	**76,820**	**13.3**	**74.3**	**11.4**
MARCH	M	149,847	2,605	147,242	133,740	417	133,323	16,107	2,188	13,919	12.0	524.7	10.4
3rd Quarter		**319,852**	**10,851**	**309,001**	**271,332**	**2,350**	**268,982**	**48,520**	**8,501**	**40,019**	**17.9**	**361.7**	**14.9**
Upto 3rd Qtr		**940,425**	**39,929**	**900,496**	**831,591**	**21,834**	**809,757**	**108,834**	**18,095**	**90,739**	**13.1**	**82.9**	**11.2**
APRIL	M	79,490	1,083	78,407	79,410	1,169	78,241	80	-86	166	**0.1**	**-7.4**	**0.2**
	P	**1,019,915**	**41,012**	**978,903**	**911,001**	**23,003**	**887,998**	**108,914**	**18,009**	**90,905**	**12.0**	**78.3**	**10.2**
MAY	M	121,388	4,304	117,084	110,697	3,644	107,053	10,691	660	10,031	9.7	18.1	9.4
	P	**1,141,303**	**45,316**	**1,095,987**	**1,021,698**	**26,647**	**995,051**	**119,605**	**18,669**	**100,936**	**11.7**	**70.1**	**10.1**
JUNE	M	252,896	4,657	248,239	243,299	20,876	222,423	9,597	-16,219	25,816	3.9	-77.7	11.6
4th Quarter		**453,774**	**10,044**	**443,730**	**433,406**	**25,689**	**407,717**	**20,368**	**-15,645**	**36,013**	**4.7**	**-60.9**	**8.8**
Annual		**1,394,199**	**49,973**	**1,344,226**	**1,264,997**	**47,523**	**1,217,474**	**129,202**	**2,450**	**126,752**	**10.2**	**5.2**	**10.4**

INDIRECT TAXES

(Rs Million)

MONTHS	M/P	Collection											
		FY 2016-17			FY 2015-16			COMPARISON			Growth (%)		
		Gross	Reb/Ref	Net	Gross	Reb/Ref	Net	Gross	Reb/Ref	Net	Gross	Reb/Ref	Net
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
JULY	M	108,763	1,036	107,727	101,869	10,838	91,031	6,894	-9,802	16,696	6.8	-90.4	18.3
AUGUST	M	142,494	4,571	137,923	126,138	4,372	121,766	16,356	199	16,157	13.0	4.6	13.3
	P	**251,257**	**5,607**	**245,650**	**228,007**	**15,210**	**212,797**	**23,250**	**-9,603**	**32,853**	**10.2**	**-63.1**	**15.4**
SEPTEMBER	M	148,968	1,189	147,779	146,945	9,209	137,736	2,023	-8,020	10,043	1.4	-87.1	7.3
1st Quarter		**400,225**	**6,796**	**393,429**	**374,952**	**24,419**	**350,533**	**25,273**	**-17,623**	**42,896**	**6.7**	**-72.2**	**12.2**
OCTOBER	M	153,634	1,027	152,607	152,150	1,994	150,156	**1,484**	**-967**	**2,451**	**1.0**	**-48.5**	**1.6**
	P	**553,859**	**7,823**	**546,036**	**527,102**	**26,413**	**500,689**	**26,757**	**-18,590**	**45,347**	**5.1**	**-70.4**	**9.1**
