

ENGLISH MEDIUM SCHOOL STUDENTS

VAT on tuition fees illegal: HC

STAFF CORRESPONDENT

The High Court yesterday declared the imposition of value-added tax (VAT) on tuition fees of English medium schools illegal and directed the authorities concerned to stop collecting VAT from January next year.

A bench of Justice Zubayer Rahman Chowdhury and Justice Md Mozibur Rahman Miah delivered the verdict upon hearing on a writ petition filed by two guardians seeking cancellation of VAT.

The court came up with the judgment on the ground that VAT on English medium education is discriminatory since no VAT was imposed on fees of other institutions, petitioners' counsel Shahdeen Malik told The Daily Star.

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Such discrimination is a violation of Article-17 of the constitution.

"I expect the government not to further victimize the children of English medium schools by filing an appeal with the Appellate Division," the lawyer said.

Attorney General Mahbubey Alam, however, said the government must appeal against the HC verdict.

Guardians and teachers of English medium schools welcomed the HC ruling on the long overdue issue and expressed the hope that the government would not move an appeal against it.

The government in 2010 imposed 4.5 percent VAT on fees and services of English medium schools. In the budget for fiscal 2014-15, the VAT was raised to 7.5 percent.

The value-added tax, also known as consumption tax, is the biggest source of revenue followed by income tax. It accounted for 36 percent of the revenue collection in fiscal 2015-16, according to the NBR.

The new VAT law, expected to be effective from July 1 next year, eliminates VAT on education.

Under the existing law, there is no VAT on Bangla medium schools and government-approved English version schools that follow English textbooks published by the National Curriculum and Textbook Board.

In the budget for fiscal 2015-16, the government decided to impose 7.5 percent VAT on private universities and medical colleges' tuition fees but it had to backtrack on the decision following mass protests by students and guardians in September last year.

The two guardians at the time filed the writ seeking cancellation of VAT on English medium schools too.

Following the writ petition, the HC on September 17 last year stayed for six months the collection of VAT from English medium students and issued a rule asking the government as to why such VAT should not be declared illegal.

During the hearing on the petition, Shahdeen Malik told the court that the VAT imposed on private English-medium students was discriminatory since other students were not required to pay VAT.

The government is responsible for ensuring education for all under Article-17 of the constitution and equal opportunity for all under Article-19, he explained.

REACTIONS

"Education is not a commodity," said Sufwana K Chowdhury, mother of a student in the capital's Dhanmondi. VAT should not be imposed on English medium school fees on the same ground for which it is not imposed on Bangla medium schools.

Following days of rowdy protests by students, the government finally gave in and withdrew VAT on higher education in private universities. However, the authority failed to understand that VAT should not be imposed on English medium school students as well.

Yasmeen Habib, vice principal of Sunnydale School in Dhanmondi, said the government had created a discrepancy between students of English medium schools and institutions under national boards, and the HC ruling put an end to it.

"All these students are Bangladeshi." GM Nizam Uddin, secretary general of the Bangladesh English Medium Schools Association, said they had discussed the matter with the finance minister, education minister and chairman of the NBR but to no avail.

"Our long movement has seen success finally."