

## Income Tax at a Glance

Among direct taxes, income tax is the main sources of revenue. It is a progressive tax system. Income tax is imposed on the basis of ability to pay. "The more a taxpayer earns the more he should pay"- is the basic principle of charging income tax. It aims at ensuring equity and social justice.

### Income Tax Authorities:

- National Board of Revenue,
- Chief Commissioner of taxes,
- Director General of Inspection (Tax),
- Commissioner of Taxes (Appeals),
- Commissioner of Taxes (LTU)
- Director General (Training),
- Director General Central Intelligence Cell (CIC),
- Commissioner of Taxes,
- Additional Commissioner of Taxes (Appeal/Inspecting),
- Joint Commissioner of Taxes (Appeal/Inspecting ),
- Deputy Commissioner of Taxes,
- Tax recovery officer,
- Assistant Commissioner of Taxes,
- Extra Assistant Commissioner of Taxes,
- Inspectors of Taxes.

### Sources of Income:

For the purpose of computation of total income and charging tax thereon, sources of income can be classified into 7 categories, which are as follows :

- Salaries
- Interest on securities
- Income from house property
- Income from agriculture
- Income from business or profession
- Capital gains
- Income from other sources.

### Tax Rate (Assessment Year- 2014-15):

#### Other than Company :

For individuals other than female taxpayers, senior taxpayers of 65 years and above, retarded taxpayers and gazetted war-wounded freedom fighter, income tax payable for the

First	2,20,000/-	Nil
Next	3,00,000/-	10%
Next	4,00,000/-	15%
Next	5,00,000/-	20%
Next	30,00,000/-	25%
Rest Amount		30%

For female taxpayers, senior taxpayers of age 65 years and above, income tax payable for the

First	2,75,000/-	Nil
Next	3,00,000/-	10%
Next	4,00,000/-	15%
Next	5,00,000/-	20%
Next	30,00,000/-	25%
Rest Amount		30%

For retarded taxpayers, tax free income threshold limit is TK.3,50,000

For gazetted war wounded freedom fighters, the threshold limit is Tk. 4,00,000/-

Minimum tax for any individual assessee living in City Corporation area is Tk. 3,000

Minimum tax for any individual assessee living in District headquarter is Tk. 2,000

Minimum tax for any individual assessee living in any other area is Tk. 1,000

Non-resident Individual 30%  
(other than non-resident Bangladeshi)

### **For Companies**

Publicly Traded Company	27.5%
Non-publicly Traded Company	35%
Bank, Insurance & Financial Company (Except merchant bank)	42.5%
Merchant bank	37.5%
Cigarette manufacturing company	45%
Publicly traded cigarette company	40%
Mobile Phone Operator Company	45%
Publicly traded mobile company	40%

If any publicly traded company declares more than 30% cash dividend, tax rate would be 24.75% and if declares less than 10% dividend, tax rate would be 35%.

If any non publicly traded company transfers minimum of 20% shares of its paid-up capital through IPO(Initial Public Offering) it would get 10% rebate on total tax in the year of transfer.

### **Tax Rebate for investment :**

#### **Rate of Rebate:**

Amount of allowable investment is - actual investment or 30% of total income or Tk. 150,00,000/- whichever is less. Tax rebate amounts to 15% of allowable investment.

#### **Types of investment qualified for the tax rebate are :-**

- Life insurance premium up to 10% of the face value.
- Contribution to Provident Fund to which Provident Fund Act, 1925 applies.
- Self contribution and employer's contribution to Recognized Provident Fund.

- Contribution to Supper Annuation Fund.
- Contribution up to TK 60,000 to deposit pension scheme sponsored by any scheduled bank or a financial institution.
- Investment in approved debenture or debenture stock, Stocks or Shares
- Contribution to Benevolent Fund and Group Insurance premium
- Contribution to Zakat Fund
- Donation to charitable hospital approved by National Board of Revenue
- Donation to philanthropic or educational institution approved by the Government
- Donation to socioeconomic or cultural development institution established in Bangladesh by Aga Khan Development Network
- Donation to ICDDR, B,
- Donation to philanthropic institution-CRP, Savar, Dhaka
- Donation up to five lac to (1) Shishu Swasthya Foundation Hospital Mirpur, Shishu Hospital, Jessore and Hospital for Sick Children, Sathkhira run by shishu swasthya Foundation, Dhaka. (2) Diganta Memorial cancer Hospital, Dhaka, (3) The ENT and Head-Neck cancer Foundation of Bangladesh, Dhaka and (4) Jatiya Prtibandhi Unnayan Foundation, Mirpur, Dhaka;
- Donation to Dhaka Ahsania Mission Cancer Hospital;
- Donation to Sylhet Diabetic Samity, Islamia Eye Hospital and MA Ispahani Institute of Ophthalmology, Kidney Foundation and National Heart Foundation of Bangladesh
- Donation to Asiatic society of Bangladesh
- Donation to Muktijudha Jadughar
- Donation to National level institution set up in memory of liberation war;
- Donation to National level institution set up in memory of Father of the Nation
- Any investment by an individual in Bangladesh Government Treasury Bond;
- Investment in purchase of one computer or one laptop by an individual assessee.

### **Who should submit Income Tax Return?**

- If total income of any individual other than female taxpayers, senior male taxpayers of 65 years and above, retarded taxpayers and war wounded gazetted freedom fighter during the income year exceeds Tk 2,20,000/-.
- If total income of any female taxpayer, senior male taxpayer of 65 years and above during the income year exceeds Tk 2,75,000/-.
- If total income of any retarded taxpayer during the income year exceeds TK. 3,50,000.
- If total income of any gazetted war-wounded freedom fighter taxpayer during the income year exceeds Tk. 4,00,000/-.
- If any person was assessed for tax during any of the 3 years immediately preceding the income year.
- A person who lives in any city corporation/paurashava/divisional HQ/district HQ and owns motor car/owns membership of a club registered under VAT Law.
- If any person runs a business or profession having trade license and operates a bank account.
- Any professional registered as a doctor, lawyer, income tax practitioner, Chartered Accountant, Cost & Management Accountant, Engineer, Architect and Surveyor etc.
- Member of a Chamber of Commerce and Industries or a trade Association.
- Any person who participates in a tender.
- Candidate for Paurashava, City Corporation or Parliament elections.
- Any company registered under the Company Act, 1913 or 1994.
- Any Non-government organization (NGO) registered with NGO Affairs Burea

## **Time to Submit Income Tax Return:**

### **For Company Taxpayers**

By fifteenth day of July next following the income year or, where the fifteenth day of July falls before the expiry of six months from the end of the income year, before the expiry of such six months.

