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FBR Acquires 5-Year Data on Car Purchases by Non-Filers

Nearby car dealerships

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Karachi, January 19, 2025 – The Federal Board of Revenue (FBR) has acquired extensive data on car purchases made over the past five years to initiate a crackdown on individuals with taxable income who have failed to meet their tax obligations.

Reliable FBR sources revealed to PkRevenue that excise and taxation departments from all four provinces have provided comprehensive information regarding car registrations and ownership transfers during this period. The data specifically includes individuals who are not listed on the Active Taxpayers List (ATL) but have registered or transferred $\frac{1}{2}$ vehicles in their names.

Under the Income Tax Ordinance, it is mandatory for manufacturers, motor <u>Q wehicle</u> dealers, registration authorities, banks, and leasing companies to furnish monthly statements to the FBR regarding the sale or lease of motor vehicles. These statements must include detailed information such as the buyer's name and address, National Tax Number (NTN) or Computerized National Identity Card (CNIC) number, car registration number, make and model, engine capacity, year of manufacture, and the date of the vehicle's first registration in Pakistan.

The FBR has now compiled this data and is actively issuing notices to individuals who purchased cars but failed to file their income tax returns. These notices require the recipients to explain their source of income and comply with tax filing requirements.

According to FBR officials, this initiative aims to ensure greater compliance with tax laws and bring non-filers into the tax net. By identifying individuals who have the financial capacity to purchase motor vehicles but evade filing taxes, the FBR seeks to reduce the country's tax gap and improve revenue collection.

The sources emphasized that the collaboration between the FBR and provincial excise departments has been instrumental in obtaining this data. It is part of a broader strategy by the FBR to use technology and data analytics to track potential taxpayers more effectively.

This initiative reflects the FBR's intensified focus on leveraging existing financial and registration data to target non-filers. By holding such individuals accountable, the FBR aims to promote transparency, broaden the tax base, and encourage voluntary compliance with Pakistan's tax laws.