

NATIONAL INCOME TAX DAY

# Tax payer-friendly environment needed

MUHAMMAD ABDUL MAZID

HERE is a general perception that the existing income tax regulations in Bangladesh were formulated by the British, and are too intricate and cumbersome for enforcement. Though taxation as an important instrument for revenue income for the state was very much there in ancient and medieval India in different forms, the modern tax system was first introduced by the British rulers in India. When the British government took over control of India from the East India Company after the Indian Mutiny, the country was in a bad state financially.

James Wilson (1805-1860), the founder of *Economist*, was posted in Calcutta as Member (Finance) in the Viceroy's Council, which was equal in rank to the finance minister. James Wilson, after taking over his assignment in India, introduced a Bill in the Indian Legislature to restructure tariff laws. Not just that, he also introduced the budgetary system and paper currency, and spoke out for formulation of Income Tax Act in India in his first budget speech for FY 1860-61 on April 7, 1860. Two months after the historic introduction of income tax in India, Wilson died in Calcutta from dysentery. There were many who felt that the novelty of the tax and the inquisitorial methods which its implementation would require, would go a long way in making the tax system a failure.

Wilson saw the revenue law laid down by Manu, the sacred authority, and the version of the ancient Hindu law. The first general income tax was levied for a period of five years in order to meet the difficulties caused by the Mutiny. It was levied on the English model, on all incomes above Rs.200 per annum arising from property, professions, trades and offices at the rate of 2% on income between Rs.200 and 500 per annum and 3% on larger income, which also bore the additional 1% to be used for local development.

The basis for income tax calculation was cumbersome from the start, and there was scope for creation and application of discretionary power by tax officials, leading to harassment and decrease in revenue. In fact, the income tax laws and methods of collection were framed and formulated by the British political bureaucrats, who themselves were exempted from tax payment. The responsibility of collecting tax was assigned to another such class of bureaucrats who also got the impression that they would not be paying tax, rather they would share commission for collecting more. So the regulation and the method of calculation and collection as well were designed only for imposing on the natives. Unfortunately, this attitude, as a legacy, still reigns in a free, democratic society and independent nation.

Reorganising tax revenue regulations entails a very close review of existing rules and regulations one by one, if not word by word, to fit in with present day demand of social norms and business practices. If these regulations have to be effectively enforceable, prudently practiced, impartially implemented in a free and democratic

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environment unlike the past colonial regime, it has to be a public law framed by lawmakers who should also be within its jurisdiction. Appropriate ownership has to be established for each item of law equally. Rules should not be a tool for application of discretionary power by the enforcement officials, but should be applicable for all. Global good practices should be incorporated in the reorganised law, along with suggestions from the stakeholders. It has been rightly argued that the reorganisation proposals be made in stakeholders' vernacular for better comprehension and suggestions for modifications.

To be sound, a tax system must be economically efficient, inflicting as little damage as possible on the economy. Every tax system distorts economic decisions and leads to less economic activity than would otherwise occur, resulting in what economists call "deadweight loss." What is more, applying different tax rates to different activities or to different producers exacerbates the distortion of economic decisions and increases the deadweight losses due to the tax system. A sound tax system should be designed to minimise these losses.

None can deny the fact a sound tax system should be logistically economical. It should impose the smallest possible compliance costs on taxpayers, otherwise people will not be encouraged to pay tax, rather they will be inclined to evade tax. Every tax system imposes direct costs on taxpayers in terms of time devoted to tax preparation or money to buy the services of CPA's. Ultimately, every tax system diverts a portion of tax revenues raised by the tax to pay the cost of administering and collecting the tax and enforcing its provisions. A sound tax system would minimise these costs.

A nation's tax system is often a reflection of its socio-economic and cultural values, or the values of those in power. To create a system of taxation, a nation must make choices regarding the distribution of the tax burden -- who will pay taxes and how much they will pay -- and how the taxes collected will be spent. In democratic nations where the public elects those in charge of establishing the tax system, these choices reflect the type of community that the public wishes to create. In countries where the public does not have a significant amount of influence over the system of taxation, that system may be more of a reflection on the values of those in power to enact law or to enforce collection.