### **For Other Taxpayers**

Unless the date is extended, by the Thirtieth day of September next following the income year.

### **Time to submit return of withholding tax**

- 15<sup>th</sup> day of October, January, April and July
- Or extended date up to 15 days by DCT
- Statement of TDS, Copy of Treasury challan /pay-orders should be submitted with the return

### **Consequences of Non-Submission of Return and Return of withholding tax.**

- imposition of penalty amounting to 10% of tax on last assessed income subject to a minimum of Tk. 1,000/-
- In case of a continuing default a further penalty of Tk. 50/- for every day of delay.

### **Consequences of using fake TIN**

- DCT can impose a penalty not exceeding TK.20,000/-
- For continuous use of fake TIN deliberately- 3 years imprisonment, up to TK. 50,000/- fine or both.

### **Assessment Procedures :**

- For a return submitted under normal scheme, assessment is made after giving an opportunity of hearing.
- For returns submitted under Universal Self Assessment Scheme, the acknowledgement slip is considered to be an assessment order. Universal Self Assessment may be subject to audit.

Provided that a return of income filed under universal self assessment scheme, shall not be selected for audit where such return shows at least twenty per cent higher income than the income assessed or shown in the return of the immediately preceding assessment year and such return-

- (a) is accompanied by corroborative evidence in support of income exempted from tax;
- (b) does not show receipt of gift during the year;
- (c) does not show any income chargeable to tax at a rate reduced under section 44; or
- (d) does not show or result any refund.

### **Appeal against the order of DCT :**

A taxpayer can file an appeal against DCT's order to the Commissioner (Appeals)/Additional or Joint Commissioner of Taxes (Appeals) and to the Taxes Appellate Tribunal against an Appeal order.

### **Tax withholding functions :**

In Bangladesh withholding taxes are usually termed as Tax deduction and collected at source. Under this system both private and public limited companies or any other organization specified by law are legally authorized and bound to withhold taxes at some point of making payment and deposit the same to the Government Exchequer. The taxpayer receives a certificate from the withholding authority and gets credits of tax against assessed tax on the basis of such certificate.

**Heads of Income Subject to deduction or collection of income tax  
at source with specified rates of deduction.**

No.	Heads	With holding authority	Rate	Chalan in the name
1	Salaries [S-50]S-50B:Member of parliament	Any person responsible for making such payment.	deduction at average rate	Respective Zone
2	Discount on the real value of Bangladesh Bank Bills [S-50 A]	Any person responsible for making such payment.	maximum rate	LTU
3	Interest on securities [51]	Any person responsible for issuing any security	5%	LTU
4	Supply of goods and execution of contracts and sub-contracts or local LC [s-52, rule-16]	Any person responsible for making such payment	up to 2 lac-----Nil More than 2 lac upto 5 lac -----1% More than 5 lac upto 15 lac -----2.5% More than 15 lac upto 25 lac ----3.5% More than 25 lac upto 3 crore ----4% More than 3 crore -----5% In case of: -Oil supplied by Oil marketing co upto 2 lac-----Nil if payment exceeds 2 lac ----0.60% -Oil supplied by agent or dealer of marketing company ----- 1% -Oil supplied by oil refinery company -----3% -Gas supplied by a gas transmission company-----3%	Dhaka dist-Zone-2, Dhaka CTG dist-Zone-2, Chittagong Other district- Respective Zone
5.	Fees for Doctors [section-52A(1)]	The principal officer of a company or the chief executive of any NGO or trust responsible for making such payment.	10%	Dhaka dist-Zone-8, Dhaka CTG dist-Zone-2, Chittagong Other district- Respective zone
6	Royalty, Fees for professional or technical services [S-52A(2)]	The government or any other authority, corporation or body or any company or any banking company or any insurance company or any co-operative bank or any NGO responsible for making such payment	10% of the fees	Dhaka dist-Zone-8, Dhaka CTG dist-Zone-2, Chittagong Other district- Respective zone
7	Fees for professional or technical service, (any other services applying professional knowledge) [section-52A(3)]	Do	10% (who submit TIN) 15% (who does not submit TIN)	Dhaka dist-Zone-8, Dhaka CTG dist-Zone-2, Chittagong Other district- Respective zone

8	Stevedoring agency & Private Security service or any services other than services specified in this chapter [52AA]	The government or any other authority, corporation or body or any company or any banking company or any insurance company or any co-operative bank or any NGO responsible for paying any commission to a stevedoring agency or making any payment to a private security service.	10%	Dhaka dist- Zone-14, Dhaka CTG dist- Zone-2, Chittagong Other district- Respective zone
9	C & F agency commission [52AAA]	Commissioner of customs	10%	Dhaka dist- Zone-15, Dhaka CTG dist- Zone-3, Chittagong Other district- Respective zone
10	Cigarettes manufacturing [section 52B]	Any person responsible for selling banderols to any manufacturer of cigarettes.	10% of the value of the banderols	Dhaka dist- Zone-10, Dhaka CTG dist- Zone-4, Chittagong Other district- Respective zone
11	Compensation against acquisition of property [section 52C]	Any person responsible for payment of such compensation	(a). 2% of the amount of such compensation against the immovable property situated within City Corporation, Paurashava or Cantonment Board (b). 1% of the amount of such compensation against the immovable property situated outside the jurisdiction of City Corporation, Paurashava or Cantonment Board	Dhaka dist- Zone-15, Dhaka CTG dist- Zone-2, Chittagong Other district- Respective zone
12	Interest on saving instruments [section 52D]	Any person responsible for making such payment	5% [ No WHT on interest on pensioners savings certificate and wage earners bond upto cumulative investment of Tk. 5 lac]	Dhaka dist- Zone-10, Dhaka CTG dist- Zone-4, Chittagong Other district- Respective zone
13	Brick Manufacturer [section 52F]	Any person responsible for issuing any permission or renewal of permission for manufacture of bricks.	Tk.45,000/- for one section brick field. Tk.70,000/- for one and half section brick field Tk. 90,000/- for two section brick field. Tk. 1,50,000/- for automatic brick field.	Dhaka dist- Zone-7, Dhaka CTG dist- Zone-4, Chittagong Other district- Respective zone

