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CITY NEWS

Pressure on taxation officials: CPD, TIB asked to meet tax claims

By Staff Reporter

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Taxation officials of the National Board of Revenue are learnt to have been struggling to recover income tax from two renowned think tanks - Centre for Policy Dialogue (CPD) and Transparency International Bangladesh (TIB).

NBR officials have asked for income tax from the money that collected in their accounts as surplus after meeting their annual expenses from voluntary contributions on a year to year basis. Executives of the two organisations are learnt to have pleaded that their surplus amounts of money are not taxable because all their activities are dedicated to the service of the people and are charitable.

NBR officials reportedly told CPD and TIB executives that they asked for income tax because some money found in their accounts remained as surplus after meeting annual expenses. Then again the money that collected with their bank accounts also generated interest income. Their earnings were thus not exclusively from voluntary donations.

The surplus money found with the accounts of CPD each year amounts to crores of Taka and according to taxation rules a quarter of the surplus money can be claimed as income tax, say NBR officials. CPD executives, however, differ and say the money collected from voluntary donations and spent to render service to the people cannot be taxable, informed sources say.

NBR officials on the other hand maintain that these are neither charitable nor religious organisations to qualify for tax exception.

When contacted CPD Executive Director Devapriya Bhattacharaya declined to give any comment on the ground that a news report on his centre in this regard had earlier been published.

Prof. Muzaffar Ahmed, Trustee of TIB, however, said that his organisation has to return surplus fund. The income and expenditure of TIB is subject to auditing internally by the NGO Affairs Bureau and externally by donors. TIB receives 25 to 30 per cent of the funds that are committed, and such funds are released with permission from the NGO Affairs Bureau. Unspent money is adjusted with the budget of the subsequent year, he said.

Prof. Muzaffar Ahmed said that TIB submits tax return every year. So far it did not have to pay tax. Its trustees render voluntary service and do not come under the purview of tax for income from TIB.

He said that TIB does not organise projects to do research or otherwise as is done by the CPD.

NBR officials said that the activities of the CPD and the TIB cannot be categorised as charitable, because they do not spend the entire amount of money that they receive from voluntary contributions for each year. CPD again puts on sale some of its materials like research reports, they said adding they are under intense pressure for demanding the payment of tax.

They said that CPD and TIB can enjoy tax exceptions only if the government grants them protection as special cases by issuing SROs.

The sources said that a CPD executive recently paid penal tax worth about Taka three lakh as his income tax returns quoted figures well below the actual income.

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