Unlocking Pakistan's Income Tax Potential

Policy Note

Introduction

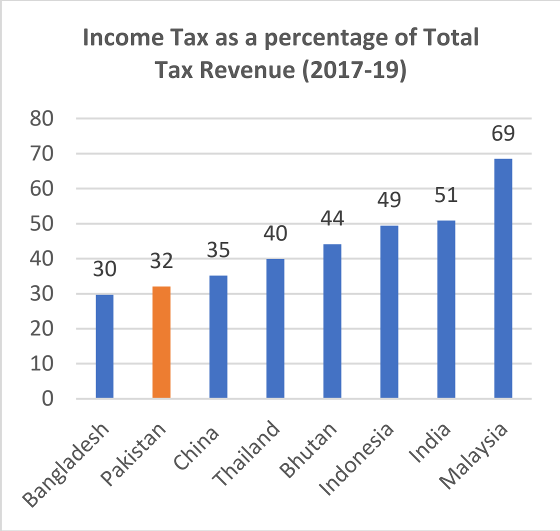
Poor revenue mobilization remains a perennial problem for Pakistan. While income tax can be a significant source of revenue for any country, its contribution to Pakistan's economy remains far below its potential. A well designed income tax regime, for individuals and businesses, combined with direct transfers can help governments achieve their distributional objectives and leave little rationale for a differential, indirect, commodity tax.

With an estimated population of more than 200 million, the country has only 2.18 million income tax filers.[1] These forms approximately 3.1% of the labor force[2] and 1% of the population[3]. Overall, income tax collection - from salary, business, property, and capital as well as from other sources - hovers around 4% of the country's GDP and just one third (32.1%) of all the tax revenue generated in Pakistan (much lower than India and almost half of Malaysia – see figure below). This is not only less than its comparator countries but also far lower than its own potential. Of this more than 60% of all tax is from corporate income tax. Overall tax gap is also widening and currently stands at 10.4% of the GDP.

[1] Latest Active Taxpayer List, FBR. Source: https://www.thenews.com.pk/print/797582-number-of-active-taxpayers-drops-14pc-to-2-18-million -

[2] As compared to 11.7 percent of the labor force in India, 21.4 percent in Indonesia, 29.6 percent in Thailand, and 47.2 percent in Malaysia.

[3] FY20 labour force (WB) = 72335052, FY20 population (WB) = 216565318



Poor performance of income tax in Pakistan can be attributed to several inter-connected factors, on both the tax administration and policy side. The income tax base in Pakistan has been eroded because of tax exemptions, tax concessions, and tax evasion, reinforced by weak audit and tax administration. Complicated tax systems add another cost for individuals and businesses to bear, disincentivizing voluntary tax compliance.

Though tax policy has been at the forefront of many discussions between provincial and federal governments as well other key stakeholders, increasing income tax revenue has remained a significant challenge for Pakistan's policymakers. However, as Pakistan continues to struggle with issues of poor revenue mobilization, there is also a growing need by policymakers, academics, and development partners to improve understanding of Pakistan's current tax regime to become better able to address its main challenges.

This note outlines a framework to think about reforms around income tax in Pakistan. It draws upon the learnings from a webinar hosted jointly by the Consortium for Development Policy Research (CDPR) and the World Bank on 'Unlocking Pakistan's Income Tax Potential'. Any effort to reform income tax is contingent upon grasping the structural challenges, underpinning its lackluster performance in Pakistan, the focus of this discussion. It can then accordingly be followed by a framework to guide policy.

A Brief History of Income Tax in Pakistan

Pakistan inherited the tax structure of pre-partition India as per Government of India Act. After independence, it adopted Income Tax Act 1922 as its official income tax law, which was extended to the entire country except some special areas.

Between 1922 and 1979 as many as 71 amendment acts were passed by the legislature, making the tax law increasingly complicated. To resolve this, the government promulgated a new tax law in 1979, replacing the Income Tax Act of 1922. However, much later in 2001, this was again replaced by a new tax ordinance promulgated by the government under General Pervez Musharraf. The significant change was the introduction of universal self-assessment, whereby the tax declaration of an individual was accepted as final, subject to the possibility of a random audit.The Income Tax Ordinance 2001 has so far been amended over 2500 times, with the latest amendment on June 30, 2020.

Income tax is payable by the following categories of citizens: Individuals (Salaried and Business) and Association of Persons (AOPs) including partnerships and unincorporated entities. Income tax collection occurs in three forms: voluntary payments (tax in advance or tax with return filing), collection on demand, or withholding taxes.