14	Commission of letter of credit [section 52I]	Any person responsible for opening letter of credit.	5%	LTU
15	Collection of tax from travel agent commission [Sec-52JJ]	Any person responsible for paying to a resident any commission or discount or incentive bonus or any other benefits for selling tickets of an airline or for carrying cargo by air	3%	Dhaka dist-Zone-4, Dhaka
16	Renewal of trade license by City Corporation or Paurashava [section 52K]	City Corporation or Paurashava.	Tk. 500/- for Dhaka (North and South) & Chittagong city corporation. TK. 300 for any city corporation other than Dhaka (North and South) & Chittagong city corporation and any paurashava. of any district headquarters. TK. 100 in any other paurashava.	Dhaka dist-Zone-3, Dhaka CTG dist-Zone-2, Chittagong Other district-Respective zone
17	Freight forward agency commission [section 52M]	Any person responsible for making such payment.	15%	Dhaka dist-Zone-6, Dhaka CTG dist-Chittagong Other district-Respective zone
18	Rental Power Company [section 52N]	Bangladesh Power Development Board during payment to any power generation company against power purchase.	6%	Dhaka dist-Zone-13, Dhaka CTG dist-Zone-3, Chittagong Other district-Respective zone
19	Foreign technician serving in diamond cutting [section 52O]	Employer.	5%	Zone-9, Dhaka
20	For services from convention hall, conference centre etc. [section 52P]	Any person, being a corporation, body or authority established by or under any law including any company or enterprise owned, controlled or managed by it, or a company registered under কোম্পানী আইন, ১৯৯৪ (১৯৯৪ সনের ১৮ নং আইন), any Non-government Organization registered with N.G.O Affairs Bureau or any university or medical college or dental college or engineering college	5%	Dhaka dist-Zone-4, Dhaka CTG dist-Zone-2, Chittagong Other district-Respective zone
21	Service charges, remunerations, consulting fees, commissions remitted from abroad for services works done by persons living in Bangladesh [section 52Q]	Paying or crediting authority (Banks or Financial institutions)	10%	Zone-11, Dhaka

22	Deduction of tax from international gateway service in respect of phone call. [Sec-52R]	(1)The respective bank through which any revenue is received on account of IGW service. (2) IGW service operator	(1) 1% of total revenue received by IGW operator. (2) 5% of revenue paid or credited to ICX, ANS and others.	Zone-15, Dhaka
23	Deduction of tax from manufacturer of soft drinks and mineral or bottled water . [Sec-52S]	The Security Printing Corporation (Bangladesh ) Limited or any other person responsible for delivery of banderols or stamps	3% value of such drinks mineral or bottled water as determined for the purpose of Value Added Tax (VAT)	Gazipur Zone
24	Deduction of tax from any payment in excess of premium paid on life insurance policy [Sec-52T]	Any person responsible for paying to a resident, any sum in excess of premium paid for any life insurance policy maintained with any life insurance company	5%	LTU
25	Deduction from payment on account of purchase through local L/C [Sec-52U]	Respective Bank or Financial Institute	3% [If purchase of goods through local L/C exceeds taka 5 lakh] No tax shall be deducted under this section from the payment related to local letter of credit (L/C) and any other financing agreement in respect of purchase or procurement of rice, wheat, potato, onion, garlic, peas, chickpeas, lentils, ginger, turmeric, dried chillies, pulses, maize, coarse flour, flour, salt, edible oil, sugar, black pepper, cinnamon, cardamom, clove, date, cassia leaf and all kinds of fruits.	Dhaka dist-Zone-2, Dhaka CTG dist-Zone-2, Chittagong g Other district-Respective Zone
26	Deduction from payment of fees, revenue sharing etc. by cellular mobile phone operator [Sec-52V]	The principal officer of a cellular mobile phone operator company responsible for making such payment	10%	LTU
27	Import [section 53]	The Commissioner of Customs.	(1) 5% (2) tk. 800 per ton in case of import of certain items	Dhaka dist-Zone-14, Dhaka CTG dist- Zone-1, Chittagong Other district-Respective zone
28	House property [section 53A]	The Government or any authority, corporation or body or any company or any banking company or any co-operative bank or any NGO run or supported by any foreign donation or any university or medical college or dental college or engineering college or any college or school or hospital or clinic or diagnostic center as tenant.	5% of the gross rent	Dhaka dist-Zone-7, Dhaka CTG dist-Zone-2, Chittagong Other district-Respective zone

29	Shipping business of a resident [section 53AA]	Commissioner of Customs or any other authority duly authorized.	5% of total freight received or receivable in or out of Bangladesh.  3% of total freight received or receivable from services rendered between two or more foreign countries.	Dhaka dist- Zone-10, Dhaka CTG dist- Zone-4, Chittagong Other district- Respective zone
30	Export of manpower [section 53B, rule-17C]	The Director General, Bureau of Manpower, Employment and Training.	10%	Zone-4, Dhaka
31	(a) Export of knit-wear and woven garments,  (b) terry towel, jute goods, frozen food, vegetables, leather goods, packed food [section 53BB]	Bank.  Bank	0.30% of the total export proceeds [this rate is applicable till 30 June 2015]  0.60 of the total export proceeds [this rate is applicable till 30 June 2015]	Zone-4, Dhaka
32	Member of Stock Exchanges [section 53BBB]	The Chief Executive Officer of Stock Exchange.	0.05%	Dhaka dist- Zone-7, CTG dist- Zone-3, CTG
33	Export or any goods except knit-wear and woven garments, terry towel, jute goods, frozen food, vegetables, leather goods, packed food [section 53BBBB]	Bank.	0.60% of the total export proceeds [this rate is applicable till 30 June 2015]	Zone-4, Dhaka
34	Goods or property sold by public auction [section 53C] [rule 17D]	Any person making sale.	5% of sale price.	Dhaka dist- Zone-9, Dhaka, CTG dist- Zone-4, Chittagong Other district- Respective zone
35	Courier business of a non- resident [section 53CC]	Any person being a company working as local agent of a non-resident courier company.	15% on the amount of service charge accrued.	Zone-11, Dhaka
36	Payment to actors and actresses or purchase of film drama, any kind of television or radio program [section 53D]	The person responsible for making payment.	(a) 10% on the payment in case of purchase of film, drama, any kind of television or radio program (b) 10% on the payment to actor/actress (If the total payment exceed TK.10,000)	Zone-12, Dhaka
37	Deduction of tax at source from export cash subsidy [Section 53DDD]	Any person responsible for payment	3%	Zone-4, Dhaka

