

NBR looking into tax status of private univs

Say officials

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The National Board of Revenue has started examining the past few years' tax payment status of private universities, officials say.

The move follows a finance ministry instruction.

Officials concerned said they had started gathering tax payment data of all private universities for the years since fiscal 1998-99.

NBR data showed that 66 private universities, including 51 in Dhaka, paid Tk 47.77 crore as tax since the FY. The amount is around 38 percent of Tk 123.47 crore claimed by the tax authorities over the years.

The NBR move to scrutinise the records comes at a time when students are demonstrating almost every day for withdrawal of a 7.5 percent VAT on private universities.

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The government slapped the indirect tax on private universities, and medical and engineering colleges in the current year's budget.

The decision sparked outrage among students and guardians as they fear the burden will ultimately fall on the shoulders of over 4.5 lakh students.

On Saturday, the NBR in a press release said it is the private university authorities, not the students, who would pay the VAT.

"The VAT was included within the existing tuition fees. The responsibility of paying it is solely on the university authorities, never on the students," it said, without clarifying why the government made a fresh announcement of the VAT imposition if it's already included in the tuition fees.

There is no proper estimate of how much money the government will get by levying the 7.5 percent VAT. But some officials said the amount could be between Tk 40 crore and Tk 300 crore a year.

The tax administration gets nearly Tk 70 crore as indirect tax from English medium schools for the period.

NBR officials said it's usually the businesses and service providers who collect VAT from consumers. The private universities were exempted from it.

Currently, private universities, private medical, dental and engineering colleges have to pay tax at reduced rate of 15 percent on their incomes. While the highest income tax rate for companies and an individual is 35 percent and 30 percent.