**Grant No. 08**

**111 - Internal Resources Division**

**Medium Term Expenditure**

(Taka in Thousands)

|  |  |  |  |
| --- | --- | --- | --- |
| Description | Budget  2024-25 | Projection | |
| 2025-26 | 2026-27 |
| Operating Expenditure |  |  |  |
| Development Expenditure |  |  |  |
| **Total** |  |  |  |
|  | | | |
| Recurrent |  |  |  |
| Capital |  |  |  |
| Financial Asset |  |  |  |
| Liability |  |  |  |
| **Total** |  |  |  |

**1.0 Mission Statement and Major Functions**

**1.1 Mission Statement**

Establish a pro-people tax and savings administration according to the internationally recognized equitable and appropriate tax and savings policy and to mobilize adequate domestic resources by this administration.

* 1. **Major Functions**
     1. Imposition and collection of direct and indirect taxes and formulation/revision of relevant related laws and rules/ regulations;
     2. Monitor and control of the activities of the offices engaged in collection of income tax, value added tax, import-export duty, and supplementary duties;
     3. Formulation of tax policies and tax laws, fixation of targets of revenue collection and execution of agreements with international organizations and other countries on issues relating to taxation and general co-operation;
     4. Identification of areas and fixation of scope and determination of direct and indirect taxes, enhancement of number of new taxpayers and augmentation of tax revenue by motivating people for voluntary compliance;
     5. Execution of functions relating to printing and supply of all types of stamps and approvals for holding lotteries according to lottery policy;
     6. Collection of disputed revenues through settlement of tax, customs and VAT litigations; and
     7. Formulation, update and implementation of policies for national savings schemes.

**2.0 Medium Term Strategic Objectives and Activities**

| Medium Term Strategic Objectives | Activities | Implementing Departments/Agencies |
| --- | --- | --- |
| 1 | 2 | 3 |
| 1. Mobilization of adequate revenue to support government expenditures | * Motivating people to pay taxes by undertaking public relations activities, publicity, tax related education and honoring the best VAT and tax payers * Introducing automation and e-payment systems * Reviewing tax exemptions System | * National Board of Revenue |
| * + Printing and supplying of judicial and non-judicial stamps | * Secretariat |
| * + Approving lottery management activities as per lottery policy |
| 1. Efficient, equitable and effective tax administration | * + Disposal of disputed cases   + Introduction of the ‘Alternative Dispute Resolution’ (ADR) to realize disputed taxes   + Undertaking intelligence related activities and preventive measures | * National Board of Revenue |
| 1. Widening the base and share of direct taxes | * Conducting external surveys and spot-assessment * Activities of identifying the new scope of tax deduction at source | * National Board of Revenue |
| 1. Modernizing and simplifying tax laws and procedures and ensuring taxpayers-friendly environment | * Modification and revision of laws, rules and regulations relating to Income Tax, VAT and Custom Duties | * Secretariat |
| * Establishing ‘Help Desks’ for tax payers | * National Board of Revenue |
| 1. Prudent financing of budget deficit through National Savings Scheme | * Domestic debt collection through sale of saving certificates. | * Department of National Savings |
| * Facilitate and attract investment in savings certificates. |

**3.0 Poverty and Gender Reporting**

**3.1 Impact of Strategic Objectives on Poverty Reduction and Women's Advancement**

**3.1.1 Mobilization of adequate revenue to support government expenditures**

**Impact on Poverty Reduction:** No direct impact.

**Impact on Women’s Advancement:** No direct impact.

**3.1.2 Efficient, equitable and effective tax administration**

**Impact on poverty alleviation:** No direct impact.

**Impact on Women’s Advancement:** No direct impact.

**3.1.3 Widening the base and share of direct taxes**

**Impact on Poverty Reduction:** No direct impact.

**Impact on Women’s Advancement:** No direct impact.

**3.1.4 Modernizing and simplifying tax laws and procedures and ensuring taxpayers-friendly environment**

**Impact on Poverty Reduction:** The low-income group of the society has been exempted from payment of taxes by fixing the general tax-exemption ceiling at Tk. 3,00,000.