38	Commission, discount or fees [section 53E(1)]	Any person being a corporation, body including a company making such payment.	10%	Dhaka dist- Zone-12, Dhaka CTG dist- Zone-4, Chittagong Other district- Respective zone
39	Deemed Commission, discount or fees [section 53E(2)]	Any person being a corporation, body including a company making such payment.	3%	Dhaka dist- Zone-12, Dhaka CTG dist- Zone-4, Chittagong Other district- Respective zone
40	Commission or remuneration paid to agent of foreign buyer [section 53EE]	Bank.	7.5%	Dhaka dist- Zone-6, Dhaka CTG dist- Zone-3, Chittagon g Other district- Respective zone
41	Interest on saving deposits and fixed deposits etc. [section 53F]	Any person responsible for making such payment.	10% if there is TIN 15% if there is no TIN ( not applicable if the balance does not exceed TK. 1,00,000 at anytime in the year in case of savings deposit) (not applicable on the amount of interest or share of profit arising out of any deposit pension scheme sponsored by the government or by a schedule bank with prior approval of the Government.)	Zone-1, Dhaka

42	Real estate or land development business [section 53FF]	Any person responsible for registering any document for transfer or any land or building or apartment.	<p>(a)(i) 5% for Dhaka, Gazipur, Narayanganj, Munshiganj, Narsingdi and Chittagong districts  (ii) 3% for any other districts.</p> <p>(b) -Tk. 1,600 per square meter for building or apartment for residential purposes and Tk. 6,500 per sq meter building for commercial purpose situated at Gulshan Model Town, Banani, Baridhara, Motijeel commercial area and Dilkusa commercial area of Dhaka;  -Tk. 1,500 per SQ meter for residential building and Tk5,000 per SQ meter building used for commercial purpose situated at Defense Officers Housing Society (DOHS), Dhanmondi Residential Area, Lalmatia Housing Society, Uttara Model Town, Bashundhara Residential Area, Dhaka Cantonment Area, Karwan Bazar Commercial Area of Dhaka and Khulshi Residential Area, Panchlaish Residential Area, Agrabad and Nasirabad of Chittagong;</p> <p>-Tk. 600 per square meter for residential building or apartment and TK.1,600 per sq. meter for commercial building situated in areas other than mentioned above.</p>	Dhaka dist- Zone-5, Dhaka CTG dist- Zone-4, Chittagong Other district- Respective zone
43	Insurance commission [section 53G]	Any person responsible for paying such commission to a resident.	5%	LTU
44	Fees of surveyors of general insurance company [section 53GG]	Any person responsible for paying such fees to resident	15%	LTU

45	Transfer of property [section 53H]	Any person responsible for registering any document of a person.	<p>Specific advance tax per katha of some land located in some specified area within Dhaka, Gazipur Chittagong and Narayanganj district as specified in schedule (a) and (b) of Rule 17II.</p> <p>Rate of advance tax on transfer of property in other locations as specified in schedule (c) of Rule-17II are as follows:</p> <table border="1" data-bbox="927 493 1287 1486"> <thead> <tr> <th data-bbox="927 493 1203 577">Name of Area</th> <th data-bbox="1203 493 1287 577">Rate of Tax</th> </tr> </thead> <tbody> <tr> <td data-bbox="927 577 1203 688">Within the jurisdiction of RAJUK and CDA except areas specified in schedule (a) and (b)</td> <td data-bbox="1203 577 1287 688">4% of deed value</td> </tr> <tr> <td data-bbox="927 688 1203 1077">Within the jurisdiction of Gazipur, Narayanganj, Munshiganj, Manikganj, Narsingdi, Dhaka and Chittagong districts [excluding RAJUK and CDA], and within any City Corporation (excluding Dhaka South City Corporation and Dhaka North City Corporation) and Cantonment Board</td> <td data-bbox="1203 688 1287 1077">3% of deed value</td> </tr> <tr> <td data-bbox="927 1077 1203 1213">Areas within the jurisdiction of a paurasabha of any district headquarter</td> <td data-bbox="1203 1077 1287 1213">3% of deed value</td> </tr> <tr> <td data-bbox="927 1213 1203 1350">Areas of any other Pauroshova</td> <td data-bbox="1203 1213 1287 1350">2% of deed value</td> </tr> <tr> <td data-bbox="927 1350 1203 1486">Any other area not specified in schedule (a), (b) and (c)</td> <td data-bbox="1203 1350 1287 1486">1% of deed value</td> </tr> </tbody> </table>	Name of Area	Rate of Tax	Within the jurisdiction of RAJUK and CDA except areas specified in schedule (a) and (b)	4% of deed value	Within the jurisdiction of Gazipur, Narayanganj, Munshiganj, Manikganj, Narsingdi, Dhaka and Chittagong districts [excluding RAJUK and CDA], and within any City Corporation (excluding Dhaka South City Corporation and Dhaka North City Corporation) and Cantonment Board	3% of deed value	Areas within the jurisdiction of a paurasabha of any district headquarter	3% of deed value	Areas of any other Pauroshova	2% of deed value	Any other area not specified in schedule (a), (b) and (c)	1% of deed value	Dhaka dist- Central Survey Zone, Dhaka CTG dist- Zone-4, Chittagong Other district- Respective zone
Name of Area	Rate of Tax															
Within the jurisdiction of RAJUK and CDA except areas specified in schedule (a) and (b)	4% of deed value															
Within the jurisdiction of Gazipur, Narayanganj, Munshiganj, Manikganj, Narsingdi, Dhaka and Chittagong districts [excluding RAJUK and CDA], and within any City Corporation (excluding Dhaka South City Corporation and Dhaka North City Corporation) and Cantonment Board	3% of deed value															
Areas within the jurisdiction of a paurasabha of any district headquarter	3% of deed value															
Areas of any other Pauroshova	2% of deed value															
Any other area not specified in schedule (a), (b) and (c)	1% of deed value															