NOVEMBER	M	157,360	22,207	135,153	154,702	3,141	151,561	2,658	19,066	-16,408	1.7	607.0	-10.8
	P	**711,219**	**30,030**	**681,189**	**681,804**	**29,554**	**652,250**	**29,415**	**476**	**28,939**	**4.3**	**1.6**	**4.4**
DECEMBER	M	200,427	774	199,653	178,633	753	177,880	21,794	21	21,773	12.2	2.8	12.2
2nd Quarter		**511,421**	**24,008**	**487,413**	**485,485**	**5,888**	**479,597**	**25,936**	**18,120**	**7,816**	**5.3**	**307.7**	**1.6**
Upto 2nd Qtr		**911,646**	**30,804**	**880,842**	**860,437**	**30,307**	**830,130**	**51,209**	**497**	**50,712**	**6.0**	**1.6**	**6.1**
JANUARY	M	143,076	960	142,116	137,704	665	137,039	5,372	295	5,077	3.9	44.4	3.7
	P	**1,054,722**	**31,764**	**1,022,958**	**998,141**	**30,972**	**967,169**	**56,581**	**792**	**55,789**	**5.7**	**2.6**	**5.8**
FEBRUARY	M	147,467	2,000	145,467	147,133	2,651	144,482	334	-651	985	0.2	-24.6	0.7
	P	**1,202,189**	**33,764**	**1,168,425**	**1,145,274**	**33,623**	**1,111,651**	**56,915**	**141**	**56,774**	**5.0**	**0.4**	**5.1**
MARCH	M	200,982	1,223	199,759	172,491	4,899	167,592	28,491	-3,676	32,167	16.5	-75.0	19.2
3rd Quarter		**1,403,171**	**34,987**	**487,342**	**457,328**	**8,215**	**449,113**	**945,843**	**26,772**	**38,229**	**206.8**	**325.9**	**8.5**
Upto 3rd Qtr		**2,314,817**	**65,791**	**1,368,184**	**1,317,765**	**38,522**	**1,279,243**	**997,052**	**27,269**	**88,941**	**75.7**	**70.8**	**7.0**
APRIL	M	172,592	1,042	171,550	168,310	3,491	164,819	4,282	-2,449	6,731	2.5	-70.2	4.1
	P	**2,487,409**	**66,833**	**1,539,734**	**1,486,075**	**42,013**	**1,444,062**	**1,001,334**	**24,820**	**95,672**	**67.4**	**59.1**	**6.6**
MAY	M	214,786	910	213,876	195,597	1,843	193,754	19,189	-933	20,122	9.8	-50.6	10.4
	P	**2,702,195**	**67,743**	**1,753,610**	**1,681,672**	**43,856**	**1,637,816**	**1,020,523**	**23,887**	**115,794**	**60.7**	**54.5**	**7.1**
JUNE	M	270,064	26	270,038	276,105	18,923	257,182	-6,041	-18,897	12,856	-2.2	-99.9	5.0
4th Quarter		**657,442**	**1,978**	**655,464**	**640,012**	**24,257**	**615,755**	**17,430**	**-22,279**	**39,709**	**2.7**	**-91.8**	**6.4**
Annual		**2,972,259**	**67,769**	**2,023,648**	**1,957,777**	**62,779**	**1,894,998**	**1,014,482**	**4,990**	**128,650**	**51.8**	**7.9**	**6.8**