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# Worshipping Mammon

SHIFTING IMAGES



MILIA ALI

CROSSING the United States border into Canada can hardly qualify as an exotic adventure. It's basically "more of the same," unless one is in Francophone Quebec. In any case, my recent trip to Toronto was not intended to be a touristic venture. Rather, it was an opportunity for family bonding since I was visiting a cousin and her family. Surprisingly, it turned out to be a unique experience culminating in hours of introspection and reflection.

The highlight of the visit was a day trip to Niagara on the Lake, the city where River Niagara meets Lake Ontario. The quaint town with its picturesque gardens, art galleries and antique shops is also the home of the Shaw Festival renowned for its theatrical productions of Bernard Shaw's plays. We spent the early afternoon discovering the city -- stopping at a traditional restaurant for a ceremonial English Tea, complete with triangular egg sandwiches and scones with clotted cream and jam! However, the climax was watching a performance of Shaw's *Major Barbara* at the Royal George Theater.

The play, written in the early 20th century, is centered on the conflict between idealistic versus realistic approaches to life. The central character, Major Barbara (a major in the Salvation Army), is an idealist glorifying poverty and dedicated to the task of saving the souls of the poor through kindness and charity. Her millionaire father Mr. Andrew Undershaft views life more pragmatically and believes that unless people have money to cater to their basic needs they cannot pursue intellectual or spiritual goals. During the course of the play, Undershaft convinces Barbara that her idealism must be tempered down since money rules the world. He explains that moralising and preaching to half-starved people will never change the world because it's the wealthy and the powerful that influence governments in crucial decisions.

The high quality production adequately captured Shaw's nuanced humour and satire. However, for me, it achieved much more. It raised perplexing questions about whether or not money can buy happiness and tranquility. I was particularly troubled by Undershaft's belief that "money is the most important thing in the world. It represents health, strength, honour, generosity and beauty.... Not the

least of its virtues is that it destroys base people as certainly as it fortifies and dignifies noble people." While this viewpoint militates against my basic values, I cannot deny that it reflects the philosophy of today's consumption-oriented world where an individual is assessed primarily by his material worth. It is also true that rich celebrities hog the news and get to influence public policy. They even manage to convince elitist governments that providing benefits and opportunities for the underprivileged is of no avail since the poor are intrinsically lazy, and unworthy of receiving state support. On the other hand, the wealthy propagate the impression that their success is due to their innate skills and hard work, conveniently forgetting that their birth privileges have given them a head-start in life!

Some of you may consider this piece to be a frontal attack on the rich. Far from it. I am conscious that personalities like Warren Buffet, Bill Gates, Ted Turner and Richard Branson have attained wealth and influence through brilliance, determination and hard work. More importantly, I am aware that these people have taken philanthropy to unprecedented levels by making it a global endeavour to fight the root causes of poverty. On the fringes we also have many "not so rich" who remain unaffected by the power that money yields. Men and women who believe that you don't have to be rich to make a difference: you can invest time to provide comfort to a friend or volunteer in a hospital for the poor. These are the people who will hopefully turn the tide toward a culture of giving and sharing rather than acquiring and hoarding.

All this notwithstanding, we have to admit that the modern world's obsession with wealth and status has nurtured a culture where material success is more important than people and relationships. While I do not totally accept Poet Nazrul Islam's tribute to the noble virtues of poverty, I cannot ignore the fact that addition to money can make one less humane and compassionate!

While in the middle of these reflections, my mind reverted to a line from the preface of *Major Barbara*: "Poverty is the greatest of evils and the worst of crimes." I wonder: Did Shaw mean that the poor are evil-doers and criminals? ...I am more inclined to believe that Shaw condemned the evil consequences of poverty, rather than poverty itself. If that is the case, all of us who have failed to eliminate this evil from our world are culpable in some way!

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# The necessary sacrifice

MOYUKH MAHTAB

A quick Google search on student politics takes me to a *Guardian* page. Wholly dedicated to the topic, it consists of student protests about lad culture, voicing out rights for disadvantaged students, issues about greener universities and LGBT and feminist rights. An article in *The Independent* further tells me how important student politics is in UK and its growing influence.

"In the last year for example the Wilberforce Society has worked for the Tunisian National Assembly on their new constitution. They've worked for Shelter on homelessness in Cambridge, submitted to the Government's review of same-sex marriage, and are working with YouGov looking at the influence of scientists on politics."

I feel amazed that this is possible, growing up in a country where student politics has always meant for me hockey sticks, burning buses and campus wars to occupy halls.