46	Collection of Tax from lease of property [Sec- 53HH]	Any registering officer responsible for registering any document in relation to any lease granted by Rajuk, CDA, RDA, KDA & NHA	4%	Dhaka dist- Central Survey Zone, Dhaka CTG dist- Zone-4, Chittagong g Other district- Respective zone
47	Interest on deposit of post office & saving bank account [section 53I]	Any person responsible for making such payment.	10%	Dhaka dist- Zone-9, Dhaka CTG dist- Zone-4, Chittagong Other district- Respective zone
48	Rental value of vacant land or plant or machinery [section 53J]	The Government or any authority, corporation or body including its units, the activities or any NGO, any university or medical college, dental college, engineering college responsible for making such payment.	5% of the rent	Dhaka dist- Zone-15, Dhaka CTG dist- Zone-4, Chittagong Other district- Respective zone
49	Advertisement of newspaper or magazine or private television channel or private radio station or any web site on account of advertisement of purchasing airtime of private television channel or radio station or such website. [section 53K]	The Government or any other authority, corporation or body or any company or any banking company or any insurance company or any cooperative bank or any NGO or any university or medical college or dental college or engineering college responsible for making such payment.	3%.	Dhaka dist- Zone-5, Dhaka CTG dist- Zone-3, Chittagong Other district- Respective zone
50	Collection of tax from transfer of shares by the sponsor shareholders of a company listed on stock exchange [section 53M]	Securities & Exchange Commission or Stock Exchange	5%	SEC, DHK Stock ex, Zone- 3, Dhaka, CTG stock EX- Zone-3, CTG
51	Collection of tax from transfer of shares of any Stock Exchange [Sec-53N]	The principal officer of a Stock Exchange	15% (on gain)	Zone-13, Dhaka Zone-3, Chittagong
52	Deduction of tax from gains of securities traded in the Stock Exchanges by any company or firm [Sec-53O]	The principal officer of a company holding Trading Right Entitlement Certificate (TREC) of any Stock Exchanges	10%	Zone-9, Dhaka

53	Dividends [section 54]	The principal officer of a company.	Resident/ non-resident Bangladeshi company -----20%  Resident/ non-resident Bangladeshi person other than company -----10% a) If have TIN - 10% b) If No TIN - 15% Non-resident (other than Bangladeshi non-resident) person other than a company---30%.  Non-resident company (other than non-resident Bangladeshi company) - -- at the rate applicable to a company.	Dhaka dist- Zone-13, Dhaka CTG dist- Zone-4, Chittagong Other district- Respective zone
54	Income from lottery [section 55]	Any person responsible for making such payment.	20%	Dhaka dist- Zone-9, Dhaka CTG dist- Zone-3, Chittagong Other district- Respective zone
55	Income of non residents [section 56]	Any person responsible for making such payment.	Non resident company at the rate applicable to a company Non-resident non-Bangladeshi person other than a company --- 30% Non-resident Bangladeshi person at the rate applicable to a resident Bangladeshi]	Zone-11, Dhaka
56	Private Motor vehicle advance tax, SRO:164/2014	BRTA	Upto 1500 CC Car/Jeep 15,000/- Upto 2000 CC Car/Jeep 30,000/- Upto 2500 CC Car/Jeep 50,000/- Upto 3000 CC Car/Jeep 75,000/- Upto 3500 CC Car/Jeep 100,000/- More than 3500 CC Car/Jeep 125,000/- Any Microbus 20,000/- Additional 50% of the above rate has to be paid for any additional car of Jeep	Central Survey Zone
57	Motor vehicle presumptive tax, SRO:160/2014	BRTA	Rate specified in SRO No.160/2014	Central Survey Zone
58	Cargo/ Launch presumptive tax, SRO:162/2014	BRTA	Rate specified in SRO No.162/2014	Dhaka dist- Zone-5, Dhaka CTG dist- Zone-3, Chittagong Other district- Respective zone

**Submission of withholding tax return:** Person who makes any TDS (Tax Deducted at Source) on payment, must file a separate return of withholding tax.

To be submitted at

- 15<sup>th</sup> day of October, January, April, July; or
- extended date up to 15 days by DCT.

Following document should be annexed with return:

- Statement of TDS
- Copy of Treasury Challans /Pay-Orders
- Penalty for non-submission @10% on last assessed tax with minimum Tk. 1,000 and Tk. 50 per day for continuing u/s 124

### **Major areas for final settlement of tax liability :**

Tax deducted at source for the following cases is treated as final discharge of tax liabilities. No additional tax is charged or refund is allowed in the following cases:-

- Supply or contract work (Sec-52);
- Royalty, fees for technical services (Sec 52A(2));
- Commission from clearing & forwarding (C & F) agency (Sec 52AAA);
- Band rolls of handmade cigarettes (Sec-52B);
- Compensation against acquisition of properties (Sec 52C);
- The amount received as interest from the amount received as interest from pensioners' savings certificate or wage earners development bond for which tax has been deducted under section 52D;
- Rental power companies (52N)
- Salaries of foreign technician of Diamond cutting industry (Sec 52O)
- International gateway service (IGW) and Interconnection Exchange (ICX) in respect of international Phone calls (52R)
- Import of goods, not being goods imported by an industrial undertaking as raw materials for its own consumption (Sec 53);
- Shipping business of a resident (Sec 53AA);
- Export of manpower (Sec 53B)
- Export of certain items (such as knit & woven garments etc) {sec 53BB}
- Transaction by a member of a Stock Exchange (Sec 53BBB);
- Auction purchase (Sec 53C);
- Courier business of non-resident (53CC) Cash subsidy (52DDD);
- Real estate or land development business (Sec 53FF);
- Insurance agent commission (Sec 53G).
- Payment on account of survey by surveyor of a general insurance company (Sec 53GG);
- Transfer of property (Sec 53 H)
- Income from transfer of securities or mutual fund units by a sponsor share holder (Sec 53M)
- Income derived from transfer of share of Stock Exchange on which tax is deducted under section 53N;
- Income derived from transfer of share or securities traded in the stock exchange for which tax is deducted under section 53O;
- Winning of lotteries [Sec 19(13)] or Sec 55.

