BEFORE
THE FEDERAL TAX OMBUDSMAN
ISLAMABAD

COMPLAINT NO. 0488/MLN/IT/2022

Dated: 15.02.2022* R.O. Multan

M/sShahsons Precision Engineering, ... Complainant
8-C/1A, Industrial Estate,
Multan.

Versus

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

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

FINDINGS/RECOMMENDATIONS

The complaint was filed under Section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 (FTO Ordinance) against un-due delay in issuance of refund for Tax Year 2021.

2. Precisely, the Complainant, an AOP, e-filed return of income for Tax Year 2021 under Section 114(1) of the Income Tax Ordinance, 2001 (the Ordinance), claiming refund amounting to Rs.0.774 million. The refund arose on account of tax deducted on payment for goods under Section 153(1)(a), on electricity bills under Section 235 and of telephone bills under Section 236(1)(a) of the Ordinance. According to the Complainant, refund application for Tax Year 2021 was e-filed on 19.09.2021. However, despite repeated efforts of the Complainant, the Deptt failed to pass order under Section 170(4) of the Ordinance, within the stipulated time.

* Date of registration in FTO Sectt.

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

4. The complaint was referred to the Secretary Revenue Division, for comments, in terms of Section 10(4) of the FTO Ordinance read with Section 9(1) of the Federal Ombudsmen Institutional Reforms Act, 2013. In response thereto, the Chief Commissioner-IR, RTO, Multan forwarded Para-wise comments of the Commissioner-IR, Multan Zone dated 28.02.2022 vide letter dated 28.02.2022. It was contended that letter to Manger PRAL Multan has been issued for verification of tax deduction under Section 153(1)(a) of the Ordinance. Effect of the tax deductions claimed under Section 235 and 236 of the Ordinance will be allowed on furnishing of original bills. The verification is under process and refund application will be disposed of accordingly after necessary verification.

5. During hearing, the DR explained that administrative approval has been granted by the CIR concerned and order shall be issued within a week. The AR did not press for compensation.

6. Arguments heard and record perused.

7. Admittedly, the Complainant e-filed refund application for Tax Year 2021 on 19.09.2021under Section 170(4) of the Ordinance. In terms of Section 170(4) of the Ordinance, the Deptt was required to have disposed of refund applications, either way, within 60 days of the filing, after providing opportunity of hearing. In the instant case, the Deptt, failed to dispose of Complainant's refund application Tax Year 2021, within the time stipulated in terms of Section 170(4) of the Ordinance.

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FINDINGS:

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8. Delay in disposal of refund application for Tax Year 2021 is tantamount to maladministration, in terms of Section 2(3)(ii) of the FTO Ordinance.

RECOMMENDATIONS:

9. FBR to:-

(i) direct the Commissioner-IR, Multan Zone to dispose of Complainant's refund application for Tax Year 2021, under Section 170(4) of the Ordinance within 07 days, as assured by the DR; and

(ii) report compliance within 45 days.

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

Dated: 11/4/2022
U.f

Certified to be True Copy
Deputy Registrar
FTO Secretariat
Islamabad

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