SALES TAX (TOTAL)

(Rs Million)

MONTHS	M/P	Collection											
		FY 2016-17			FY 2015-16			COMPARISON			Growth (%)		
		Gross	Reb/Ref	Net	Gross	Reb/Ref	Net	Gross	Reb/Ref	Net	Gross	Reb/Ref	Net
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
JULY	M	73,080	20	73,060	74,524	9,853	64,671	-1,444	-9,833	8,389	-1.9	-99.8	13.0
AUGUST	M	94,244	3,531	90,713	90,035	3,202	86,833	4,209	329	3,880	4.7	10.3	4.5
	P	**167,324**	**3,551**	**163,773**	**164,559**	**13,055**	**151,504**	**2,765**	**-9,504**	**12,269**	**1.7**	**-72.8**	**8.1**
SEPTEMBER	M	97,739	14	97,725	100,355	8,433	91,922	-2,616	-8,419	5,803	-2.6	-99.8	6.3
1st Quarter		**265,063**	**3,565**	**261,498**	**264,914**	**21,488**	**243,426**	**149**	**-17,923**	**18,072**	**0.1**	**-83.4**	**7.4**
OCTOBER	M	103,021	28	102,993	105,858	1,218	104,640	**-2,837**	**-1,190**	**-1,647**	**-2.7**	**-97.7**	**-1.6**
	P	**368,084**	**3,593**	**364,491**	**370,772**	**22,706**	**348,066**	**-2,688**	**-19,113**	**16,425**	**-0.7**	**-84.2**	**4.7**
NOVEMBER	M	102,238	21,201	81,037	111,248	2,350	108,898	-9,010	18,851	-27,861	-8.1	802.2	-25.6
	P	**470,322**	**24,794**	**445,528**	**482,020**	**25,056**	**456,964**	**-11,698**	**-262**	**-11,436**	**-2.4**	**-1.0**	**-2.5**
DECEMBER	M	131,948	37	131,911	121,620	40	121,580	10,328	-3	10,331	8.5	-7.5	8.5
2nd Quarter		**337,207**	**21,266**	**315,941**	**338,726**	**3,608**	**335,118**	**-1,519**	**17,658**	**-19,177**	**-0.4**	**489.4**	**-5.7**
Upto 2nd Qtr		**602,270**	**24,831**	**577,439**	**603,640**	**25,096**	**578,544**	**-1,370**	**-265**	**-1,105**	**-0.2**	**-1.1**	**-0.2**
JANUARY	M	92,643	16	92,627	93,818	4	93,814	-1,175	12	-1,187	-1.3	300.0	-1.3
	P	**694,913**	**24,847**	**670,066**	**697,458**	**25,100**	**672,358**	**-2,545**	**-253**	**-2,292**	**-0.4**	**-1.0**	**-0.3**
FEBRUARY	M	96,390	909	95,481	102,207	1,464	100,743	-5,817	-555	-5,262	-5.7	-37.9	-5.2
	P	**791,303**	**25,756**	**765,547**	**799,665**	**26,564**	**773,101**	**-8,362**	**-808**	**-7,554**	**-1.0**	**-3.0**	**-1.0**
MARCH	M	132,116	3	132,113	116,707	3,766	112,941	15,409	-3,763	19,172	13.2	-99.9	17.0
3rd Quarter		**321,149**	**928**	**320,221**	**312,732**	**5,234**	**307,498**	**8,417**	**-4,306**	**12,723**	**2.7**	**-82.3**	**4.1**
Upto 3rd Qtr		**923,419**	**25,759**	**897,660**	**916,372**	**30,330**	**886,042**	**7,047**	**-4,571**	**11,618**	**0.8**	**-15.1**	**1.3**
APRIL	M	111,493	17	111,476	117,624	2,519	115,105	-6,131	-2,502	-3,629	-5.2	-99.3	-3.2
	P	**1,034,912**	**25,776**	**1,009,136**	**1,033,996**	**32,849**	**1,001,147**	**916**	**-7,073**	**7,989**	**0.1**	**-21.5**	**0.8**
MAY	M	141,354	68	141,286	135,475	-35	135,510	5,879	103	5,776	4.3	-294.3	4.3
	P	**1,176,266**	**25,844**	**1,150,422**	**1,169,471**	**32,814**	**1,136,657**	**6,795**	**-6,970**	**13,765**	**0.6**	**-21.2**	**1.2**
JUNE	M	178,566	23	178,543	183,274	17,560	165,714	-4,708	-17,537	12,829	-2.6	-99.9	7.7
4th Quarter		**431,413**	**108**	**431,305**	**436,373**	**20,044**	**416,329**	**-4,960**	**-19,936**	**14,976**	**-1.1**	**-99.5**	**3.6**
Annual		**1,354,832**	**25,867**	**1,328,965**	**1,352,745**	**50,374**	**1,302,371**	**2,087**	**-24,507**	**26,594**	**0.2**	**-48.7**	**2.0**

SALES TAX (IMPORTS)

(Rs Million)