Apart from the universal self-assessment scheme, introduced in 2002, there is the pay-as-you-earn concept, in which the taxpayer determines the expected income for the current year and derives the amount of tax due on the income earned. This is the basis for a monthly voluntary advance payment. Then, once a year, taxpayers are required to file their annual returns for the preceding financial year to discharge their total tax liability. These returns are considered final unless their cases are selected for audit.

All non-agriculture income tax is collected by the federal government, through the Federal Board of Revenue (FBR), while agriculture tax is collected by provinces. FBR is the central tax authority in Pakistan and is affiliated with the Revenue Division of the Ministry of Finance.

Formulating a Tax Policy is not Simple

What decisions need to be made

Determining a tax policy in Pakistan remains a manifold problem with several layers to the decision-making process. A number of important policy questions need to be addressed while structuring a tax policy, which include:

a. Who to tax? (determining the tax base)
b. How to ensure compliance?
c. Who to grant exemptions & concessions to?
d. How to incentivize collection?
e. How to determine tax rates for different income slabs?

Most direct taxes in Pakistan are collected in the form of personal income taxes, property taxes, corporate taxes, agriculture income taxes and capital gains taxes etc. Once a tax base is determined, tax rates for different income slabs need to be constructed progressively to ensure equity and revenue maximization by incentivizing collection. At the same time, policymakers must also identify whom to grant tax exemptions and concessions to while keeping in view its potentially distortionary impact on the economy. Once a tax policy is built on these lines, a final goal is to ensure ways to enforce and ensure tax compliance.

Apart from its main motive of revenue collection, a sound tax policy needs to be grounded in equity considerations to minimize distortionary effects especially amongst the lower classes and at the same time be focused on improving economic growth. Such considerations need to be adequately addressed prior to imposition of taxes on key contributing sectors. During the on-going pandemic, tax policy needs to also consider employment and price stability goals.

Pakistan has made several repeated attempts to increase revenue by reforming tax policy and administration. Policymakers typically have prior considerations when aiming to increase tax revenue. A tax policy however can have one or multiple objectives as mentioned above. Generally, tax implementation implies a certain degree of deadweight or efficiency loss and minimizing such losses can be a possible objective for governments when setting a tax policy. Another objective of tax policy could be to push for an equitable distribution of tax burden. Taxes can also help address environmental issues and other externalities or encourage and discourage consumption of certain goods.

However, a tax system that tries to achieve multiple objectives will become necessarily complex. It increases the scope for individual discretion and graft and corruption. There is a need for tax systems to be simplified and rationalized.

What drives tax policy in Pakistan?[4]

Pakistan's current issue with improving revenue collection is multifaceted – from constitutional to legislative, from political to legal, from policy-induced to administrative and from structural to motivational. Improvements are needed across all areas to establish a tax system that leads to enhanced revenue collection along with tax equity.

Most taxes collected in Pakistan are from the manufacturing sector, with has shown slow growth over the last decade and a half as growth has mostly been fueled by the services sector, lightly taxed compared to manufacturing. This forces government to take additional revenue measures just to keep the tax-to-GDP ratio from falling. Devolution and the NFC awards has greatly reduced incentives for increasing efforts towards enhancing revenue collection efforts at both the federal and provincial levels. FBR has seen some success in tapping into the informal sector by increasing reliance on withholding taxes across a wide range of transactions but has failed to expand the tax base. Income taxes are often used as corrections for distortions and as incentives for investments. For example, a lower tax rate on small companies is often there to compensate for other distortions in the economy.

In fact, most taxes that are being levied in Pakistan are not fulfilling their core purpose due to weak administration, various exemptions and distortions caused by a skewed tax policy. The following table highlights the different types of taxes levied in Pakistan, the purpose of levying them and an assessment of what they ostensibly end up being used for.

