[**Shearing sheep**](https://www.dawn.com/news/1667929/shearing-sheep)

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DISCUSSING taxes is not the ideal way of welcoming 2022, especially after we have just finished burying 2021.

The release by the Federal Board of Reve­nue of its Tax Directory 2019 for parliamentarians comes as yet another annual reminder of the continuing civic negligence of our leaders, and the recurring insolvency of our country.

Since 1947, Pakistan has endured 40 finan­­ce ministers. None has been able to enforce the state’s writ in fiscal matters nor expand the tax base sufficiently to fill the state’s coffers. The number of registered taxpayers remains a barometer of private evasion, the taxes collected each year a source of public chagrin.

The FBR’s Tax Directory is confined to parliamentarians, on the assumption that legislators are the best role models for their tax-averse constituents. The actual tax paid by them belies such optimism. For 2019, the FBR disclosed that the present prime minister paid the exchequer Rs9.8 million, a younger PM-hopeful Rs0.53m, and a previous PM nothing at all.

Collecting taxes caused a migraine even to the pharaohs.

The opposition leader in the National Assembly paid Rs8.2m, his successor as Punjab chief minister all of Rs2,000, and a previous president now slumming it as an MNA, Rs2.2m. They have all been shamed by a PTI MNA from Karachi who paid Rs140m — 15 times more than his leader.

The FBR should compare the taxes paid annually with the assets disclosed by these parliamentarians when they filed their nomination papers.

In 1993, the interim government led by Moeen Qureshi published the identities of all income tax payers city-wise for the year 1992-93. It was a revolutionary step, taken by a finance minister who had paid his taxes since 1947. No such complete list had been published before, nor has been since.

Genetically, Pakistanis have not only strea­­ks of Macedonian blood in them but also Roman. There is something imperial in their attitude towards tax. Historians tell us that “Romans resisted direct taxes, not so much because of an unwillingness to pay them, but because of the loss of privacy which such taxes necessitated; […] only indirect taxes were raised in Rome itself because direct taxes were seen to be humiliating and undignified”.

Today, our present finance minister tells us: ‘We take withholding taxes because we are unable to collect it from other means.’ Nothing has changed, except the toga.

The advice the Roman emperor Tiberius gave his tax collectors centuries earlier is still valid today: “It is the duty of a good shepherd to shear his sheep, not to skin them.” But first, one needs to know how many sheep are to be sheared.

In 1981, our population was 84m, with 900,000 taxpayers, of whom one-third were salaried. In 1998, our population rose to 131m. Anyone born in 1998 would be 24 years old today, and therefore a potential taxpayer.

Out of a present population of over 220m, the names of only 2.178m individuals and companies appear on the Active Taxpayers List 2021. It replaced the ATL 2020 that named 3.12m individuals and companies. In effect, 932,000 names seem to have slipped off the new list.

The FBR provided an explanation of sorts: “Around 500,000 persons who filed returns last year did not file the tax returns this year [.] Another 500,000 persons filed returns after the due date.” These were offset by 75,000 new filers.

With such an unstable tax base, no wonder the FBR has since 2017 seen nine chairpersons arrive with hope and leave in despair. The present tenth incumbent is still young. He has been in office only six months.

The collection of taxes is not a headache peculiar to the FBR. It caused a mi­­graine even to the phara­ohs. The Rom­ans applied a novel rule for defa­u­­lters — collective res­ponsibility. Members of the taxpayer’s fa­­mily, neighbours and community could be called upon to pay any taxes which the taxpayer defaulted on. The FBR might consider applying this. The government is using just such a rod against the Sharifs, where one Sharif is deemed to be his brother’s keeper and held responsible for his return.

A scholar on taxation identified five characteristics of a desirable system of taxation. It should be economically efficient, administratively simple, flexible, politically accountable, and equitable. Our taxation system has, ac­­cording to the finance minister, a lot of ‘distortions’ — some at the federal level and others at the provincial, ‘because we do not speak to each other. The authorities were now moving (hopefully together) towards tax harmonisation.’

Meanwhile, the government like every one of its predecessors finds it easier to turn the screw a further painful notch on the public through indirect taxes. Examine your latest utility bills. The government’s sticky fingerprint is on each.

As a hapless consumer, you are expected to close your eyes, block your ears, shut your mouths, and pay through the nose.

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