MONTHS	M/P	Collection											
		FY 2016-17			FY 2015-16			COMPARISON			Growth (%)		
		Gross	Reb/Ref	Net	Gross	Reb/Ref	Net	Gross	Reb/Ref	Net	Gross	Reb/Ref	Net
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
JULY	M	45,464	3	45,461	43,246	1	43,245	2,218	2	2,216	5.1	200.0	5.1
AUGUST	M	54,122	29	54,093	50,818	0	50,818	3,304	29	3,275	6.5	-	6.4
	P	**99,586**	**32**	**99,554**	**94,064**	**1**	**94,063**	**5,522**	**31**	**5,491**	**5.9**	**3,100.0**	**5.8**
SEPTEMBER	M	48,883	7	48,876	48,100	0	48,100	783	7	776	1.6	-	1.6
1st Quarter		**148,469**	**39**	**148,430**	**142,164**	**1**	**142,163**	**6,305**	**38**	**6,267**	**4.4**	**3,800.0**	**4.4**
OCTOBER	M	51,085	11	51,074	56,847	0	56,847	**-5,762**	**11**	**-5,773**	**-10.1**	**-**	**-10.2**
	P	**199,554**	**50**	**199,504**	**199,011**	**1**	**199,010**	**543**	**49**	**494**	**0.3**	**4,900.0**	**0.2**
NOVEMBER	M	57,199	33	57,166	54,356	56	54,300	2,843	-23	2,866	5.2	-41.1	5.3
	P	**256,753**	**83**	**256,670**	**253,367**	**57**	**253,310**	**3,386**	**26**	**3,360**	**1.3**	**45.6**	**1.3**
DECEMBER	M	62,616	22	62,594	54,628	40	54,588	7,988	-18	8,006	14.6	-45.0	14.7
2nd Quarter		**170,900**	**66**	**170,834**	**165,831**	**96**	**165,735**	**5,069**	**-30**	**5,099**	**3.1**	**-31.3**	**3.1**
Upto 2nd Qtr		**319,369**	**105**	**319,264**	**307,995**	**97**	**307,898**	**11,374**	**8**	**11,366**	**3.7**	**8.2**	**3.7**
JANUARY	M	54,725	4	54,721	47,369	0	47,369	7,356	4	7,352	15.5	-	15.5
	P	**374,094**	**109**	**373,985**	**355,364**	**97**	**355,267**	**18,730**	**12**	**18,718**	**5.3**	**12.4**	**5.3**
FEBRUARY	M	53,338	4	53,334	52,519	1	52,518	819	3	816	1.6	300.0	1.6
	P	**427,432**	**113**	**427,319**	**407,883**	**98**	**407,785**	**19,549**	**15**	**19,534**	**4.8**	**15.3**	**4.8**
MARCH	M	68,411	3	68,408	60,077	2	60,075	8,334	1	8,333	13.9	50.0	13.9
3rd Quarter		**176,474**	**11**	**176,463**	**159,965**	**3**	**159,962**	**16,509**	**8**	**16,501**	**10.3**	**266.7**	**10.3**
Upto 3rd Qtr		**495,843**	**116**	**495,727**	**467,960**	**100**	**467,860**	**27,883**	**16**	**27,867**	**6.0**	**16.0**	**6.0**
APRIL	M	65,329	12	65,317	65,148	4	65,144	181	8	173	0.3	200.0	0.3
	P	**561,172**	**128**	**561,044**	**533,108**	**104**	**533,004**	**28,064**	**24**	**28,040**	**5.3**	**23.1**	**5.3**
MAY	M	69,465	38	69,427	68,384	2	68,382	1,081	36	1,045	1.6	1,800.0	1.5
	P	**630,637**	**166**	**630,471**	**601,492**	**106**	**601,386**	**29,145**	**60**	**29,085**	**4.8**	**56.6**	**4.8**
JUNE	M	72,094	0	72,094	76,927	0	76,927	-4,833	0	-4,833	-6.3	-	-6.3
4th Quarter		**206,888**	**50**	**206,838**	**210,459**	**6**	**210,453**	**-3,571**	**44**	**-3,615**	**-1.7**	**733.3**	**-1.7**
Annual		**702,731**	**166**	**702,565**	**678,419**	**106**	**678,313**	**24,312**	**60**	**24,252**	**3.6**	**56.6**	**3.6**

SALES TAX (DOMESTIC)

(Rs Million)