Table 1

Tax	Actual Purpose	Assessment
Withholding Tax	To incentivize people to file income tax returns and become part of the tax net	Act as an indirect, fixed tax on incomes
Corporate Tax	To correct for distortions between small and large companies	Ended up as a highly complex and opaque tax system when used for correcting distortions in unequal access to debt finance and attracting greater investment in particular sectors
Agricultural Income Tax (AIT)	Contribute to provincial revenue streams as a source of direct revenues due to agriculture sector's large share in GDP	Low AIT rates by provinces relative to non-agricultural income collected by FBR leading to tax evasion and loss of revenue
General Sales Tax	Replacement of the existing sales tax on goods with a tax in the value-added mode to eliminate cascading in turnover taxes, reduce distortions in relative prices and incentives for industries to	Works as an excise tax if the value chain of the GST is broken because of tax exemptions provided by the FBR

[4] This section is based on Addressing Pakistan's Chronic Fiscal Deficit - Ijaz Nabi and Anjum Nasim

	vertically integrate and enhance competitiveness of exports	
Custom Duties	Revenue reliance on imports	Impacts competitiveness, raw material is more expensive and encourages illicit trade.

In theory a good tax policy should not discriminate between sectors and assets for investment purposes unless there are good justifiable reasons such as to promote exports or create employment opportunities. But so far, no significant study on the cost and benefits of tax and investment incentives in Pakistan has taken place. Hence it is not clear whether benefits of such an approach of incentives outweigh the costs. If FBR for example has any rationale or logic for different tax rates for corporate incomes versus small companies it has not been documented officially.

It is also likely that some tax clauses and amendments are meant to correct distortions while others are to conceal distortions that end up serving vested interests of certain groups. Finally, the limitation of tax administration in Pakistan should also be acknowledged in the design of a tax system and the fact that a complicated tax system can add considerably to the cost of tax compliance.

Challenges

Tax policy along with administrative capacity dictates who actually pays what and this could be quite different from intended policy. To systematically reform income tax in Pakistan, policymakers must address challenges faced on both the tax administration and tax policy side.

Policy Issues

Fragmented Tax Base

Pakistan inherited the tax structure of pre-partition India as per the Government of India Act, and with it a fragmented tax base. This is especially apparent in the agricultural sector, which contributes about 7.61% to Pakistan's GDP (2019)[5]. All non-agriculture income tax is collected by the federal government through the Federal Board of Revenue (FBR), while Agriculture Income Tax (AIT) is collected by provinces at a much lower rate. In Punjab, which accounts for over 66% of the country's cropped area, tax rates on agricultural land and incomes had remained frozen at the levels set in 2002 and 2000 respectively till they were revised by the Finance Act 2019.

The agricultural income tax gap was estimated to be Rs 69.5 billion in the FY20[6]. As provinces remain reluctant to revise the AIT rates or reform this complicated process, the fragmented base continues to result in significant loss of revenue. This is primarily when citizens evade taxes by declaring their non-agriculture income as agriculture income.

This fragmented structure also reflects the lack of incentives at the provincial level to reform the tax regime even in revenue streams beyond agriculture. As provinces are reliant on their shares in the municipal pool as per the National Finance Commission Award, they are not pushed to enhance tax collection in areas like policing, housing and education that fall under the provincial purview. Hence fragmentation of administration has not only led to a burgeoning gap of tax collection in Pakistan, but also in poor service delivery.

[5] http://www.finance.gov.pk/survey/chapter_20/02_Agriculture.pdf
[6] FBR Tax Expenditure Report 2020

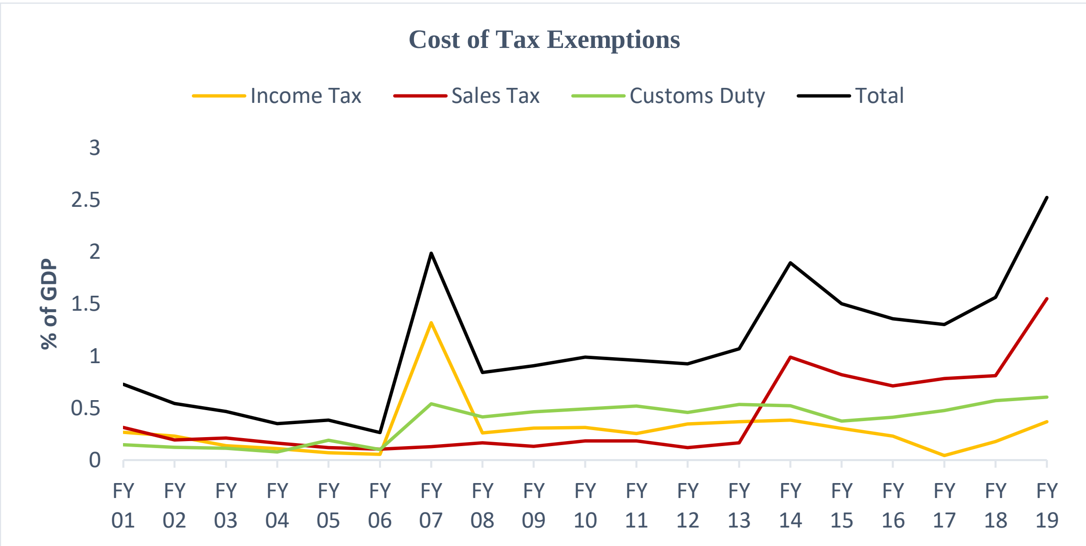
Exemptions, Concessions and Marginal Tax Rates