Student politics is for fighting for the rights of the students, simple in itself. It exists to give students a representative body to fight for better conditions, fight tuition rises and make the educational institutions accountable for what they have promised to the students. But the deplorable conditions that it has sunk to in Bangladesh, and subsequently general apathy of so many towards it, have given it a bad name. There are calls to ban it, and rightly so.

The glorious past defies student politics. At a time when revolution was needed, it was the students who stood up, and no one denies it. But if that is an excuse for everything from fighting on campus to intimidating the non-politically affiliated, then we need to rethink our priorities.

"There's fun in student politics, it gives you a certain power," says a former university student. I heard another who studied in Dhaka College bursting with pride that while in college, he had the beaten up police officers. When the said 'power' is used to threaten others in government banks to make way for them in a queue or beat up someone if they smoke in front of their student party leader, its not hard to see that something somewhere needs to change.

I don't believe student politics should be banned, but I would support it because the political parties prefer that it isn't. This group of youth can be used to dominate the streets, burn buses during hartals and be the muscle during any turmoil. Students are expendable, but they don't realise that.

Theoretically, it is good that the youth take an active interest in politics, get involved early so when it is their turn they are experienced. Sadly, that is Utopian thinking. Taking an interest is now tantamount to your ability of carrying and shooting a firearm and sometimes killing students of the opposite party.

A reform of student politics is surely needed. Obviously, there are high points which former student politicians will point out, but so far the bad outweighs the good. Academic years are lost and what should be a honing of political and leadership attitude is turned into a game to refine your inner brute. And if reforms are absent, the unwanted solution would be to ban it. Let's just hope for now that, if only to avoid an already growing apathy of the general people towards student politics and as a result towards public universities, someone realises that it is necessary to sacrifice power on the street.

The writer is on-line journalist, *The Daily Star*.

TRIBUTE

# Nitun Kundu

## A multi-dimensional personality

MOHAMMAD JAHANGIR

ARTIST Nitun Kundu, or 'dear Nitun Da' to many of us, was not merely a visual artist but also an exceptional character in the society of artists. We saw in him a combination of artist, engineer, architect and a patriotic soul. There is only one Nitun Kundu who, I am sure, shall be remembered for his invaluable, unique works.

Nitun Kundu proved his brilliance when he was a student of the Art College. He was appreciated by his teachers as his works were widely discussed on the campus. He was adjudged the best student at the fag end of his college life -- an accomplishment which showed the foundation of his learning and dedication to work.

He was the embodiment of a talent who rose from a humble background, coming from Dinajpur, almost as an unemployed youth. He became a disciple of Subhash Dutta (subsequently a famous cinema director) and learned how to paint banners for movies. In Dhaka, that was Nitun Kundu's livelihood as he struggled to continue his studies. He stood first class first in the final examinations. He wanted to become a teacher but could not fulfill his dream due to communal attitude of the erstwhile Pakistan government. At that time, a lot of professionals migrated to India on communal grounds but Nitun Kundu declined to do so. He said to his friends: "I will stay here and see what happens."

In fact, he established himself as a creative entrepreneur. Today, Nitun Kundu is well known for his accomplishments, and his institution, Otobi, is a household name in brand furniture.

Still, the path of success was not a smooth one.

Artist Nitun Kundu earned a reputation for painting, drawing and illustration. His works bore marks of his creative distinction. He was the pioneer in developing quality designs on crests and trophies, which is a thriving business nowadays. The trophies and crests of official awards of the government bear the aesthetic sense of Nitun Kundu.

He had once worked in the United States Information Service (USIS) in Bangladesh and



even in such an atmosphere he showed his talent in creative art. When Neil Armstrong and his colleagues came to Dhaka, a Nitun Kundu-made structure displaying the moon and the orbit amazed the spectators.

The artist joined the country's progressive movements. It was he who prepared the placards and banners carried by many processions during the Ayub Khan's regime. He was one of the few artists who took part in the decoration of the Shaheed Minar premises. He always extended a helping hand to cultural activities and was biased towards the left and progressive politics,

although he was never actively involved in politics.