MONTHS	M/P	Collection											
		FY 2016-17			FY 2015-16			COMPARISON			Growth (%)		
		Gross	Reb/Ref	Net	Gross	Reb/Ref	Net	Gross	Reb/Ref	Net	Gross	Reb/Ref	Net
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
JULY	M	27,616	17	27,599	31,278	9,852	21,426	-3,662	-9,835	6,173	-11.7	-99.8	28.8
AUGUST	M	40,122	3,502	36,620	39,217	3,202	36,015	905	300	605	2.3	9.4	1.7
	P	**67,738**	**3,519**	**64,219**	**70,495**	**13,054**	**57,441**	**-2,757**	**-9,535**	**6,778**	**-3.9**	**-73.0**	**11.8**
SEPTEMBER	M	48,856	7	48,849	52,255	8,433	43,822	-3,399	-8,426	5,027	-6.5	-99.9	11.5
1st Quarter		**116,594**	**3,526**	**113,068**	**122,750**	**21,487**	**101,263**	**-6,156**	**-17,961**	**11,805**	**-5.0**	**-83.6**	**11.7**
OCTOBER	M	51,936	17	51,919	49,011	1,218	47,793	**2,925**	**-1,201**	**4,126**	**6.0**	**-98.6**	**8.6**
	P	**168,530**	**3,543**	**164,987**	**171,761**	**22,705**	**149,056**	**-3,231**	**-19,162**	**15,931**	**-1.9**	**-84.4**	**10.7**
NOVEMBER	M	45,039	21,168	23,871	56,892	2,294	54,598	-11,853	18,874	-30,727	-20.8	822.8	-56.3
	P	**213,569**	**24,711**	**188,858**	**228,653**	**24,999**	**203,654**	**-15,084**	**-288**	**-14,796**	**-6.6**	**-1.2**	**-7.3**
DECEMBER	M	69,332	15	69,317	66,992	0	66,992	2,340	15	2,325	3.5	-	3.5
2nd Quarter		**166,307**	**21,200**	**145,107**	**172,895**	**3,512**	**169,383**	**-6,588**	**17,688**	**-24,276**	**-3.8**	**503.6**	**-14.3**
Upto 2nd Qtr		**282,901**	**24,726**	**258,175**	**295,645**	**24,999**	**270,646**	**-12,744**	**-273**	**-12,471**	**-4.3**	**-1.1**	**-4.6**
JANUARY	M	37,918	12	37,906	46,449	4	46,445	**-8,531**	**8**	**-8,539**	**-18.4**	**200.0**	**-18.4**
	P	**320,819**	**24,738**	**296,081**	**342,094**	**25,003**	**317,091**	**-21,275**	**-265**	**-21,010**	**-6.2**	**-1.1**	**-6.6**
FEBRUARY	M	43,052	905	42,147	49,688	1,463	48,225	-6,636	-558	-6,078	-13.4	-38.1	-12.6
	P	**363,871**	**25,643**	**338,228**	**391,782**	**26,466**	**365,316**	**-27,911**	**-823**	**-27,088**	**-7.1**	**-3.1**	**-7.4**
MARCH	M	63,705	0	63,705	56,630	3,764	52,866	7,075	-3,764	10,839	12.5	-100.0	20.5
3rd Quarter		**144,675**	**917**	**143,758**	**152,767**	**5,231**	**147,536**	**-8,092**	**-4,314**	**-3,778**	**-5.3**	**-82.5**	**-2.6**
Upto 3rd Qtr		**427,576**	**25,643**	**401,933**	**448,412**	**30,230**	**418,182**	**-20,836**	**-4,587**	**-16,249**	**-4.6**	**-15.2**	**-3.9**
APRIL	M	46,164	5	46,159	52,476	2,515	49,961	-6,312	-2,510	-3,802	-12.0	-99.8	-7.6
	P	**473,740**	**25,648**	**448,092**	**500,888**	**32,745**	**468,143**	**-27,148**	**-7,097**	**-20,051**	**-5.4**	**-21.7**	**-4.3**
MAY	M	71,889	30	71,859	67,091	-37	67,128	4,798	67	4,731	7.2	-181.1	7.0
	P	**545,629**	**25,678**	**519,951**	**567,979**	**32,708**	**535,271**	**-22,350**	**-7,030**	**-15,320**	**-3.9**	**-21.5**	**-2.9**
JUNE	M	106,472	23	106,449	106,347	17,560	88,787	125	-17,537	17,662	0.1	-99.9	19.9
4th Quarter		**224,525**	**58**	**224,467**	**225,914**	**20,038**	**205,876**	**-1,389**	**-19,980**	**18,591**	**-0.6**	**-99.7**	**9.0**
Annual		**652,101**	**25,701**	**626,400**	**674,326**	**50,268**	**624,058**	**-22,225**	**-24,567**	**2,342**	**-3.3**	**-48.9**	**0.4**

FEDERAL EXCISE

(Rs Million)

