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PROPERTY TAX WORTH MILLIONS MISAPPROPRIATED..... 1

Property tax worth millions misappropriated

LAHORE - Misappropriation worth millions of rupees has been detected in the property tax being collected by the Punjab Excise, Taxation and Narcotics Control (ET&NC) Department.

The staff deputed for collection of tax was found involved in facilitating the citizens in tax evasion. A document available with The Nation revealed that hundreds of properties remained unassessed and unrecorded to unduly favour tax evaders.

The ET&NC Region-B director, in a letter to the excise and taxation officers (ETOs) zones 14 & 15 and warned them a targeted checking was made on October 16, 2017, and 68 plots and defaulting luxury house units were found un-assessed and unrecorded. All of them were found in Johar Town, Wapda Town and in their adjacent areas.

In his letter, the director further said: "It has been observed that despite repeated directions and a series of meetings held on the issue, no heed has been paid to the important issue of assessing open plots in urban limits and recovery of tax from them. It was quite alarming to find unrecorded and unassessed plots and housing units. A stereotyped plea has been observed to be taken by the field staff that it is difficult to determine the ownership of the open plots lying in their areas. Whereas during the field inspection with the help of the assisting team consisting of Malik Ziaul Haq, Rana Abbas and Muzamil Younas of this directorate, the ownership details of various plots in the above cases were obtained through local inquiry and from the neighborhood. It was further observed that almost every third or fourth property was found to be an open plot and thus hundreds of such plots are located in each circle and no significant action seems to have been taken by the assessing authorities or their staff concerned. You are, therefore, called upon to comment upon the above situation and take immediate action to assess all open plots. It is to be noted that prior to Dec 31, 2017, all the open plots as defined under Section 3 of Punjab Finance Act, 2016, should be brought on record for recovery of tax. Likewise, the said luxury houses when checked also remain in default and on inquiry it was found that no tax payment has so far been made by their owners and in the case of a couple of units, the mandatory notices have not seemingly been issued. You are directed to take immediate action which is still pending. A visible improvement on the above observations is expected to be seen in the coming weeks and this can only be possible with your own personal interest."

The director also pointed out 18 luxury houses in Canal View, Johar Town and Wapda Town areas, including 18 A-111 Johar Town, 21 A-111 Johar Town, 72-D Luxury WAPDA Town, 606 607-H-111 Johar Town, 1007 Canal View, 948, Canal View, 949 Canal View, 6 Canal View, 12 Canal View, 14 Canal View, 1031 Canal View, 10 Canal View, 22 Canal View, 21 Canal View, 13 Canal View, 1019 Canal View and 550 Canal View.

Tax collecting staff tampers with the documents of the tax. A case of similar nature was under investigation with the Anti-Corruption Establishment wherein tax inspector collected Rs 30,000 from a factory owner as property tax and deposited Rs 3,000 in the bank and then tampered with the receipt by adding another zero and handed over the same to the factory owner. When the taxpayer tried to countercheck from the bank, he found that only Rs 3,000 were deposited on which he lodged a complaint with the DG excise first and then to the Anti-Corruption Establishment.

Another modus operandi of the inspectors is to show the rented property as under the use of its owner. The third one is to show the commercial property as residential to save the tax amount.

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An ETO, seeking anonymity, said through these practices tax inspectors illegally earn millions of rupees. Another way to earn illegal money is to collect tax even from non-rating areas which do not fall in the taxpaying category. This year the Punjab government has set the target of Rs 20 billion as property tax from across the Punjab out of which 40 percent would be collected from Lahore while 60 percent from rest of the cities in the province.

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