

DOW ▼ -0.45 (-3.61%)

KEL 3.98 ▼ -0.13 (-3.16%)

KOSM 5.00 ▼ -0.24 (-4.58%)

MLCF 66.58 ▼ -2.34 (-3.4%)

BR100 11,765
-389.6 (-3.21%)BR30 34,469
-1398.3 (-3.9%)KSE100 111,295
-3576.7 (-3.11%)KSE30 33,980
-1286.9 (-3.65%)

اردو

**BUSINESS
RECORDER**
Founded by M.A. ZuberiApr 30, 2025
PRINT EDITION ►
BR MARKETS ►
Dollar to PKR ►

Advertisement

PRINT PRINT 2025-04-30

ITO provisions and Section 4B: SC urged to harmonise definition of 'income'

Terence J Sigamony Published April 30, 2025 | Updated about 5 hours ago

Facebook

Twitter

Whatsapp

Comments



Follow us



ISLAMABAD: The Supreme Court was asked to harmonise the definition of income given in various provisions of Income Tax Ordinance and the Section 4B.

Lawyer Makhdoom Ali Khan argued that the super tax was imposed on the banks, companies and industries whose income was more than Rs500 million. He questioned that if a company does not have this much income then how this levy could be imposed.

A five-member CB, headed by Justice Aminuddin Khan, and comprising Justice Jamal Khan Mandokhail, Justice Muhammad Ali Mazhar, Justice Syed Hasan Azhar Rizvi, and

Justice Shahid Bilal Hassan on Tuesday heard 354 petitions filed against Section 4B and 182 against the Section 4C of Income Tax Ordinance, 2001.

Word 'tax' in ITO, Article 260: SC judge seeks accurate definition

Makhdoom Ali Khan, representing a number of taxpayers, concluded his arguments against the judgment of the Sindh High Court (SHC) on Section 4B of the Income Tax Ordinance, 2001. The lawyers appearing on behalf of other taxpayers adopted his arguments.

Makhdoom said the levy has been imposed in a discriminatory manner without any adherence to the provisions of Article 25 of the constitution. Tax cannot be imposed, more than once, on the income of an assessee under the guise of Entry 47 of 4th Schedule of the constitution.

Justice Aminuddin observed that the super tax is levied on the income and not the losses.

Makhdoom argued that the government cannot impose the super tax on the final income of a company which has already been taxed. He submitted if I (petitioner) am not allowed liability, depreciation, amortisation and brought forward allowance in the annual income then the result of it will be that grossly it may be deemed income but in fact the individual will be facing losses.

Justice Amin remarked that calculation of tax is on the basis of the formula given in Section 4B of the Income Tax Ordinance.

Makhdoom said generally the income of a person is his total gain minus the total expenditure. He said that if the Court came to the conclusion that the super tax was imposed for the social welfare of a class then the government would have to inform how much money collected under Section 4B. He said that the tax is imposed on a certain number of persons, adding the purpose in the law has been identified but it was not informed that whether objective has been achieved or not? The tax on social welfare can be imposed by the provinces and not the federal government. If the tax is oppressive and inequitable then it is against Articles 4 and 9 of the Constitution, Makhdoom argued.

Advocate Waqar Rana, who also represented a number of taxpayers, contended whether the notification of speaker National Assembly is not justified. He then apprised that he fully adopts the arguments of Makhdoom Ali Khan.

Imtiaz Siddiqui, also a taxpayers' lawyer, has challenged the Lahore High Court (LHC) on Section 4B. He asked the bench to direct the federal government to submit a statement on how much funds collected in terms of super tax and how much money was spent on the social welfare of FATA temporary displaced persons.

Copyright Business Recorder, 2025

SUPREME COURT SC TAXES FBR TAXPAYERS INCOME TAX INCOME TAX ORDINANCE 2001
SUPER TAX SC JUDGES TAX CASE CONSTITUTIONAL BENCH ITO PROVISIONS AND SECTION 4B