

Income Tax Authority

LEARNING OBJECTIVES

After studying this chapter, you should be able to understand:

- 1 The definition of income tax authority.
- 2 The organization structure of income tax authority.
- 3 The different types of income tax authority.
- 4 The appointment of different types of income tax authority.
- 5 The subordination and control of income tax authority.
- 6 The administrative and judicial authorities.
- 7 Powers, functions, duties and responsibilities of administrative authority.
- 8 Powers, functions, duties and responsibilities of judicial authority.
- 9 The taxes appellate tribunal.
- 10 The role of civil courts regarding income tax.

2.1 Who are the income tax authorities? (2008, 2014)

The income tax authorities:

Income tax authorities are the authorities holding the sole responsibility to execute the laws relating to income tax applications. The authorities perform the functions of identifying assesses, computing taxable income, collecting net tax liability, receiving application in this regard and appeal, listing to complains, hearings, even charging or amending or repealing various sections etc.

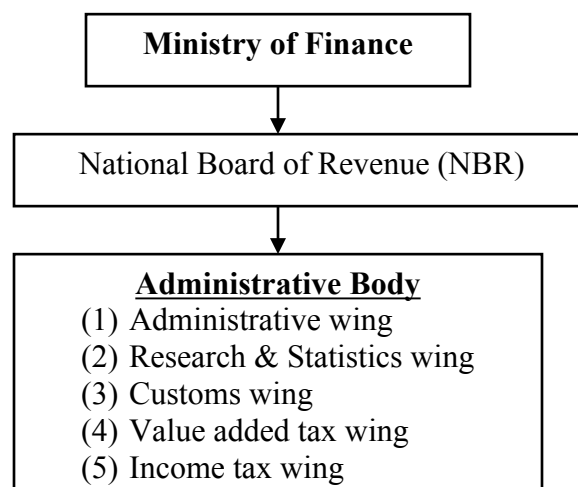
The National Board of Revenue (NBR) is the apex authority for tax administration in Bangladesh. It was established by the father of the nation Bangabandhu Sheikh Mujibur Rahman under President's Order No. 76 of 1972. Administratively, it is under the Internal Resources Division of the Ministry of Finance. The Secretary, IRD is the ex-officio Chairman of NBR. NBR is responsible for formulation and continuous re-appraisal of tax-policies and tax-laws, negotiating tax treaties with foreign governments and participating in inter-ministerial deliberations on economic issues having a bearing on fiscal policies and tax administration. The main responsibility of NBR is to collect tax revenues (primarily, Value Added Tax, Customs Duty, Excise Duty and Income Tax). It works with three tax-type wings namely, Customs Wing, VAT Wing and Income Tax Wing.

Income Tax Authorities are:

1. National Board of Revenue (NBR),
2. Director-General of Inspection (Tax),
3. Commissioner of Taxes (Appeals),
4. Commissioner of Taxes, Large Taxpayers' Unit (LTU),
5. Director General (Training),
6. Director General, Central Intelligence Cell (CIC),
7. Commissioner of Taxes,
8. Additional Commissioner of Taxes (Appeal/Inspecting),
9. Joint Commissioner of Taxes (Appeal/Inspecting),
10. Deputy Commissioner of Taxes,
11. Tax Recovery Officers,
12. Assistant Commissioner of Taxes,
13. Extra Assistant Commissioner of Taxes,
14. Inspectors of Taxes.

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The income tax authorities are summarized below:



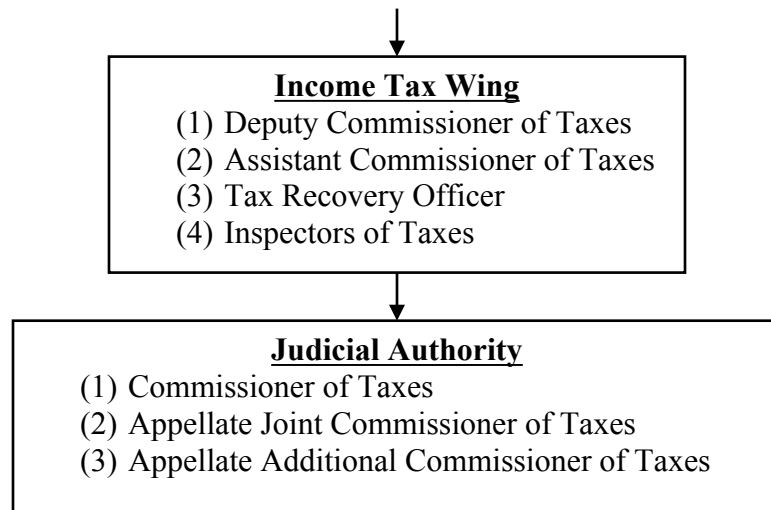


Fig: Income Tax Authorities

2.2 What are the stages/types of tax authority? (2007)

According to the power and functions, income tax authority has two major stages. Such as:

- (1) **Administrative Stage:** Executive looking after overall tax administration.
- (2) **Judicial Stage:** Exercising judicial functions in appeal cases.