Pakistan gives a much higher minimum threshold, compared to its regional counterparts, and has far lower marginal tax rates for lower- and middle-income slabs that leads to a narrow tax base overall. However, the tax rate is only one part of the overall tax and incentive structure for investments in Pakistan.

The incentive structure also includes various forms of tax concessions and tax holidays. Interest groups and lobbies have won tax concessions and tax exemptions and these interest groups have become strong and entrenched over time. Effective tax rates, which take into account these other incentives, differ by sectors and by type of assets. The large number of tax exemptions and concessions granted to various sectors, sub-sectors, and economic activities, perforate the base of all major taxes. Many of these exemptions and concessions are outcomes of ad hoc policy decisions by the government to provide incentives for industrialization, attract foreign investment and/or benefit preferred segments of the population.

Good tax policy suggests that policymakers should not discriminate between sectors and assets for investment purposes unless there are good reasons for encouraging investment in particular sectors, e.g., for reasons of export growth or greater employment. The emerging consensus is that more important than tax incentives (lower tax rates or tax holidays) are other elements of investment climate, such as macroeconomic stability, quality of infrastructure, skill level of the workforce, location, size of the domestic market, regulatory environment and the rule of law.

These exemptions and concessions result in substantial revenue loss and adversely impact growth by distorting the economy and creating inequities in the tax system. The cost of tax exemptions and other concessions and subsidy granted on direct taxes amounted to Rs. 378 billion during 2019-20. The cost of tax exemptions as a percentage of GDP can be illustrated in the following figure[7]



Over-Taxation of the Corporate Sector

Corporate income tax in Pakistan is the single largest contributor to the country's direct tax revenues. The Corporate Income Tax rates have been brought down substantially since the 1990s to attract international business in an increasingly globalized world. The single largest contributors to corporate

[7] Cevik, Serhan "Unlocking Pakistan's Revenue Potential", IMF Working Paper WP/16/182; August 2016 p.8.

income tax remain local private sector corporations, followed by the public sector and banking companies.

The tax rate on banking companies is 35% and on non-banking companies 29% (2019 and onwards). These tax rates are higher than average rates of 28.81% in Asia, 18.38% in Europe, 23.93 in OECD and 23.03% in the world in 2018.[8] On top of the corporate tax there was a 4% super tax[9] on banking companies. In addition, there is a withholding tax on company dividends that can range between 7.5% and 20%.

Small companies pay a much lower tax as part of incentives granted by the tax code, at 22% relative to the corporate tax rate of 29%. The difference in tax rates applicable to small companies and to large corporations creates incentives for small companies to stay small or at least legally small.

Considering FBR's tax collection targets for the past ten years, it can be seen that the target is approximately 10% to 12% higher than the economy's growth rate[10]. Over taxation of the industry along with unattainable tax collection targets have led to additional problems for the industry.

In addition, the corporate tax code is extremely complex. For direct taxation there are numerous layers: the first direct tax is corporate income tax, but if you do not qualify for that, there are other minimum taxations that are applicable – however, these minimum taxes are substantially large especially for the services sector which makes them prohibitive. For example, the telecommunications sector is taxed at a whopping 17%.

Administrative Issues

Overdependence on Withholding Taxes

Accompanying these gaps in tax policy, FBR relies extensively on withholding tax measures to meet its revenue targets. In Pakistan, almost 70% of all income tax is collected as withholding tax. Estimates from 2014 suggested that 37% of all income taxes and 60% of all withholding taxes were paid by non-filers.

