



PAKISTAN – August 2018

KEY REFORMS FOR PAKISTAN’S REAL ESTATE SECTOR HIT A SNAGERROR! BOOKMARK NOT DEFINED.

Sindh government sharply increases estimates for direct and indirect taxes collection; 34pc higher revenue projected from property tax

KARACHI: Sindh government has estimated 26 percent higher tax revenue to Rs185.62 billion in the fiscal year 2017/2018 as compared with revised target of Rs147.39 billion in the outgoing fiscal year.

According to provincial budget documents, the Sindh government has estimated to collect Rs12.87 billion as direct taxes, Rs123 billion as indirect taxes and Rs49.69 billion as other indirect taxes.

The provincial government has estimated Rs6.3 billion from property tax during next year, which is 34 percent higher, when compared with the expected collection of Rs4.7 billion in the fiscal year 2016/2017.

The targets of other heads under direct taxes included: Agriculture income tax, Rs 1 billion; land revenue, 650 million; tax on profession, trade and calling, Rs425 million; and capital value tax on immovable property, Rs4.5 billion.

The provincial government estimated revenue collection of Rs123 billion under indirect taxes, which is 29.47 percent higher, when compared with expected collection of Rs95 billion in fiscal year 2016/2017.

The collection of sales tax on services by Sindh Revenue Board (SRB) has been estimated at Rs100 billion, which is 28.2 percent higher than the projected collection of Rs78 billion in the current fiscal year.

The Sindh government estimated Rs5 billion collection from provincial excise duty, Rs10.5 billion from stamp duty and Rs7.55 billion from motor vehicle tax.

The provincial government estimated Rs49.69 billion from other indirect taxes, which is 18 percent higher than current year’s expected collection of Rs41.99 billion.

Under this tax, the revenue from Sindh Development Maintenance of Infrastructure cess has been the major component which was estimated at Rs46.5 billion, against the expected collection of Rs40 billion during the outgoing fiscal year.

Under this segment, the provincial government estimated Rs65 million from entertainment tax, Rs2.68 billion from electricity, others Rs200 million and Rs250 million from cotton fee.