

Income Tax

1. Definition

- Concealment of income includes
 - Any item of receipt liable to tax in whole or in part, or failure to disclose in income chargeable to tax;
 - Claiming any deduction or any expenditure not actually incurred;
 - Any unexplained income or assets as define under section 111(1) of the Income Tax Ordinance, 2001.
 - Claiming of any exempted income or receipt, which is otherwise taxable.

2. Capital gains

- Clarify that where a person is habitually engaged in transactions of sale and purchase of immovable property the provision of capital gains tax not apply and the income form such transaction shall be chargeable under the head Income From Business;
- Capital assets acquired through gift is disposed of within two years of acquisition and the Commissioner is satisfied that such gift arrangement is a part of tax avoidance scheme, then determining the cost of asset in the hands of recipient of the gift according to law.
- Unit of exchange traded fund included in the definition of securities.

3. Tax credit for investment in shares and insurance

- Cost of acquiring in the tax year includes, unit of exchange traded fund offered to public and traded on stock exchange in Pakistan.

4. Business bank account

- Every taxpayer declares bank account utilized for Business transaction.
- Declared original or modified registration form under section 181.

5. Due date for payment of tax

- not applied where assessment order passed under assessment giving effect to an order under section 124(4)(1) and the tax payable as a result of order passed under section 124(4)(1).

6. Power to arrest and prosecute

- Officer of IR AC who on the basis of material evidence may cause of arrest of such person
- On the basis of material evidence brought on record,
 - o by audit under section 177(8) and section 214C ; finding
 - o concealment of income and non-payment of tax
 - Rs one hundred million and above in case of filer
 - Rs twenty five million or above in case of non-filer
 - o Taxpayer may be arrested by written approval of the committee.
- Procedure to be followed an arrest of a person
- Appointment of Special Judges
- Cognizance – (Awareness, realization, or knowledge; notice; perception: The guests took cognizance of the snide remark) of Offences by Special Judges.
- Special Judge, etc. to have exclusive jurisdiction.
- Provisions of Code of d Procedure, 1898, to apply.
- Transfer of case where more than one Special judge appointed within the territorial Jurisdiction of a High Court;
- A Special Judge shall ordinarily hold sittings at his headquarters but, keeping in view the general convenience of the parties or the witnesses, he may hold sittings at any other place.;

7. Reward and benefits for certain persons

- Rewards to e-intermediaries for filing of returns of new taxpayers.