BEFORE
THE FEDERAL TAX OMBUDSMAN
ISLAMABAD

Complaint Nos.1878 & 1879/MLN/IT/2022
Dated: 18.05.2022* R.O. Multan

M/s Carpet Inn,
Chowk Fawara, Tareen Road,
Multan. ... Complainant

Versus

The Secretary,
Revenue Division,
Islamabad. ... Respondent

Dealing Officer	:	Dr. Khalil Ahmad, Advisor
Appraisal by	:	Muhammad Tanvir Akhtar, Advisor
Authorized Representative	:	Mr. Riaz Ahmad Raja, ITP
Departmental Representative	:	Syed Nadeem Akhtar, IRAO, RTO, Multan

ORDER

The above-mentioned complaints were filed under section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 (FTO Ordinance) for disallowance of refund adjustment for Tax Year 2016 against demand of Tax Year 2017. The complaints having identical issues are disposed of, through a single consolidated order.

2. Facts in brief are that the Complainant is an AOP deriving income from sale of textile items as carpets etc. and e-filed return of income for Tax Year 2016 under Section 114(1)of the Income Tax Ordinance, 2001 (the Ordinance), claiming refund amounting to Rs.4477/-. The refund arose on account of tax deducted on cash withdrawal from banks under Section 231A, on certain banking transactions under Section 231AA and on telephone bills under Section 236(1)(a)of the Ordinance. According to the Complainant, total refund amounting to Rs.4477/-is available with him. The

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* Date of registration in FTO Sectt.

Complainant has adjusted this refund against tax liability for Tax Year 2017 under code 92101 of the return form. He has relied upon FBR Circular No.1 of 2009 dated 20.02.2009 regarding adjustments of payments. The Assessing Officer however, without finalizing the pending refund claims has issued rectification notice under Section 221(2) of the Ordinance dated 10.05.2022. Hence this complaint.

3. The Complainant also prayed for additional payment for delayed refund under Section 171(1) of the Ordinance.

4. During the hearing, the DR produced a copy of order under Section 170(4) of the Ordinance for Tax Year 2016 though which refund has been adjusted against the demand for Tax Year 2017. The AR has expressed his satisfaction on the action.

5. The Complainant's request for additional payment for delayed refund for Tax Year 2016 is, however, premature at this stage in terms of Explanation to Section 171(2)(c) of the Ordinance.

6. As the grievance of the Complainant stand addressed consequent upon intervention of this forum, the investigation is closed. Files be consigned to record.

(Dr. Asif Mahmood Jah)
(Hilal-i-Imtiaz) (Sitara-i-Imtiaz)
Federal Tax Ombudsman

Dated: 23-6-2022

Director
FTO Secreta...
Islamaba...