Nitun Kundu played an important part in our glorious War of Liberation. He served in the information and publicity wing of the Bangladesh government in exile. He often painted posters, giving important messages of the Liberation War. A major work by him, 'Shabash (Bravo) Bangladesh,' at Rajshahi University campus depicts the greatness of the Liberation War. He had a knack for making fountain-like art works as reflected in the 'Saarc Fountain' near Sonargaon Hotel and 'Kadom Phool Foara' near the Foreign Affairs Ministry -- two great creations by him.

After independence, Nitun Kundu, like many others, was looking for new opportunities and finally started Otobi, his dream venture, in 1975. It was then like a cottage unit set up in a corrugated iron sheet house in Dhaka city's Topkhana Road area. Since then, Nitun Kundu never looked back. Following a huge demand for furniture, he had to set up factories in Mirpur and Shyampur. There are many showrooms of Otobi in Dhaka and elsewhere, and it has engaged innumerable dealers. Making and selling of furniture has become a big business and industry today as many others followed the path of Nitun Kundu, who was a workaholic by nature.

He once wanted to retire from the company's activities to focus on his painting, giving the responsibility to his son Animesh and daughter Amity, both of whom had just come back home after studying abroad. But he suddenly left the world forever on this day, leaving behind near and dear ones to recall him for his great works.

The writer is a media activist.

By THOMAS JOSEPH

- ACROSS**  
 1 Fleet members  
 6 Cronies  
 10 Gold measure  
 11 Asian land  
 12 Tusk material  
 13 Profound  
 14 Inclined  
 15 Bouillabaisse ingredient  
 16 Sky sighting  
 17 Hotel feature  
 18 Wide shoe marking  
 19 Diego Rivera, for one  
 22 Adopted son of Claudius  
 23 Sub shop  
 26 Increase Mather, for one  
 29 Young fellow  
 32 Fork over  
 33 Snake  
 34 Charm  
 36 Relate  
 37 Asparagus unit  
 38 Deep pink  
 39 New York's Island  
 40 Make speeches  
 41 Take a breather

**BAMBA** HEMIN  
 AGA IN ALONE  
 STIGNSOFLIFE  
 ELM WIT SID  
 DEADENS TELE  
 TRK PELE  
 GAINS RINDS  
 TINNS RUJE  
 RID TENIERS  
 AMI ADO VIVE  
 FACHS OF LIFE  
 FLEET FATED  
 ESSAY SPARS

**Yesterday's answer**  
 17 Some DVD  
 29 Surgery tool  
 30 More than extras sufficient  
 31 Formal fights  
 35 Café at  
 24 Conservative's toe  
 36 Conservative, in London  
 25 Set apart  
 27 Scoundrel  
 28 More statuesque  
 38 Bed for a guest

A XYDLBAAXR is LONGFELLOW

On letter stands for another. In this sample, A is used for the three L's, X for the two O's etc. Single letters, apostrophes, the length and formation of the words are all hints. Each day the code letters are different.

**Yesterday's Cryptoquip:**  
 IT IS NOT SO MUCH OUR FRIENDS' HELP THAT HELPS US, AS THE CONFIDENCE OF THEIR HELP.  
 - EPICURUS

BEETLE BAILY

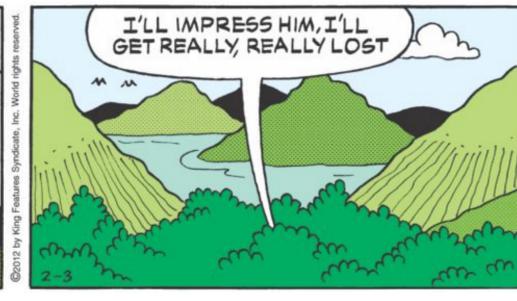


8-20 CRYPTOQUOTE

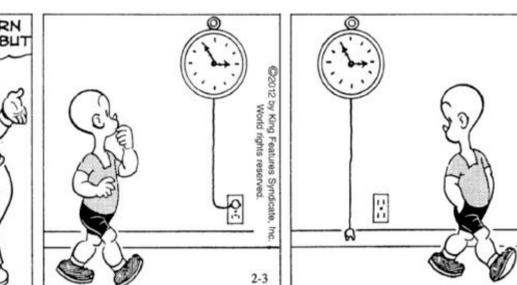
HENRY



by Mort Walker



by Don Tranchte



QUOTABLE Quotes

"What seems like the right thing to do could also be the hardest thing you have ever done in your life."  
 - Unknown