**Impact on Women’s Advancement:** The tax-exemption ceiling for women has been increased to Tk. 3,50,000 from Tk. 3,00,000. It has a direct impact on women advancement.

**3.1.5 Mobilizing domestic savings**

**Impact on Poverty Reduction:** The low and middle income group people of the country are becoming self-reliant and financially solvent by investing their small savings in different profitable saving schemes of the government.

**Impact on Women’s Advancement:** “Paribar Sanchaypatra*”* bearing higher interest rates has been introduced to help women for investment of their small savings and attain financial solvency.

**3.2 Poverty Reduction and Women’s Advancement Related Spending**

(Taka in Thousands)

| Description | Budget  2024-25 | Projection | |
| --- | --- | --- | --- |
| 2025-26 | 2026-27 |
| Poverty Reduction |  |  |  |
| Gender |  |  |  |

**4.1 Priority Spending Areas/Schemes**

| Priority Spending Areas/Schemes | Related Strategic Objectives |
| --- | --- |
| 1. **Rationalization and development of organization, manpower and logistics infrastructures**: Schemes for expansion and rationalization of organization, manpower and logistics have been undertaken in line with the growth of the national economy. The ‘National Rajaswa Bhavan’ project has been undertaken with a view to establish a modern technology-based revenue office. It is very important that all offices of income tax, Value added tax, customs and savings department of Dhaka including others division and district level offices should be transferred into one complex and modernization is much needed. So, this is considered as the highest priority area. | * Efficient, equitable and effective tax administration * Mobilizing domestic savings |
| 1. **Developing ICT Infrastructure and Automation**: With a view to providing better services to the taxpayers and increasing revenue collections, revenue departments are being digitalized through an integrated approach by automating Income Tax, VAT and Custom departments and establishing connectivity among the three departments. The programs have been taken to automate the Department of National Savings and Taxes Appellate Tribunals. Within the e-payment platform using the Q-cash network system, initiatives have been launched to introduce paying taxes through online from the taxpayer’s bank account for more dynamism in the payment procedure of income tax, Customs duty and VAT. | * Efficient, equitable and effective tax administration * Modernizing and simplifying tax laws, procedures and ensuring taxpayer-friendly environment. * Mobilization of Internal savings |
| 1. **Expanding the tax net, curbing tax evasion and simplifying tax laws and the tax payment procedures:** The new rules to pay house rent through bank account has been introduced to expand tax net and curb tax evasion. Specific amount of advance tax on the land transferred in important commercial and residential areas and specific taxes on the basis of floor areas of the property transferred has been imposed. Capacity of the Central Intelligence Cell has been increased. Incentive-based tax management is being introduced. New laws are being formulated and the old laws are revised. Post clearance audit and risk management program has been undertaken to curb tax evasion. Besides, stakeholders have been involved to avoid tax evasion through trade facilitation. | * Modernizing and simplifying tax laws and procedures and ensuring taxpayers-friendly environment. * Efficient, equitable and effective tax administration * widening the tax base and share of direct taxes |
| 1. **Tax education, publishing and taxpayers’ service:** Various activities such as observing the ‘income tax day’, organizing ‘income tax fair’, observing ‘VAT day’, the ‘international customs day’, identifying and rewarding the best taxpayers, introducing tax cards, publishing leaflets and booklets, motivating and providing training to taxpayers, arranging talk shows and making publicity on tax education in print and electronic media are being performed to develop the culture of tax compliance. ‘Help Desks’ and ‘One Stop Service’ facilities have been established to provide better services to the taxpayers. | * Modernizing and simplifying tax laws and procedures and ensuring taxpayers-friendly environment. |
| 1. **Financing budget deficit through National Savings Scheme:**   The program has been taken to motivate the low income group people for generating more savings. In spite of this Bangladesh Bank, schedule Bank, post office and savings offices have also taken the better interactive program among the different stake holders. | * Mobilization of Internal savings |

**4.2 Medium Term Expenditure Estimates and Projection (2024-25 to 2026-27)**

**4.2.1 Expenditure by Department/Agencies/Institutional Units**

(Taka in Thousands)

| Description | Budget | Revised | Budget  2024-25 | Projection | |
| --- | --- | --- | --- | --- | --- |
| 2023-24 | | 2025-26 | 2026-27 |
|  |  |  |  |  |  |

