BEFORE
THE FEDERAL TAX OMBUDSMAN
ISLAMABAD

Complaint No.3623/MLN/IT/2022

Dated: 16.08.2022* R.O. Multan

Mr. Baqir Hussain Khan,
House No.6, Mohalla Saadat Colony,
near District Council, Katchery Road
Muzaffargarh. ... Complainant

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 (**CNIC # 32304-41650420-3**), an individual, e-filed revised return of income for Tax Year 2021under Section 114(6) of the Income Tax Ordinance, 2001 (the Ordinance), claiming refund amounting to Rs.0.488 million. The refund arose on account of tax deducted on private vehicle under Section 234, on purchase by auction under Section 236A and on purchase / transfer of immovable property under Section 236K of the Ordinance. According to the Complainant, refund application for Tax Year 2021 was e-filed on 15.06.2022. 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.

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 06.09.2022 vide letter dated 07.09.2022. It has been informed that refund application of the Complainant for Tax Year 2021, stands disposed of under Section 170(4) of the Ordinance, vide order dated 01.09.2022.

5. During hearing, the DR explained that order under 170(4) of the Ordinance has been issued on 01.09.2022 for Tax Year 2021. The AR expressed his satisfaction.

6. Arguments heard and record perused.

7. Admittedly, the Deptt disposed of the Complainant's refund application for Tax Year 2021 under Section 170(4) of the Ordinance, vide order dated 01.09.2022, determining refundamounting to Rs.0.448 million. The Complainant has not pressed for compensation on delayed response. It was only after filing of complaint at this forum that the Deptt disposed of Complainant's refund application. Thus, failure of the Deptt to dispose of Complainant's refund application Tax Year 2021, within the time stipulated in terms of Section 170(4) of the Ordinance is established.

FINDINGS:

8. Delay in disposal of refund application Tax Year 2021, within the stipulated time 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 forward the particulars of the Complainant to the Board for credit of refund in his bank account directly;

   (ii) direct the Secretary (Rev. Budget) Islamabad to credit refund for Tax Year 2021, directly in the Complainant's bank account, as per law; and

   (iii) report compliance within 30 days.

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

Dated: 29-09- 2022

Director
FTO Secretariat
Islamabad