MONTHS	M/P	Collection											
		FY 2016-17			FY 2015-16			COMPARISON			Growth (%)		
		Gross	Reb/Ref	Net	Gross	Reb/Ref	Net	Gross	Reb/Ref	Net	Gross	Reb/Ref	Net
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
JULY	M	6,110	0	6,110	4,338	0	4,338	1,772	0	1,772	40.8	-	40.8
AUGUST	M	9,455	0	9,455	8,114	0	8,114	1,341	0	1,341	16.5	-	16.5
	P	**15,565**	**0**	**15,565**	**12,452**	**0**	**12,452**	**3,113**	**0**	**3,113**	**25.0**	**-**	**25.0**
SEPTEMBER	M	15,492	0	15,492	15,032	0	15,032	460	0	460	3.1	-	3.1
1st Quarter		**31,057**	**0**	**31,057**	**27,484**	**0**	**27,484**	**3,573**	**0**	**3,573**	**13.0**	**-**	**13.0**
OCTOBER	M	15,414	0	15,414	15,369	0	15,369	45	0	45	0.3	-	0.3
	P	**46,471**	**0**	**46,471**	**42,853**	**0**	**42,853**	**3,618**	**0**	**3,618**	**8.4**	**-**	**8.4**
NOVEMBER	M	16,680	0	16,680	12,455	0	12,455	4,225	0	4,225	33.9	-	33.9
	P	**63,151**	**0**	**63,151**	**55,308**	**0**	**55,308**	**7,843**	**0**	**7,843**	**14.2**	**-**	**14.2**
DECEMBER	M	22,274	0	22,274	18,416	0	18,416	3,858	0	3,858	20.9	-	20.9
2nd Quarter		**54,368**	**0**	**54,368**	**46,240**	**0**	**46,240**	**8,128**	**0**	**8,128**	**17.6**	**-**	**17.6**
Upto 2nd Qtr		**85,425**	**0**	**85,425**	**73,724**	**0**	**73,724**	**11,701**	**0**	**11,701**	**15.9**	**-**	**15.9**
JANUARY	M	10,419	0	10,419	11,151	0	11,151	-732	0	-732	-6.6	-	-6.6
	P	**95,844**	**0**	**95,844**	**84,875**	**0**	**84,875**	**10,969**	**0**	**10,969**	**12.9**	**-**	**12.9**
FEBRUARY	M	12,464	1	12,463	14,540	0	14,540	-2,076	1	-2,077	-14.3	-	-14.3
	P	**108,308**	**1**	**108,307**	**99,415**	**0**	**99,415**	**8,893**	**1**	**8,892**	**8.9**	**-**	**8.9**
MARCH	M	18,846	0	18,846	17,682	0	17,682	1,164	0	1,164	6.6	-	6.6
3rd Quarter		**41,729**	**1**	**41,728**	**43,373**	**0**	**43,373**	**-1,644**	**1**	**-1,645**	**-3.8**	**-**	**-3.8**
Upto 3rd Qtr		**127,154**	**1**	**127,153**	**117,097**	**0**	**117,097**	**10,057**	**1**	**10,056**	**8.6**	**-**	**8.6**
APRIL	M	16,876	0	16,876	16,281	0	16,281	595	0	595	3.7	-	3.7
	P	**144,030**	**1**	**144,029**	**133,378**	**0**	**133,378**	**10,652**	**1**	**10,651**	**8.0**	**-**	**8.0**
MAY	M	24,996	0	24,996	23,958	0	23,958	1,038	0	1,038	4.3	-	4.3
	P	**169,026**	**1**	**169,025**	**157,336**	**0**	**157,336**	**11,690**	**1**	**11,689**	**7.4**	**-**	**7.4**
JUNE	M	28,886	0	28,886	31,130	411	30,719	-2,244	-411	-1,833	-7.2	-100.0	-6.0
4th Quarter		**70,758**	**0**	**70,758**	**71,369**	**411**	**70,958**	**-611**	**-411**	**-200**	**-0.9**	**-100.0**	**-0.3**
Annual		**197,912**	**1**	**197,911**	**188,466**	**411**	**188,055**	**9,446**	**-410**	**9,856**	**5.0**	**-99.8**	**5.2**

CUSTOMS

(Rs Million)