**4.2.2 Expenditure by Economic Group Wise**

(Taka in Thousands)

| Economic  Group | Description | Budget | Revised | Budget  2024-25 | Projection | |
| --- | --- | --- | --- | --- | --- | --- |
| 2023-24 | | 2025-26 | 2026-27 |
|  |  |  |  |  |  |  |

**5.0 Key Performance Indicator (KPIs)**

| Indicator | Related Strategic Objectives | Unit | Revised  Target | Actual | Target | Revised Target | Medium Term Targets | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 2022-23 | | 2023-24 | | 2024-25 | 2025-26 | 2026-27 |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 1. Tax-GDP ratio | 1,2 | % | 9.40 |  | 10.20 |  | 11.50 | 11.95 |  |
| 1. Ratio of direct and indirect taxes | 1,3 | Ratio | 45:55 |  | 50:50 |  | 55:45 | 60:40 |  |
| 1. Share of major taxes in total revenue | 1,2,3 | % | 85.00 |  | 90.00 |  | 90.00 | 90.00 |  |
| a. Share of income tax in total revenue |  | % | 28.1 |  | 32.4 |  | 34.2 | 35.1 |  |
| b. Share of local VAT in total revenue |  | % | 31.5 |  | 33.3 |  | 34.2 | 34.2 |  |
| c. Share of Custom duty and excise in total revenue |  | % | 25.4 |  | 24.3 |  | 21.6 | 20.7 |  |
| 1. Share of Stamp Revenue in total Non-NBR Tax Revenue | 1 | % | 0.75 |  | 0.80 |  | 0.85 | 0.85 |  |
| 1. Increasing the coverage of competent tax payers | 1.3 | % | 0 |  | 2 |  | 3 | 4 |  |

\*Due to new addition of KPI no.5, targets of 2017-18 and 2018-19 are not mentioned.

**6.0 Recent Achievements, Activities, Output Indicators and Targets and Expenditure Estimates of the Departments/Agencies**

**6.1 Secretariat**

**6.1.1 Recent Achievements**: In the last three financial years, a total number of 26,689.8 crore judicial and non-judicial stamps have been printed and supplied. At the same time 565 laws/rules/regulations have been modified and revised to modernize and simplify tax related matters. Recently, five savings scheme have been introduced formulating and implementing savings schemes suitable for the people of different classes and professions including women and senior citizens. Besides, total 11 savings scheme have been rationalized to fix profit rates, investment ceilings and deduction of taxes at source.

**6.1.2 Activities, Output Indicators and Targets**

| Activities | Output Indicator | Related Strategic Objectives | Unit | Revised Target | Actual | Target | Revised Target | Medium Term Targets | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 2022-23 | | 2023-24 | | 2024-25 | 2025-26 | 2026-27 |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| 1. Printing and supplying of judicial and non-judicial stamps | Stamps printed and supplied | 1 | Number  (lac) | 10000 |  | 10000 |  | 10000 | 8000 |  |
| 1. Approving lottery management activities as per lottery policy | Approved lottery | 1 | Number | 6 |  | 6 |  | 6 | 6 |  |
| 1. Modification and revision of laws, rules and regulations relating to Income Tax, VAT and Custom Duties | Laws and procedures modified/revised | 4 | Number | 132 |  | 134 |  | 136 | 136 |  |

**6.1.3 Medium Term Expenditure Estimates by Institutional Unit, Schemes and Projects**

(Taka in Thousands)

| Name of the Institutional Unit/Scheme/ Project | Related Activity | Actual  2022-23 | Budget | Revised | Medium Term Expenditure Estimates | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 2023-24 | | 2024-25 | 2025-26 | 2026-27 |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|  |  |  |  |  |  |  |  |

**6.2 National Board of Revenue (NBR)**

**6.2.1 Recent Achievements**: The National Board of Revenue collected Tk 216,451.77 crore against Tk 300,500 crore in FY 2019-20 and Tk 262,787 crore against Tk 301,000 crore in revised budget FY2020-2021. NBR had settled 1658 disputes through the alternative dispute-resolution process, by which a total revenue of Tk 1479.22 crore has been generated. 85.40 lakh taxpayers completed e-TIN registration/re-registration till December, 2022. For ensuring E-auction activities, data storage of e-TIN, document management through e-filing along with uninterrupted internet services, high-capacity server board have been installed. Under EFDMS (Electronic Fiscal Device Management System) operated by the National Board of Revenue, 8507 EFD/SDC installed till December/2022. A monthly lottery draw program has been introduced to encourage the general consumer to pay VAT on the purchase of goods. The e-TDS System has been introduced to fully automate the process of tax collection at source.

