

# Closure of Audit u/s Section 214E

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Member Taxpayers' Audit

# Closure of Audit

- Section 214E inserted through Finance Supplementary (Amendment) Act, 2018. It provides for closure of audit, if
  - Taxpayer was selected for audit u/s 214D
  - Notice u/s 122 has not been issued
  - Taxpayer revises the return by the 31<sup>st</sup> of Dec, 2018, and
    - Pays 25% higher tax than the tax paid on the basis of taxable income
    - Where no tax is payable, 2% of the turnover

Contd.....

- Where no turnover is declared, penalty at Serial No. 1 of Section 182(1) has been paid

## Pending Cases u/s 214D

Tax year 2015	300,240
Tax year 2016	475,901
Tax year 2017	246,288
<b>Total</b>	<b>1,022,429</b>

Contd.....

<b>Salary &amp; FTR Cases</b>	
Salary Income	319,123
FTR cases	44,940
Property Income	14,275
Capital Gain	202
Profit on Debt	44
Dividend	20
Misc	23,572
<b>Total</b>	<b>402,176</b>

Contd.....

<b>Total Pending Cases</b>		<b>1,022,429</b>
<b>Less:</b> Salary, FTR, Property etc. cases	<b>402,176</b>	
<b>Less:</b> Cases with NIL Tax /NIL Turnover	<b>428,830</b>	
<b>Total cases</b>	<b>831,006</b>	
<b>Balance cases:</b>		<b>191,423</b>

## Cases where taxable income declared

	<b>Total</b>
	<b>Cases</b>
<b>Between Rs. 1 &amp; Rs. 100,000</b>	<b>87,492</b>
<b>Between Rs. 100,000 &amp; Rs. 500,000</b>	<b>12,447</b>
<b>Between Rs. 500,000 &amp; Rs. 1 M</b>	<b>3,057</b>
<b>Between Rs. 1 M &amp; Rs. 2 M</b>	<b>2,206</b>
<b>Between Rs. 2 M &amp; Rs. 5 M</b>	<b>1,758</b>
<b>Between Rs. 5 M &amp; Rs. 10 M</b>	<b>799</b>
<b>More than 10 M</b>	<b>926</b>
<b>Total</b>	<b>108,685</b>

## 2% of Turnover Cases

<b>Tax Year</b>	<b>Number of Cases</b>
2015	23,274
2016	35,183
2017	24,281
<b>Total</b>	<b>82,738</b>



# Demonstration of System by PRAL

## Audit cases u/s 214D upto 31.10.2018

Tax Office	2105	2016	2017	Total
LTU Karachi	625	817	566	2008
LTU II Karachi	187	287	176	650
CRTO Karachi	17,413	29,474	15,799	62,686
RTO II Karachi	12,808	18,901	19,892	51,601
RTO III Karachi	44,972	68,616	47,663	161,251

# Thank You