MONTHS	M/P	Collection											
		FY 2016-17			FY 2015-16			COMPARISON			Growth (%)		
		Gross	Reb/Ref	Net	Gross	Reb/Ref	Net	Gross	Reb/Ref	Net	Gross	Reb/Ref	Net
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
JULY	M	29,573	1,016	28,557	23,007	985	22,022	6,566	31	6,535	28.5	3.1	29.7
AUGUST	M	38,795	1,040	37,755	27,989	1,170	26,819	10,806	-130	10,936	38.6	-11.1	40.8
	P	**68,368**	**2,056**	**66,312**	**50,996**	**2,155**	**48,841**	**17,372**	**-99**	**17,471**	**34.1**	**-4.6**	**35.8**
SEPTEMBER	M	35,737	1,175	34,562	31,558	776	30,782	4,179	399	3,780	13.2	51.4	12.3
1st Quarter		**104,105**	**3,231**	**100,874**	**82,554**	**2,931**	**79,623**	**21,551**	**300**	**21,251**	**26.1**	**10.2**	**26.7**
OCTOBER	M	35,199	999	34,200	30,923	776	30,147	4,276	223	4,053	13.8	28.7	13.4
	P	**139,304**	**4,230**	**135,074**	**113,477**	**3,707**	**109,770**	**25,827**	**523**	**25,304**	**22.8**	**14.1**	**23.1**
NOVEMBER	M	38,442	1,006	37,436	30,999	791	30,208	7,443	215	7,228	24.0	27.2	23.9
	P	**177,746**	**5,236**	**172,510**	**144,476**	**4,498**	**139,978**	**33,270**	**738**	**32,532**	**23.0**	**16.4**	**23.2**
DECEMBER	M	46,205	737	45,468	38,597	713	37,884	7,608	24	7,584	19.7	3.4	20.0
2nd Quarter		**119,846**	**2,742**	**117,104**	**100,519**	**2,280**	**98,239**	**19,327**	**462**	**18,865**	**19.2**	**20.3**	**19.2**
Upto 2nd Qtr		**223,951**	**5,973**	**217,978**	**183,073**	**5,211**	**177,862**	**40,878**	**762**	**40,116**	**22.3**	**14.6**	**22.6**
JANUARY	M	40,014	944	39,070	32,735	661	32,074	7,279	283	6,996	22.2	50.4	21.8
	P	**263,965**	**6,917**	**257,048**	**215,808**	**5,872**	**209,936**	**48,157**	**1,045**	**47,112**	**22.3**	**17.8**	**22.4**
FEBRUARY	M	38,613	1,090	37,523	30,386	1,187	29,199	8,227	-97	8,324	27.1	-8.2	28.5
	P	**302,578**	**8,007**	**294,571**	**246,194**	**7,059**	**239,135**	**56,384**	**948**	**55,436**	**22.9**	**13.4**	**23.2**
MARCH	M	50,020	1,220	48,800	38,102	1,133	36,969	11,918	87	11,831	31.3	7.7	32.0
3rd Quarter		**128,647**	**3,254**	**125,393**	**101,223**	**2,981**	**98,242**	**27,424**	**273**	**27,151**	**27.1**	**9.2**	**27.6**
Upto 3rd Qtr		**352,598**	**9,227**	**343,371**	**284,296**	**8,192**	**276,104**	**68,302**	**1,035**	**67,267**	**24.0**	**12.6**	**24.4**
APRIL	M	44,223	1,025	43,198	34,405	972	33,433	9,818	53	9,765	28.5	5.5	29.2
	P	**396,821**	**10,252**	**386,569**	**318,701**	**9,164**	**309,537**	**78,120**	**1,088**	**77,032**	**24.5**	**11.9**	**24.9**
MAY	M	48,436	842	47,594	36,164	1,878	34,286	12,272	-1,036	13,308	33.9	-55.2	38.8
	P	**445,257**	**11,094**	**434,163**	**354,865**	**11,042**	**343,823**	**90,392**	**52**	**90,340**	**25.5**	**0.5**	**26.3**
JUNE	M	62,612	3	62,609	61,701	952	60,749	911	-949	1,860	1.5	-99.7	3.1
4th Quarter		**155,271**	**1,870**	**153,401**	**132,270**	**3,802**	**128,468**	**23,001**	**-1,932**	**24,933**	**17.4**	**-50.8**	**19.4**
Annual		**507,869**	**11,097**	**496,772**	**416,566**	**11,994**	**404,572**	**91,303**	**-897**	**92,200**	**21.9**	**-7.5**	**22.8**

INLAND REVENUE

(Rs Million)