**6.2.2 Activities, Output Indicators and Targets**

| Activities | Output Indicator | Related Strategic Objectives | Unit | Revised Target | Actual | Target | Revised Target | Medium Term Targets | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 2022-23 | | 2023-24 | | 2024-25 | 2025-26 | 2026-27 |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| 1. Motivating people to pay taxes by undertaking publicity and public relations activities, providing tax education and honoring the best VAT and tax payers | Income tax fair organized | 1 | Number | 140 |  | 140 |  | 165 | 170 |  |
| Print & electronic media campaigns conducted | 700 |  | 700 |  | 700 | 750 |  |
| Tax cards issued | 141 |  | 141 |  | 141 | 142 |  |
| 1. Introducing automation and e-payment tax management systems | Automated customs declarations | 1 | Number  (Thousand) | 2400 |  | 2500 |  | 2700 | 2900 |  |
| Online VAT Registration | 50 |  | 65 |  | 77 | 80 |  |
| Online VAT returns Submitted | 40 |  | 55 |  | 65 | 75 |  |
| Online TIN Registration (Cumulative) | 7400 |  | 8000 |  | 8500 | 9000 |  |
| E-filing of income tax returns | 61.30 |  | 80 |  | 100 | 500 |  |
| 1. Reviewing tax exemptions/Rebate | Exemption of tax and tax benefits gradually | 1 | Number | 1 |  | 2 |  | 2 | 1 |  |
| 1. Disposal of disputed cases | Cases disposed of | 2 | Number | 17028 |  | 17000 |  | 18000 | 22600 |  |
| 1. Introducing the ‘Alternative Dispute Resolution’ (ADR) to realize disputed taxes | Cases resolved | 2 | Number | 81 |  | 200 |  | 230 | 235 |  |
| Realized Taka | Taka  (crore) | 25.1 |  | 42 |  | 45 | 50 |  |
| 1. Undertaking intelligence activities and preventive measures to curb tax evasion | Evaded customs duty detected | 2 | Taka  (crore) | 51.13 |  | 245 |  | 300 | 200 |  |
| Evaded VAT detected | 48.8 |  | 500 |  | 550 | 500 |  |
| Evaded income tax detected | 157.31 |  | 1100 |  | 1120 | 1020 |  |
| Prosecutions started for evasion and tax frauds | Number | 148 |  | 5500 |  | 5500 | 230 |  |
| Tax evasion/fraud related complaints investigated | 148 |  | 900 |  | 950 | 227 |  |
| 1. Conducting external survey and spot-assessment | Spot assessments made for small businesses & professionals | 3 | Number | 75000 |  | 80000 |  | 85000 | 100000 |  |
| External surveys conducted | 1000000 |  | 1300000 |  | 1350000 | 1400000 |  |
| 1. Widening the scope of tax deductions at sources | Goods/services brought under TDS | 3 | Number | 5 |  | 6 |  | 1 | 2 |  |
| 1. Establishing ‘Help Desks’ for taxpayers | Help Desks Institutionalized | 4 | Number | 40 |  | 110 |  | 120 | 130 |  |

**6.2.3 Medium Term Expenditure Estimates by Institutional Unit, Schemes and Projects**

(Taka in Thousands)

| Name of the Institutional Unit/Scheme/ Project | Related Activity | Actual  2022-23 | Budget | Revised | Medium Term Expenditure Estimates | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 2023-24 | | 2024-25 | 2025-26 | 2026-27 |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|  |  |  |  |  |  |  |  |

**6.3 Customs, Excise and VAT Appellate Tribunal**

**6.3.1 Recent Achievements:** From 2018-19 to 2020-21 financial year, 3656 cases have been disposed of against a total of 2287 registered cases. The case disposal rate was 159.86 percent.