These two stages are enlarging below:

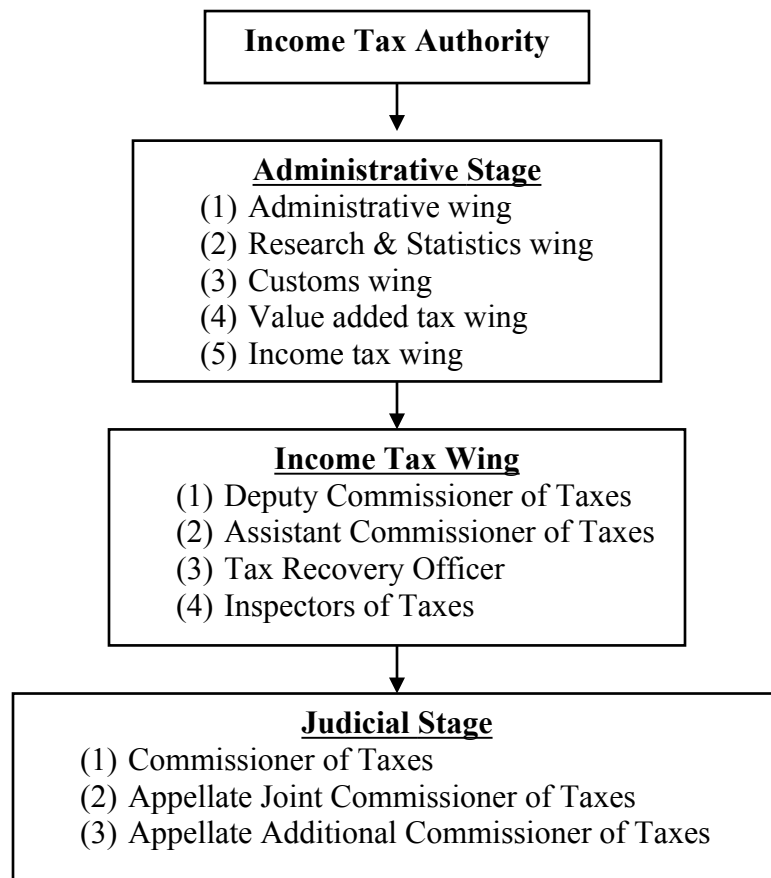


Fig: Income Tax Authorities

2.3 What is NBR? Discuss the power and functions of NBR. (2007, 2009, 2013, 2014, 2015)

National Board of Revenue (NBR):

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NBR is responsible for formulation and continuous re-appraisal of tax-policies and tax-laws, negotiating tax treaties with foreign governments and participating in inter-ministerial deliberations on economic issues having a bearing on fiscal policies and tax administration. The main responsibility of NBR is to collect tax revenues (primarily, Value Added Tax, Customs Duty, Excise Duty and Income Tax). It works with three tax-type wings namely, Customs Wing, VAT Wing and Income Tax Wing. There are two more wings named IT wing and Research & Statistics wing under NBR.

National Board of Revenue (NBR) is the highest executive tax authority in Bangladesh. It is a statutory body and its members are appointed by the govt. to manage, control and supervise the whole income tax department. The NBR is empowered to make necessary rules concerning income tax matters and is authorized to give any interpretation to any provision in any section of the Income Tax Ordinance (ITO).

The Powers and Functions of NBR:

- (1) Power to appoint different types of commissioners of taxes.
- (2) To delegate powers of certain authorities.
- (3) To determine the functions of commissioners of taxes.
- (4) Power to make rules for carrying out the ITO.
- (5) To give approval of gratuity fund.
- (6) To give approval of superannuation fund.
- (7) Power to declare any unincorporated foreign association.

- (8)** Power to issue orders, directions, instructions for tax officers.
- (9)** To authorize any person for assisting, guiding, instructing the DCT.
- (10)** Power to prescribe any form to keep accounts.
- (11)** To allow allowances.
- (12)** Direct to pay the amount deducted or collected.
- (13)** To compound offences.
- (14)** To determine the place of assessment.
- (15)** To set the qualification and disqualification of the assessee.
- (16)** To award the officers and employees for taxing performance.