

Why 7.5pc VAT on govt universities?

HC questions legality of govt decision

STAFF CORRESPONDENT.

The High Court yesterday questioned the legality of a government decision to impose 7.5 percent VAT on the tuition fee of students of private universities, and medical and engineering colleges.

In response to a writ petition, the court issued a rule upon the authorities concerned of the government to explain in three weeks as to why the decision would not be declared illegal.

Secretaries to the ministries of education and finance and chairmen of National

Board of Revenue and University Grant Commission have been made respondents to the rule.

The NBR on July 4 issued a notification imposing 7.5 percent VAT on tuition fee of students of private universities, and medical and engineering universities and colleges.

It was originally proposed in the near Tk 3 trillion budget for 2015-16 fiscal placed in the parliament by Finance Minister AMA Muhith.

Yesterday, the HC bench of Justice Sheikh Hassan Arif and Justice JN Deb Choudhury issued the rule following a writ petition filed

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by a teacher and two students of Daffodil University.

They submitted the petition last week challenging the NBR notification saying that the notification is discriminatory and illegal, since such VAT was not imposed of the tuition fees of the students of public universities and institutions.

Every student has equal rights to get education as per the constitution, they said in the petition.

During hearing yesterday, petitioners' lawyer Hassan MS Azim told the court that education is not a commodity and therefore, VAT is not applicable on it. Education is a basic principle of state policy and the government is constitutionally obliged to give opportunity to the nation for higher education, but the government has failed to give sufficient opportunity to all citizens, he said. The lawyer argued that the deprived citizens have been making own arrangements by going to private universities for education, so the government cannot impose any extra tax on them in the name of VAT.