**6.3.2 Activities, outcome indicators and indicator targets**

| Activities | Output Indicator | Related Strategic Objectives | Unit | Revised Target | Actual | Target | Revised Target | Medium Term Targets | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 2021-22 | | 2022-23 | | 2023-24 | 2024-25 | 2025-26 |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| 1. Settlement of disputed cases | Case settlement rate | 2 | % | 0 |  | 150 |  | 130 | 115 |  |

**6.3.3 Medium Term Expenditure Estimates by Institutional Unit, Schemes and Projects**

(Taka in Thousands)

| Name of the Institutional Unit/Scheme/ Project | Related Activity | Actual  2022-23 | Budget | Revised | Medium Term Expenditure Estimates | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 2023-24 | | 2024-25 | 2025-26 | 2026-27 |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|  |  |  |  |  |  |  |  |

**6.4 Tax Appellate Tribunal**

**6.4.1 Recent Achievements:** From 2018-19 to 2020-21 financial year, 22652 cases have been disposed of against a total of 22320 registered cases. The case settlement rate was 101.94 percent.

**6.4.2 Activities, outcome indicators and indicator targets**

| Activities | Output Indicator | Related Strategic Objectives | Unit | Revised Target | Actual | Target | Revised Target | Medium Term Targets | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 2021-22 | | 2022-23 | | 2023-24 | 2024-25 | 2025-26 |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| 1. Settlement of disputed cases | Case settlement rate | 2 | % | 0 |  | 105 |  | 105 | 105 |  |

**6.4.3 Medium Term Expenditure Estimates by Institutional Unit, Schemes and Projects**

(Taka in Thousands)

| Name of the Institutional Unit/Scheme/ Project | Related Activity | Actual  2022-23 | Budget | Revised | Medium Term Expenditure Estimates | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 2023-24 | | 2024-25 | 2025-26 | 2026-27 |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|  |  |  |  |  |  |  |  |

**6.5 Department of National Savings**

**6.5.1 Recent Achievements**: In the last three fiscal years, National Saving Department had collected tk. 49,139 crores, tk.67,127 crores and tk.112,188.24 crores respectively through National Saving Schemes. A web-based software called National Savings Scheme Online Management System has been introduced to manage the transactions of National Savings Schemes in an automated manner. This system provides the customer with the facility of purchasing and monetizing savings bonds in the shortest possible time. Customer need not come to issuing office to collect monthly/quarterly/termly profit and principal except encashment of savings certificate before maturity. Profit and original amount are deposited to customer's bank through Bangladesh Electronic Funds Transfer Network (BEFTN). Deposited amount information is notified to the customer's mobile phone through SMS. The software is made script-less for the convenience of customers.

**6.5.2 Activities, Output Indicators and Targets**

| Activities | Output Indicator | Related Strategic Objectives | Unit | Revised Target | Actual | Target | Revised Target | Medium Term Targets | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 2022-23 | | 2023-24 | | 2024-25 | 2025-26 | 2026-27 |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| 1. Collection of domestic debt through the sale of savings bonds | Amount of money withdrawn from savings schemes | 5 | Taka  (Crore) | 30000 |  | 15000 |  | 20000 | 25000 |  |
| 1. Simplifying investment activities and attracting investments in national savings schemes | Training on rules and policies of savings schemes | 5 | Number | 2 |  | 2 |  | 2 | 2 |  |
| Printing and distribution of leaflets and booklets | 24750 |  | 35000 |  | 40000 | 35000 |  |
| Numbers of savings week observed in division and district level | Number | 1 |  | 1 |  | 1 | 1 |  |

**6.5.3 Medium Term Expenditure Estimates by Institutional Unit, Schemes and Projects**

(Taka in Thousands)

| Name of the Institutional Unit/Scheme/ Project | Related Activity | Actual  2022-23 | Budget | Revised | Medium Term Expenditure Estimates | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 2023-24 | | 2024-25 | 2025-26 | 2026-27 |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|  |  |  |  |  |  |  |  |