

CHARACTER BUILDING OF PRA **BY** **MR. IFTIKHAR QUTAB, CHAIRMAN, PRA**

Punjab Revenue Authority is a new born tax organization. Its legal framework has been conceived with a futuristic vision of good governance. PRA believes in the irrefutability of perpetual nexus between taxation and development. No state or society can progress unless it has resources to develop. Development is a collective good but taxation originates from individual contribution. Taxation primarily defines the contours of interactional relationship between individualism and collectivism. Under this epistemological backdrop, PRA has based its vision on judicious revenue mobilization for sustainable development. Judiciousness of revenue mobilization envisages tax management based upon justice and equity. Historically, jurisprudence has kept equity alienated from taxation but the modern political economy doctrines expressly tend to believe that justice cannot be perfected unless it takes due care of equity. Without equity justice remains inconclusive. Inconclusive justice is not less harmful than injustice.

2. Development is not a temporary or makeshift state action sponsored by society; it is a perpetual process in the sense that it usually caters to the ever changing and expanding needs of society and tries to create long term collectively enjoyable benefits and enjoyments. Development must stay over time if its fruits are to be reaped with futuristic utility. Sustainability of development is as important as development itself. PRA strongly supports the economic doctrine that continuity in the flow of government income (which includes revenue income) guarantees the sustainability of development. Temporary or adhoc development is nothing but an opportunism enjoyed by the existing generation at the cost of miseries of the coming generations. If we want to enjoy happiness, we must secure the happiness of our off-springs, otherwise our socio-economic legacy will suffer distortions making life hard on our future generations.

3. In this globalized world environment, there are several tax organizations who have developed over-loaded mission statements. Even sometimes, a significant component of their wide-range missions remains unachieved. In institutional frameworks, goals are good and realistic only if they are achievable with human efforts. Unachievable goals are not goals in true sense of the word but are over-exaggerations of wishes and wishes remain dreams unrealized if they cannot be met in a given social structure. PRA has pitched its mission on a crisp statement expressing its desire to become a “modern and responsive tax management organization”. PRA will assign leadership role to technology (practical expression of science) and make its human resource

responsible for its declared functions. Sense of responsibility refines human conduct in institutional environment and promotes proactivity in the official dimensions of human behaviour.

4. Responsibility as an element of human conduct emanates from the values the human conduct carries and pursues. Good values are the ones which holistically cover the diversified classifications of well-directed dimensions of human conduct. Tax management is an art based upon skilled wisdom and technical knowledge in multi-disciplinary fields including economics, law, management, finance and accounting etc. Expertise in information technology is an essential qualification for effective performance in an ambience characterized with leadership by technology. Professionalism is the hallmark of good tax governance. Tax collectors need to know the intricacies, complexities and sensitivities of their job. It is difficult to pay tax but it is much more difficult to collect tax. Tax management is a great challenge for taxmen but this challenge can be converted into opportunity only if the taxmen know how to persuade the taxpayers to adopt tax compliance as a regular culture of their everyday life. Action without impact is of no use.

5. Taxpayers love to pay tax only if they are sure that they will receive fair and unbiased treatment from tax administration and their tax contributions will bring development, progress and prosperity enjoyable by all. Mere strength or depth of professionalism is of no avail unless it promotes fairness and transparency in tax management. Professionalism teamed with fairness guarantees trustworthiness about the tax machinery. Hence the three values of PRA i.e. professionalism, fairness and trustworthiness spell out a management ideology carrying a pivotal doctrine of “fair and trustworthy professional treatment of tax affairs of the masses”. PRA stands by this ideology. Ideals of PRA reside in its belief in the impact of impartial professionalism.

6. In order to materialize its ideals, PRA has developed a strategy of golden cycle of 6Gs. Good tax system needs a good legal framework. PRA has made utmost efforts to accommodate internationally experienced best practices of value added taxation in service sector. Value added tax (VAT) is not a philosophical theory; its conceptual fabric has historically evolved on the basis of “trial and error” principle. The practices which have succeeded well in different VAT countries have been indoctrinated into a policy framework replicated by countries desirous of transforming their traditional sales tax or turnover tax systems into VAT mode. PRA too has followed this globally recognized course and has designed its processes accordingly. Simplicity of a process is a surety for better compliance. PRA is fully conscious of the time-tested theorem that VAT not only promotes economic documentation, it also generates convenient revenue necessary for development.

7. PRA is strengthening its tax system by raising an efficient infrastructure. In its main office, an ambience of corporate excellence is being created. PRA's working style is of paperless character. PRA is acting over cautiously in selection of human resource. Men of strong professional credibility are being chosen to join the PRA's team. It is only the efficiency of human resource that makes the organizations efficient and buoyant. Slackers always spoil the public image of tax organizations. Tax is a government's share in businesses and PRA's manpower is fully cognizant of the sacrosanctity of this share and carries a great respect for the taxpayers so that they can respectfully perform their tax agency work under VAT-type consumption tax system. Efficiency always enhances the quality of service delivery and qualitative service delivery is surely reciprocated with unstained tax performance. In nutshell, PRA believes in results-oriented tax management. Without results, human efforts are meaningless and meaninglessness is the worst form of resource wastage.

8. Such are the efforts PRA is making to build up well-modeled professional character strong enough to lead a tax system engaged in endeavouring to optimize the overall institutional output. Sales tax on services is the first tax PRA is collecting at provincial level. PRA has a firm conviction that its efforts will eventually enable it to undertake multi-tax management in due course. PRA is an optimistic organization with a strong hope for progressive proliferation of true prosperity in the province. Optimism always keeps life active and free from uncertainties. Hope is a great source of pleasure for life. PRA has been built to last for becoming a permanent source of public happiness for ever.

Sindh government believes that the Centre is still creating hurdles in collection of sales tax on services by provinces, as Inland Revenue Service (IRS), Federal Board of Revenue (FBR) has started issuing notices to service providers paying provincial sales tax in Sindh and Punjab to pay Federal Excise Duty (FED), Business Reorder learnt on Tuesday.

Sindh government authorities say that the federal reconvene collection body instead of withdrawing FED following the 7th National Finance Commission (NFC) Award and 18th Constitutional Amendments, wherein GST on services has been declared a provincial subject, has started issuing recovery notices to services providers in Sindh and Punjab.

Well-informed sources in Finance Ministry said that FBR had uploaded a press release titled "FBR withdraws FED to sales tax on services receivable by the provinces to avoid double taxation" on its website on July 1, 2011, but no FED exemption notification has so far been by the FBR. In the backdrop of 18th constitutional amendments and NFC Award, FBR issued the said press release coinciding with a date when Sindh Sales Tax on Services Act, 2011 came into force, empowering Sindh Government and Sindh