As audits are rare and when they are carried out, they are not productive because of the ineffectiveness of the audit system, the largest collection is realized through "deduction at source" or through withholding taxes. To bring more people into the tax net, especially from the informal sector, FBR now levies a high rate on withholding taxes for those not filing their tax returns. This rate differential is problematic for several reasons. Firstly, high tax rates on non-filers have meant that people are discouraged from moving into the tax net and continue to stay part of the informal economy. Secondly, refund issues are widely persistent where taxpayers may not be able to easily get back the excess paid as advance. For corporations, the withholding rate sheet is almost four pages long making it an extremely complex set up and requiring a lot of expense on the company's part to comply with this regime. International experience suggests that while withholding taxes could be a good way to enforce income taxes, over reliance on withholding taxes can turn out to be counterproductive.

High withholding tax rates for non-filers have also discouraged many potential filers leading to adverse effects on the economy. For example, the currency/cash in circulation (CIC) has always been high in Pakistan averaging around 22% between FY 09 and FY 15, mainly due to a large informal economy. However, the imposition of a 0.6% withholding tax on transactions[11] by non-filers to encourage them

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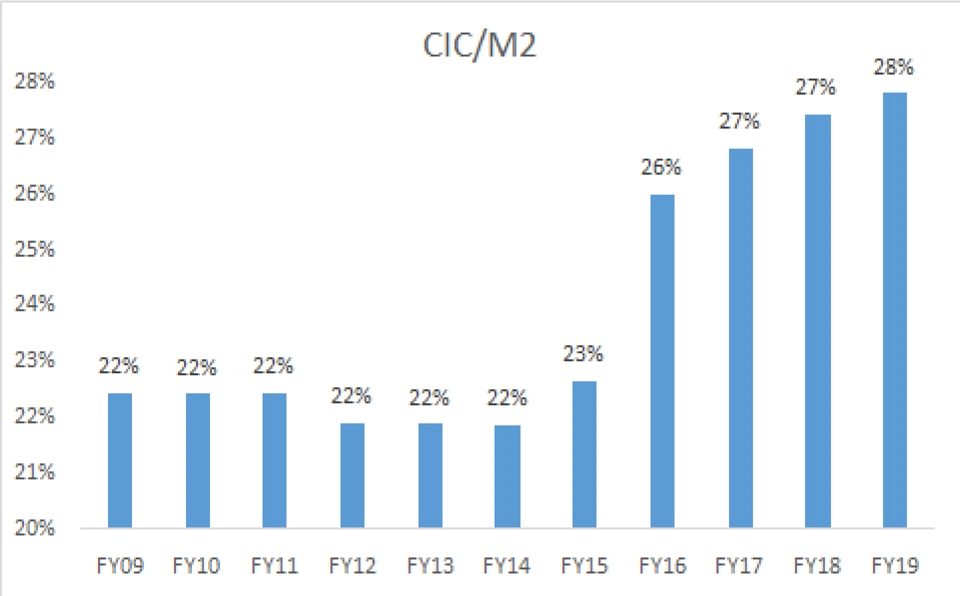
[8] https://taxfoundation.org/corporate-tax-rates-around-world-2018/
[9] A super tax on a person with income exceeding Rs 500 million has been abolished from tax year 2020
[10] Quoted by Ms. Aqeela Mumtaz, Webinar on 'Unlocking Pakistan's Income Tax Potential'.
[11] Pakistan Income Tax Ordinance, Section 236(P)

to become part of the tax net, increased CIC to almost 29% in FY19[12]. However, the recent surge in CIC could also have been attributed to growth in time deposits due to higher interest rates in recent years attracting savers.



[13]

Furthermore, FBR's current tax regime leaves little incentive for new filers to continue to be a part of the tax net. For example, a new filer files his tax return for the Tax Year 2019, he will also get hit with tax returns of the previous few years.

Weak Enforcement and Costly Compliance

The administration of income tax is one of the major bottlenecks in effective implementation of the taxes. Weak audit and tax administration reinforce tax evasion.

While weak and slow enforcement allows for rent-seeking opportunities, the number and quality of tax audits is also insufficient to correct self-assessment by taxpayers in Pakistan. Currently, the collection on demand (those also technically through enforcement efforts) is just 4 percent in the country, whereas the rest is reliant on withholding.

Compliance is also costly and difficult because the law on taxation and its practice is very far from each other. While the number of tax filer has doubled from 1 million almost 10 years ago due to new prohibitions, tax filers are discouraged to continue filing because of additional questioning of their previous tax records of the preceding fiscal years [14].

Moreover, the audit and verification of industry's compliance or tax returns is also a cumbersome process. The introduction of aself-assessment system showed promise, but was overshadowed by theextensive questioning of every single item in the tax returns as well as the companies' profit and loss statements, and balance sheets in the first assessment order.

