

Tax on exports, pvt univ VAT lowered

Realtors to get more than one year to pay duties, finance bill passed

Shakhawat Hossain

LOWERING tax on exports, reducing the proposed VAT on tuition fees for private university students and slashing additional levy on internet users, the finance bill for the new fiscal year

was passed in parliament on Monday.

The finance bill also kept income of fish farms up to Tk 20,00,000 out of tax purview.

Tax on exports was reduced to 0.6 per cent from the proposed one per cent because of hectic lobbying

by apparel exporters.

The proposal for 10 per cent value added tax on tuition fees for the students studying in private universities, medical and engineering institutions was lowered to 7.5 per cent following de-

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mand by the guardians. Finance minister AMA Muhith, who announced the budgetary proposals in the house on June 4, was also forced to backtrack on bringing all fish farms under tax net apparently in the face of political pressure.

Instead, income above Tk 20,00,000 by a fish farmer or a fish farm would be brought under income tax net in the new fiscal that would begin July 1, said Muhith while seeking approval of the amendments.

Earlier, taking part in the budget discussion, prime minister Sheikh Hasina asked the finance minister to review tax on exports and the proposed tax rates on fish farmers. She, however, appreciated various other measures.

Muhith offered corporate tax facility enjoyed by listed firms to nine newly established private banks and extended the time limit for

realtors to pay duties and service charge to more than one year. He relaxed the mandatory provision of one year to pay the duties and service charges by realtors.

He brought about changes in the minimum income tax slabs in metropolitan and other areas of the country after proposing Tk 4,000 throughout the country that had drawn criticism.

The rate now stands at Tk 5,000 for Dhaka and Chittagong city corporation areas, Tk 4,000 for other city corporation areas and Tk 3,000 for areas outside the city corporations.

The proposal for submission of mandatory tax identification number of parents by students studying in English medium schools at union level was withdrawn. The provision would now only be applicable to district level schools. The existing five per cent duty on import of books was withdrawn. Import duty on

drugs used in cancer treatment was slashed.

Muhith further hiked tax on low-priced cigarettes (between Tk 21 and Tk 42 a packet) and kept the proposed duty on higher priced cigarettes intact.

The import duty on 'completely knocked down' motorcycle was raised to 60 per cent from 45 per cent. But the finance minister withdrew the mandatory provision in the original budget proposal for keeping painted motorbikes out of CKD status. Local assemblers who have painting facility will lose to importers of painted motorcycles, mainly from India.

Muhith said sugar importers would enjoy existing import duty after imposition of higher duty was ruled out.

He thanked critics who said the budget was implementable despite being ambitious.

'I am encouraged and

optimistic', said Muhith, the only finance minister of the country who presented seven national budgets in a row since 2009-2010.

He said the prime minister was very much correct in her view that the country would be baptised to a middle-income country by 2021.

He also praised the prime minister for the desire to transform the country into a developed nation by 2041.

Muhith said projected seven per cent growth of gross domestic product would be achievable this time to break the jinx of six per cent growth over the last one decade.

He put emphasis on political stability to achieve 24 per cent investment by the private sector from existing 16 per cent to the GDP.

The Appropriation Bill elaborating allocations to different ministries is expected to be passed in the house today.