## **Tax Recovery System :**

In case of non-payment of income tax demand the following measures can be taken against a taxpayer for realization of tax:-

- Imposition of penalty
- Attachment of bank accounts, salary or any other payment. Filing of Certificate case to the Special Magistrate.

## **Advance Payment of Tax :**

Every taxpayer is required to pay advance tax in four equal installments falling on 15th September; 15th December; 15th March and 15th June of each year if the latest assessed income exceeds Taka four lakh. Penalty is imposed for default in payment of any installment of advance tax.

## **Tax incentives :**

**Following are fiscal incentives available to a taxpayer:-**

**D) Tax holiday** : Tax holiday is allowed for industrial undertaking and physical infrastructure facility established between 1st July 2011 to 30th June 2019 in fulfillment of certain conditions.

### **Industrial Undertaking Eligible for Tax holiday :**

- (a) active pharmaceuticals ingredient industry and radio pharmaceuticals industry;
- (b) barrier contraceptive and rubber latex;
- (c) basic chemicals or dyes and chemicals;
- (d) basic ingredients of electronic industry (e.g resistance, capacitor, transistor, integrator circuit);
- (e) bio-fertilizer; (will get tax holiday even it is set up in district of Dhaka, Narayanganj, Gazipur, Chittagong, introduced in FA 2012)
- (f) biotechnology;
- (g) boilers;
- (gg) brick made of made of automatic hybrid Hoffmann kiln technology;
- (h) compressors;
- (i) computer hardware;
- (j) energy efficient appliances;
- (k) insecticide or pesticide;
- (l) petro-chemicals;
- (m) pharmaceuticals;
- (n) processing of locally produced fruits and vegetables;
- (o) radio-active (diffusion) application industry (e.g. developing quality or decaying polymer or preservation of food or disinfecting medicinal equipment);
- (p) textile machinery;
- (q) tissue grafting; or
- (r) any other category of industrial undertaking as the Government may, by notification in the official Gazette, specify.

### **Physical Infrastructure Eligible for Tax holiday:**

- (a) deep sea port;
- (b) elevated expressway;

- (c) export processing zone;
- (d) flyover;
- (e) gas pipe line,
- (f) Hi-tech park;
- (g) Information and Communication Technology (ICT) village or software technology zone;
- (h) Information Technology (IT) park;
- (i) large water treatment plant and supply through pipe line;
- (j) Liquefied Natural Gas (LNG) terminal and transmission line;
- (k) mono-rail;
- (l) rapid transit;
- (m) renewable energy (e.g energy saving bulb, solar energy plant, windmill);
- (n) sea or river port;
- (o) toll road or bridge;
- (p) underground rail;
- (q) waste treatment plant; or
- (r) any other category of physical infrastructure facility as the Government may, by notification in the official Gazette, specify.

## **II Other Exemptions:**

- (a) Any service charge derived from operation of micro credit by a non-government organisation registered with NGO Affairs Bureau.
- (b) Any voluntary contributions received by a religious or charitable institution and applicable solely to religious and charitable purposes;
- (c) Any income accruing to, or derived by, a provident fund to which the Provident Fund Act, 1925 (XIX of 1925), applies;
- (d) Any income received by the trustees on behalf of a recognised provident fund, an approved superannuation fund or pension fund and an approved gratuity fund;
- (e) Income received as pension and gratuity;
- (f) Income from dividend amounting to Tk. 20,000;
- (g) Income from dividend of a mutual fund or a unit fund up to taka 25000;
- (h) An amount equal to 50% of the income derived from export business is exempted from tax;
- (i) Any income, not exceeding two lakh taka chargeable under the head "agricultural income" of an assessee, being an individual, whose only source of income is agriculture;
- (j) Income from Information Technology Enabled Services (ITES) or Nationwide Telecommunication Transmission Network (NTTN) business is exempted up to 30th June, 2019;
- (k) Income derived from export of handicrafts is exempted from tax up to 30th June, 2015;
- (l) Income of any private Agricultural College or private Agricultural University derived from agricultural educational activities;
- (m) Income derived from any Small and Medium Enterprise (SME) engaged in production of any goods and having an annual turnover of not more than taka thirty lakh is exempt from tax;
- (n) Income from poultry is exempt from tax up to 30th June, 2015, subject to investing at least 10% of the exempted income in the purchase of bond or securities if such income exceeds Tk. 1,50,000/-;

- (o) Any profits and gains under the head "Capital Gains" arising from the transfer of stocks or Shares of a public company as defined in কোম্পানী আইন, ১৯৯৪ (১৯৯৪ সনের ১৮ নং আইন) listed in any stock exchange in Bangladesh of an assessee being a non-resident subject to the condition that such assessee is entitled to similar exemption in the country in which he is a resident;
- (p) An amount equal to fifty percent of the income of an assessee derived from the production of corn/maize or sugar beet;
- (q) Any income earned in abroad by an individual assessee being a Bangladeshi citizen and brought any such income into Bangladesh as per existing laws applicable in respect of foreign remittance;
- (r) Income of an assessee donated in an income year by a crossed cheque to any girls' school or girls' college approved by the Ministry of Education of the government;
- (s) Income of an assessee donated in an income year by a crossed cheque to any Technical and Vocational Training Institute approved by the Ministry of Education of the government;
- (t) Income of an assessee donated in an income year by a crossed cheque to any national level institution engaged in the Research & Development (R&D) of agriculture, science, technology and industrial development;

### **(III) Exemptions Available for Power Sector**

Following income from Power Sector is fully/substantially exempted from tax:

- (i) Coal based private power generation companies will enjoy full tax exemption for fifteen years, if the company sign a contract with the Government in accordance with private sector power generation policy of Bangladesh within 30 June, 2020 and started commercial production within 30 June 2013;
- (ii) Private power generation company will enjoy full tax exemption for fifteen years beginning with the month of commencement of commercial production if the company starts its commercial production within 30 June, 2016;
- (iii) Private power generation company that starts its commercial production after 30 June, 2016 will enjoy the following tax exemption:

<b>Period of Tax exemption</b>	<b>Rate of Tax exemption</b>
Five years beginning from commencement of commercial production	100%
Next three years	50%
Next two years	25%

#### **(IV) Tax Rebate for Manufacturing Companies:**

To ensure sustainable industrialization without disturbing the civic amenities; the following tax rebate facilities for the manufacturing industries set up in places other than city corporation areas is given through S.R.O No. 185-Law/Income Tax/2014, Date: 01 July, 2014 as follows:

<b>Industries</b>	<b>Proposed Tax Rebate</b>	<b>Period of Proposed Tax Rebate</b>
Tax rebate for the manufacturing industries commencing commercial operation between 1 July, 2014 and 30 June, 2019 located outside any city corporation area	20%	Up to 10 years next from the date of commencing commercial operation
Tax rebate for the manufacturing industries shifted/relocated to areas located outside any city corporation area and commencing commercial operation between 1 July, 2014 and 30 June, 2019	20%	Up to 10 years next from the date of commencing commercial operation after shifting
Tax rebate for the manufacturing industries already started commercial production located outside any city corporation area	10%	Up to 30 June, 2019

#### **(V) Tax Holiday for industrial undertaking established in EPZ:**

According to S.R.O No. 219-law/Income Tax/2012, Date: 27 June, 2012, any industrial undertakings set up in EPZ on or after 1 January, 2012, the following Tax benefit will be provided:

- (a) Industry set up within Dhaka and Chittagong Division (except Bandarban, Rangamati and Khagrachari districts)-

<b>Duration of Tax Rebate</b>	<b>Rate of Tax rebate</b>
First two years (first and second year)	100%
Next two years (third and fourth year)	50%
Next one year (fifth year)	25%

- (b) Industry set up within all other divisions of the country and Bandarban, Rangamati and Khagrachari districts-

<b>Duration of Tax Rebate</b>	<b>Rate of Tax rebate</b>
First three years (first, second and third year)	100%
Next three years (fourth, fifth and sixth year)	50%
Next one year (seventh year)	25%

### **Avoidance of Double Taxation Agreement**

There are agreements on avoidance of double taxation between Bangladesh and 33 countries which are:-

- (1) United Kingdom (2) Singapore (3) Sweden (4) Republic of Korea (5) Canada (6) Pakistan (7) Romania (8) Sri Lanka (9) France (10) Malaysia (11) Japan (12) India (13) Germany (14) The Netherlands (15) Italy (16) Denmark (17) China (18) Belgium (19) Thailand (20) Poland (21) Philippines (22) Vietnam (23) Turkey (24) Norway (25) USA (26) Indonesia (27) Switzerland (28) Saudi Arabia (29) Mauritius (30) United Arab Emirates (31) Myanmar (32) Belarus (33) Kuwait.

**List of the Commissioner's/DG's (Income Tax Wing):**

Sl. No	Name of the office	Name of the officer	Phone No.	E-mail
(1)	(2)	(3)	(4)	(6)
1	Commissioner Taxes Zone-1, Dhaka	Zia Uddin Mahmud	8362944 8333855 (PA)	
2	Commissioner Taxes Zone-2, Dhaka	Mir Mushtaque Ali	8312416	mmali156@yahoo.com
3	Commissioner Taxes Zone-3, Dhaka	Md. Liaquat Ali Khan	8312402	alikhani_778@yahoo.com
4	Commissioner Taxes Zone-4, Dhaka	Md. Rustom Ali Mollah	9336788	rustom_1971@yahoo.com
5	Commissioner Taxes Zone-5, Dhaka	Habibur Rahman Akhand	9346364	
6	Commissioner Taxes Zone-6, Dhaka	Md. Meftah Uddin Khan	8316049	meftha85@gmail.com
7	Commissioner Taxes Zone-7, Dhaka	Rawshon Ara Akter	8350603	
8	Commissioner Taxes Zone-8, Dhaka	Mohd. Abu Taher chowdhury	9340075	abtaher2010@gmail.com
9	Commissioner Taxes Zone-9, Dhaka	Md. Alamgir Hossain	7913771	alamgir.hossain.62@gmail.com
10	Commissioner Taxes Zone-10, Dhaka	Md. Sultan Mahmud	9331821	
11	Commissioner Taxes Zone-11, Dhaka	Rokeya khatun	9568087	
12	Commissioner Taxes Zone-12, Dhaka	Md. Nurul Alam	9561698	mnalam27@hotmail.com
13	Commissioner Taxes Zone-13, Dhaka	Shaheen Akhter	8319910	shaheen_rangon@yahoo.com
14	Commissioner Taxes Zone-14, Dhaka	Setara Begum	9513749	setaratax@yahoo.com
15	Commissioner Taxes Zone-15, Dhaka	Nahar Faerdousi begum	9350522	nfb-2001@yahoo.com

16	Director General, Central Intelligence Cell (CIC)	Md. Abdur Razzak	8311011	razzaque1957@yahoo.com
17	Commissioner Large Taxpayer's Unit (LTU), Dhaka	Sanjit kumar Biswas	8312472	kumarbiswas.sanjit@gmail.com
18	Director General, Tax Inspection, Dhaka	Arifa Shahana	8359444	arfarahman@gmail.com
19	Director General, Tax Training Academy	Ranjan Kumar Bhowmik	9333520	ranjan_0573@yahoo.com
20	Commissioner Central Survey Zone, Dhaka	Syed Md. Mahbubur Rahman	7174224	s.mahbub@gmail.com
21	Commissioner Taxes Zone-1, Chittagong	Md. Dabir Uddin	031-715190	
22	Commissioner Taxes Zone-2, Chittagong	Apurba Kanti Das	031-710840	apurba1962@yahoo.com
23	Commissioner Taxes Zone-3, Chittagong	Md. Nazrul Islam	031-725897	nazruln88@yahoo.com
24	Commissioner Taxes Zone-4, Chittagong	Pradyut Kumar Sarker	031-727775	pradyutsarkar1964@yahoo.com
25	Commissioner Taxes Zone- Rajshahi	Sunil Kumar Saha	0721-812320	
26	Commissioner Taxes Zone- Khulna	Md. Golam Mostafa	041-760669	
27	Commissioner Taxes Zone- Sylhet	Madhab Chandra Das	0821-716403	
28	Commissioner Taxes Zone- Rangpur	Animesh Roy	0521-61772	
29	Commissioner Taxes Zone- Barisal	Proshanta Kumar Roy	0431-72202	proshantar@yahoo.com
30	Commissioner Taxes Zone- Narayanganj	Sanjida Kathun	7646847	