In addition to this, the verification process is also usually manual, which requires companies to spend additional time translating financial information from their expensive digitized systems. This has become especially problematic for larger companies.

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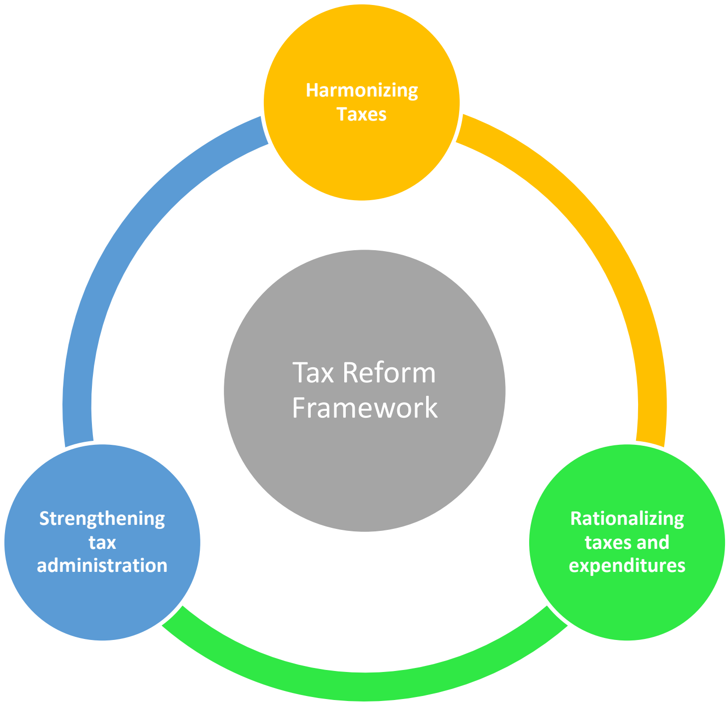
[12] https://www.brecorder.com/news/559365

[14] Quoted by Mr. Ali Khizar, Webinar on "Unlocking Pakistan's Income Tax Potential"

. More progressive interaction with the tax authorities could be seen especially regarding litigation: The FBR has re-introduced the Alternative Dispute Resolution Court (ADRC) which provides a smooth platform for the industry to communicate and solve their issues.

Policy Direction for Reforming Income Tax

Keeping the aforementioned issues of income tax in Pakistan, a policy guidance for reform is presented below structured around the following three pillars:



Pillar 1 – Harmonization of Income Tax

To reduce evasion and ensure uniformity across income tax bases, income tax needs be to be harmonized in Pakistan. The constitutional provisions allow provinces to tax agricultural incomes and the federal government to tax all other sources of income allow disparate tax rates on income depending on its source. Agricultural income tax (AIT) is potentially among the most important sources of provincial tax revenues. This not only creates inequities but also promotes tax evasion. Harmonization of tax involves creation of the right incentives across governments. Federal government may not have the incentive to collect revenue for provinces. Provinces may be reluctant to involve federal government into their revenue affairs. To start off, FBR could share lists with provinces of all tax filers who have declared agricultural income in their tax returns along with an estimate of potential revenue collection, to be followed by more long-term changes. It may not be easy to structure income tax in agriculture along the lines of personal and corporate income tax for some time. The tax will be like a presumptive income tax, based on estimating the value of revenue and then applying an appropriate tax rate.

Pillar 2 – Rationalization of Income Tax Rates and Expenditures

Tax collection loss should be studied, and tax structures should be adjusted in line with regional comparators. Moreover, tax rates should be stable and not change with every finance bill to avoid speculation on tax policy. Pakistan should also consider flat rates with no compliance hassles versus multiple tax rates to reform its income tax regime. Such a tax system should be pragmatic, growth-oriented and broad based to induce the growth of all sectors and promote social mobility between the upper and lower classes. This should result in bringing people who are not in the tax net to file their taxes voluntarily. Taxes should also be merged into one single tax with complete assurance to the citizens of non-harassment and judicious investments.

Reforms are also needed on the expenditures side: direct tax expenditures were almost a quarter of the direct tax collection in FY20. Various exemptions and credits are given to income tax filers, for example, tax credits for investments in shares, for employment generation by manufacturers, for replacing plant machinery, exemption on commuted pension, exemption on government pension, etc. These expenditures create inefficiencies, and provide loopholes that encourage tax avoidance, and further narrow the tax base. Reducing such exemptions which are distortionary and spending taxpayers money transparently and efficiently for welfare of society as a whole would incentivize growth and improve the economic well-being of every individual.