MONTHS	M/P	Collection											
		FY 2016-17			FY 2015-16			COMPARISON			Growth (%)		
		Gross	Reb/Ref	Net	Gross	Reb/Ref	Net	Gross	Reb/Ref	Net	Gross	Reb/Ref	Net
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
JULY	M	140,807	10,966	129,841	145,633	19,012	126,621	-4,826	-8,046	3,220	-3.3	-42.3	2.5
AUGUST	M	178,552	9,304	169,248	162,936	7,730	155,206	15,616	1,574	14,042	9.6	20.4	9.0
	P	**319,359**	**20,270**	**299,089**	**308,569**	**26,742**	**281,827**	**10,790**	**-6,472**	**17,262**	**3.5**	**-24.2**	**6.1**
SEPTEMBER	M	229,516	2,358	227,158	239,420	10,665	228,755	-9,904	-8,307	-1,597	-4.1	-77.9	-0.7
1st Quarter		**548,875**	**22,628**	**526,247**	**547,989**	**37,407**	**510,582**	**886**	**-14,779**	**15,665**	**0.2**	**-39.5**	**3.1**
OCTOBER	M	207,897	854	207,043	195,217	1,582	193,635	12,680	-728	13,408	6.5	-46.0	6.9
	P	**756,772**	**23,482**	**733,290**	**743,206**	**38,989**	**704,217**	**13,566**	**-15,507**	**29,073**	**1.8**	**-39.8**	**4.1**
NOVEMBER	M	201,602	22,765	178,837	197,748	2,925	194,823	3,854	19,840	-15,986	1.9	678.3	-8.2
	P	**958,374**	**46,247**	**912,127**	**940,954**	**41,914**	**899,040**	**17,420**	**4,333**	**13,087**	**1.9**	**10.3**	**1.5**
DECEMBER	M	349,894	7,662	342,232	296,669	2,666	294,003	53,225	4,996	48,229	17.9	187.4	16.4
2nd Quarter		**759,393**	**31,281**	**728,112**	**689,634**	**7,173**	**682,461**	**69,759**	**24,108**	**45,651**	**10.1**	**336.1**	**6.7**
Upto 2nd Qtr		**1,308,268**	**53,909**	**1,254,359**	**1,237,623**	**44,580**	**1,193,043**	**70,645**	**9,329**	**61,316**	**5.7**	**20.9**	**5.1**
JANUARY	M	190,055	5,269	184,786	170,495	891	169,604	19,560	4,378	15,182	11.5	491.4	9.0
	P	**1,498,323**	**59,178**	**1,439,145**	**1,408,118**	**45,471**	**1,362,647**	**90,205**	**13,707**	**76,498**	**6.4**	**30.1**	**5.6**
FEBRUARY	M	191,866	3,903	187,963	188,813	2,510	186,303	3,053	1,393	1,660	1.6	55.5	0.9
	P	**1,690,189**	**63,081**	**1,627,108**	**1,596,931**	**47,981**	**1,548,950**	**93,258**	**15,100**	**78,158**	**5.8**	**31.5**	**5.0**
MARCH	M	300,809	2,608	298,201	268,129	4,183	263,946	32,680	-1,575	34,255	12.2	-37.7	13.0
3rd Quarter		**682,730**	**11,780**	**670,950**	**627,437**	**7,584**	**619,853**	**55,293**	**4,196**	**51,097**	**8.8**	**55.3**	**8.2**
Upto 3rd Qtr		**1,990,998**	**65,689**	**1,925,309**	**1,865,060**	**52,164**	**1,812,896**	**125,938**	**13,525**	**112,413**	**6.8**	**25.9**	**6.2**
APRIL	M	207,859	1,100	206,759	213,315	3,688	209,627	-5,456	-2,588	-2,868	-2.6	-70.2	-1.4
	P	**2,198,857**	**66,789**	**2,132,068**	**2,078,375**	**55,852**	**2,022,523**	**120,482**	**10,937**	**109,545**	**5.8**	**19.6**	**5.4**
MAY	M	287,738	4,372	283,366	270,130	3,609	266,521	17,608	763	16,845	6.5	21.1	6.3
	P	**2,486,595**	**71,161**	**2,415,434**	**2,348,505**	**59,461**	**2,289,044**	**138,090**	**11,700**	**126,390**	**5.9**	**19.7**	**5.5**
JUNE	M	460,348	4,680	455,668	457,703	38,847	418,856	2,645	-34,167	36,812	0.6	-88.0	8.8
4th Quarter		**955,945**	**10,152**	**945,793**	**941,148**	**46,144**	**895,004**	**14,797**	**-35,992**	**50,789**	**1.6**	**-78.0**	**5.7**
Annual		**2,946,943**	**75,841**	**2,871,102**	**2,806,208**	**98,308**	**2,707,900**	**140,735**	**-22,467**	**163,202**	**5.0**	**-22.9**	**6.0**