31	Commissioner Taxes Zone- Gajipur	A. K. Borhanuddin	9261884	akborhanuddin@yahoo.com
32	Commissioner Taxes Zone- Comilla	Mahbub Hossain	081-72480	mahbubsajjad@yahoo.com
33	Commissioner Taxes Zone- Mymensing	Humaira Sayeeda	091-66124	
34	Commissioner Taxes Zone- Bogra	Md. Abdul Mazid		mdmajid2011@yahoo.com
35	Commissioner, Taxes Appeal Zone-1, Dhaka	Kazi Emdadul Hoque	9337533	
36	Commissioner, Taxes Appeal Zone-2, Dhaka	Mohammad Golam Nabi	8333116	
37	Commissioner, Taxes Appeal Zone-3, Dhaka	M. A. Malek	8361136	malek_1958@yahoo.com
38	Commissioner, Taxes Appeal Zone-4, Dhaka	Dr. S. M. Jahangir Alam	8391447	
39	Commissioner, Taxes Appeal Zone-Chittagong	Md. Salim Afzal	031-714217	Salim.afzal@yahoo.com
40	Commissioner, Taxes Appeal Zone-Khulna	Chinmay Prasun Biswas	041-760349	chinmayprasunbiswas@yahoo.com
41	Commissioner, Taxes Appeal Zone-Rajshahi	Hafiz Ahmed Murshed	0721- 774800	murshedhafiz4@gmail.com

## Account codes of different zones for depositing taxes and others fees

<b>Taxes Zones</b>	<b>Income Tax - companies</b>	<b>Income Tax – other than companies</b>	<b>Others fees</b>
Tax Zone-1, Dhaka.	1-1141-0001-0101	1-1141-0001-0111	1-1141-0001-1876
Tax Zone-2, Dhaka.	1-1141-0005-0101	1-1141-0005-0111	1-1141-0005-1876
Tax Zone-3, Dhaka.	1-1141-0010-0101	1-1141-0010-0111	1-1141-0010-1876
Tax Zone-4, Dhaka.	1-1141-0015-0101	1-1141-0015-0111	1-1141-0015-1876
Tax Zone-5, Dhaka.	1-1141-0020-0101	1-1141-0020-0111	1-1141-0020-1876
Tax Zone-6, Dhaka.	1-1141-0025-0101	1-1141-0025-0111	1-1141-0025-1876
Tax Zone-7, Dhaka.	1-1141-0030-0101	1-1141-0030-0111	1-1141-0030-1876
Tax Zone-8, Dhaka.	1-1141-0035-0101	1-1141-0035-0111	1-1141-0035-1876
Tax Zone-9, Dhaka.	1-1141-0080-0101	1-1141-0080-0111	1-1141-0080-1876
Tax Zone-10, Dhaka.	1-1141-0085-0101	1-1141-0085-0111	1-1141-0085-1876
Tax Zone-11, Dhaka.	1-1141-0090-0101	1-1141-0090-0111	1-1141-0090-1876
Tax Zone-12, Dhaka.	1-1141-0095-0101	1-1141-0095-0111	1-1141-0095-1876
Tax Zone-13, Dhaka.	1-1141-0100-0101	1-1141-0100-0111	1-1141-0100-1876
Tax Zone-14, Dhaka.	1-1141-0105-0101	1-1141-0105-0111	1-1141-0105-1876
Tax Zone-15, Dhaka.	1-1141-0110-0101	1-1141-0110-0111	1-1141-0110-1876
Tax Zone-1, Chittagong	1-1141-0040-0101	1-1141-0040-0111	1-1141-0040-1876
Tax Zone-2, Chittagong	1-1141-0045-0101	1-1141-0045-0111	1-1141-0045-1876
Tax Zone-3, Chittagong	1-1141-0050-0101	1-1141-0050-0111	1-1141-0050-1876
Tax Zone-4, Chittagong	1-1141-0135-0101	1-1141-0135-0111	1-1141-0135-1876
Tax Zone- Khulna	1-1141-0055-0101	1-1141-0055-0111	1-1141-0055-1876
Tax Zone- Rajshahi	1-1141-0060-0101	1-1141-0060-0111	1-1141-0060-1876
Tax Zone- Rangpur	1-1141-0065-0101	1-1141-0065-0111	1-1141-0065-1876
Tax Zone- Sylhet	1-1141-0070-0101	1-1141-0070-0111	1-1141-0070-1876
Tax Zone- Barisal	1-1141-0075-0101	1-1141-0075-0111	1-1141-0075-1876
Tax Zone- Gajipur	1-1141-0120-0101	1-1141-0120-0111	1-1141-0120-1876
Tax Zone- Narayanganj	1-1141-0115-0101	1-1141-0115-0111	1-1141-0115-1876
Tax Zone- Bogra	1-1141-0140-0101	1-1141-0140-0111	1-1141-0140-1876
Tax Zone- Comilla	1-1141-0130-0101	1-1141-0130-0111	1-1141-0130-1876
Tax Zone- Mymensing	1-1141-0125-0101	1-1141-0125-0111	1-1141-0125-1876
LTU	1-1145-0010-0101	1-1145-0010-0111	1-1145-0010-1876
Central Survey Zone, Dhaka	1-1145-0005-0101	1-1145-0005-0111	1-1145-0005-1876