Pillar 3 – Improvements in Tax Administration

For the past 20 to 25 years, the tax code has become increasingly complex resulting in a huge problem for the industry. Automation of tax systems could be a good starting point for a successful transition towards a more digitized system with lower compliance costs.

Enforcement and audit procedures need to be reformed and tightened to reduce rent-seeking opportunities. However, caution needs to be taken to not be overly harsh in enforcement. This is especially for those individuals whose banking information is with FBR for reconciling with income tax returns and OECD guidelines for detecting individuals with offshore companies. The FBR may need to start slow and allow some breathing space prior to enforcement to encourage compliance. Similarly, to ensure that new filers remain within the tax net amnesty schemes could be granted for an initial period of 4-5 years.

Withholding taxes could possibly be reformed keeping in mind the following considerations: a) they should minimize distortions in the lower classes, b) they should be equitable and c) provide a means for the enforcement of the income tax[15].

In order to reduce compliance costs, a single collection agency[16] could prove to be beneficial: this body should not only be responsible for collection of taxes for federal, provincial and local governments but also administer various social and economic benefits and incentive programs. This one-window system would largely reduce the taxpayer's hassle of going through multiple tax agencies at the federal and provincial level, thereby reducing inefficiencies, corruption and the cost of doing business.

Similarly, an integrated Tax Intelligence System[17] can capture all inflows and outflows and correlate sales tax collections on goods and services with income tax returns and monitor all transactions at all levels. This alone can ensure proper tax compliance as mere reduction in tax rates may not induce

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[15] via the WHT regime income taxes are paid in advance by the employer to the government instead of the individual paying the income tax him/herself. This is beneficial in terms of cases where individuals do not filing taxes voluntarily and hence WHT can reduce evasion

16 PRIME Institute, Islamabad Report on 'Towards Flat, Low-rate, Broad and Predictable Taxes' (2016)

[17] PRIME Institute, Islamabad Report on 'Towards Flat, Low-rate, Broad and Predictable Taxes' (2016)

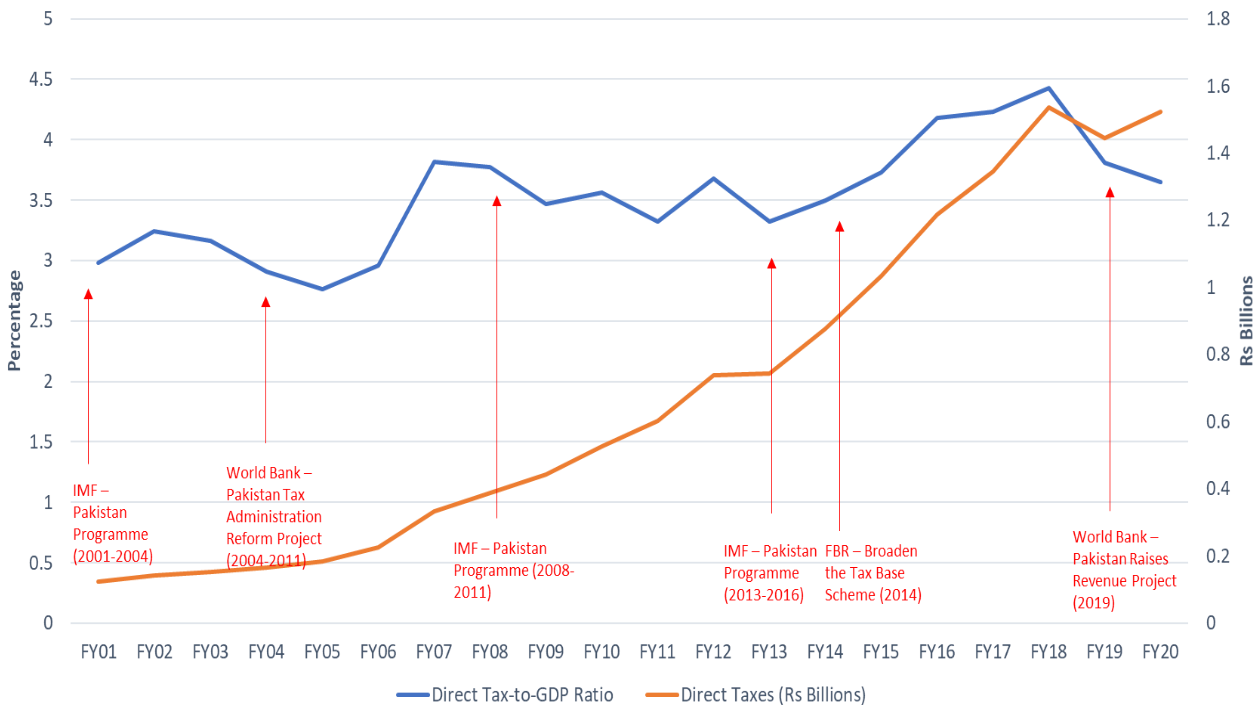
many to discharge their tax obligations diligently. These measures could yield up to Rs 2 trillion in additional revenue.

In order to expand the tax base and link tax returns with National Identity Numbers, data sharing agreements with other key government departments is required. Recently, a data sharing MoU was signed between the FBR and NADRA[18] for real time verification of CNICs and associated details. Such measures could potentially help automate tax refunds prefill data in withholding tax statements and tax returns. Additionally, the ease of doing business will improve due to saved time in regulatory compliance and data linkages will assist the FBR in identifying persons out of the tax net or those who conceal their income and assets.

Strict monitoring measures as well as investments in human resource capacity building may also be required to improve the efficiency and image of FBR.

How has the government responded? – some recent Tax Reform efforts

Over the past two decades, there have been several international and local tax reform initiatives launched in collaboration with international agencies such as the IMF and World Bank. Some of these and their impacts on Pakistan's direct tax revenues and direct tax to GDP ratio can be seen in the following figure.



The recent Pakistan Raises Revenue Project (PRR), launched by the World Bank in 2019 focuses on building a simple and transparent tax system, controlling taxpayer obligations, compliance facilitation, FBR officer's performance awards and upgrading FBR's Information Technology system. However, this along with several other reform packages have failed to produce the type of boost required to raise revenues, as seen in the above figure. In fact, the Tax-to-GDP ratio slipped from 13% in June 2018 to 11% in the aftermath of the PRR. Similarly, the number of income taxpayers increased from 1.27

[18] https://www.thenews.com.pk/print/742636-fbr-nadra-sign-mou-for-data-exchange-to-expand-tax-base

million to nearly 2 million, but the average tax paid has decreased. This raises the question of how more structural thinking needs to be done for tax policy reform.

The current government and FBR is committed to drive reform and are considering a number of policy packages to broaden the income tax base.

FBR is now utilizing information technology to catch tax evaders and prospective taxpayers through a rigorous media campaign and launching a 'Tax Ray' system with third-party data for each CNIC holder. New IT based performance-based systems are being launched along with plans to automate end to end tax processes. Key evading sectors such as sugar, cement, tobacco, and fertilizer are targeted through a track and trace system to be effective from the next fiscal year[19]. The government is also considering removing a large number of corporate tax exemptions[20] as well as a number of unnecessary withholding taxes[21]

The government hopes through these measures it can create an effective domestic revenue mobilization strategy that could become an important pillar in discussions with the IMF/WB. The International Growth Centre (IGC) is also assisting the government on several fronts.

Conclusion

The structure of tax system as it stands ensures that the overall tax burden on any single individual is not high. The tax system is unfair, not because any single individual's taxes are too high, but because too few Pakistanis are paying the bulk of the taxes, and far too many wealthy individuals are not subject to taxes at all. As a result, the system encourages horizontal inequity; individuals with the same income are treated differently under the same system.

Hence the existing tax system is not taxing well those that are extremely rich, and the collection is mainly dependent on indirect taxes. This results in widening income and wealth disparities. Effort is needed both at federal and provincial levels to enlarge the tax base and move towards a tax regime that is growth oriented.

The success of tax reforms is also deeply linked with the political economy surrounding such reforms. Government is reluctant to levy taxes on many sectors, especially agriculture due to strong resistance by powerful lobbies. Overall, the state of the taxation in Pakistan deserves recognition as a policy agenda of the highest priority. A poorly managed tax system will continue to perpetuate structural inequalities, deficit financing though borrowing and the under-funding of state operations critical to the foundations of a healthy society.

[19] https://www.dawn.com/news/1610932
[20] https://www.brecorder.com/news/40072064/rs70-140bn-corporate-tax-exemptions-to-go-says-fbr-chief
[21] https://www.thenews.com.pk/print/800159-govt-plans-to-abolish-wht-on-education-event-fees