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VAT to push up cost of living

New law proposed to be partially effective

SOHEL PARVEZ

The government has backtracked from its decision to roll out the new VAT law from July due to resistance from businesses and a section of revenue officials and inadequate preparation from the National Board of Revenue.

The VAT and Supplementary Duty Act 2012, which envisages a universal 15 percent VAT rate, will now take effect from July 1, 2017.

Instead of going for the new law, Muhith sought to continue collecting the indirect tax under the existing VAT law of 1991 but proposed tight measures for various sectors.

Small businesses in Dhaka and Chittagong city corporations will have to pay package VAT of Tk 28,000, instead of Tk 14,000. The rate has also been increased for shops in other city corporations and towns.

However, the existing trade VAT of 4 percent at all levels of wholesale and retail sales will remain unchanged.

The VAT rate will be 15 percent for the traders, who are willing to pay VAT

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MIDDLE-CLASS Down under VAT glut

STAFF CORRESPONDENT

Returning early from work, Mahub Alam, an employee of a non-government organisation, flopped down on his couch and turned the TV on to watch the budget speech yesterday. He hoped that there would be something in the speech that would make it a little easier for him to get through Ramadan, for him the most expensive month of the year, and the next fiscal year.

Mahub runs a family of five and spiralling prices of essentials ahead and during Ramadan is a major concern for many from the

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October 30 Tax Day

Deadline fixed for return; no change in tax-free income limit

SOHEL PARVEZ

The government declared October 30 as Tax Day, setting a fixed deadline for individual taxpayers to submit their income tax returns for the year. Individuals will have to file returns on or before that date.

This is a measure that the finance minister proposed yesterday as a means to end the culture of deadline extension that the tax authority has had to oblige to every year amid demands from various

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Super rich have to pay more taxes

MD FAZLUR RAHMAN

The super rich would have to pay more tax as the budget proposed restructuring the surcharge on individual's net wealth and increase the maximum rate up to 30 percent.

Ten percent surcharge on net wealth between Tk 2.25 crore and Tk 5 crore and 15 percent on wealth between Tk 5 crore and Tk 10 crore have been proposed.

The proposals also include 20 percent surcharge on wealth between Tk 10 crore and Tk 15 crore, 25 percent between Tk 15 crore and Tk 20 crore, and 30 percent surcharge on

net wealth exceeding Tk 20 crore.

At present, there is 10 percent surcharge on net wealth between Tk 2.25 crore and Tk 10 crore; 15 percent between Tk 10 crore and Tk 20 crore; 20 percent between Tk 20 crore and Tk 30 crore; and 25 percent on wealth exceeding Tk 30 crore.

The budget proposed to maintain the minimum surcharge of Tk 3,000 on net wealth exceeding Tk 2.25 crore.

The number of people paying wealth surcharge rose to 10,931 in 2014-15 from 10,152 a year ago, bringing Tk 254 crore into the state coffers, a 22 percent rise year-on-year,

according to the National Board of Revenue.

The government introduced wealth surcharge in 2011-12 as an alternative to wealth tax.

In the first year, the state got only Tk 65 crore after the government imposed a 10 percent surcharge on net wealth over Tk 2 crore.

Taxmen and analysts said the number of wealthy people and the wealth shown by them on paper should be higher due to price spiral of properties and the rise in the number of flats and expensive cars.

The number of the wealthy people

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BGMEA building must come down

SC upholds HC order



STAFF CORRESPONDENT

The Supreme Court yesterday upheld a 2011 High Court verdict that ordered demolition of the 15-storey BGMEA building illegally built in the heart of Begunbari canal in the capital.

The HC in April 2011 ordered the authorities to demolish the building in the Begunbari-Hatirjheel canal within three months, saying it was built on a land acquired through forgery and earth-filled the water body illegally.

Later, the SC stayed the HC order following a petition filed by the BGMEA.

BGMEA President Siddiqur Rahman told The Daily Star that they would file a review petition with the SC.

However, Manzill Murshid, an SC lawyer who was present in the court during yesterday's hearing, told this correspondent that now, there is no need for full text of the SC order for knocking down the building, as the authorities concerned had earlier received the full verdict of the HC which is now in effect.

A four-member bench of the Appellate Division headed by Chief Justice Surendra Kumar Sinha passed the order after dismissing a leave to appeal petition filed by Bangladesh Garment Manufacturers and Exporters Association (BGMEA), the apex body of apparel industry.

The BGMEA building has been in the way of the storm drainage system -- one of the Hatirjheel integrated scheme's prime objectives -- to drain stormwater out of Paribagh, Karwan Bazar and Eskaton, according to the relevant technical experts.

The Begunbari canal stretching from Kazi Nazrul Islam Avenue to Rampura and beyond is a vital drainage system to help mitigate urban flooding in the capital, said Professor Mujibur Rahman, who led the technical expert team of the

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Sixteen groups linked with Jamaat carry out terrorism

PM tells Australian envoy

UNB, Dhaka

Prime Minister Sheikh Hasina yesterday said anti-liberation forces in 16 different groups were engaged in terrorist activities in the country, but all of them have root in Jamaat.

She said this when outgoing Australian High Commissioner to Bangladesh Greg Wilcock made a farewell call on her at her parliament office.

PM's Press Secretary Ihsanul Karim briefed reporters after the meeting.

Referring to some recent killings, the PM said the terrorists have now chosen soft targets like imams of mosques, Fathers of churches and priests of pagodas.

The Australian envoy

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Budget anti-people

Say opposition leaders

STAFF CORRESPONDENT

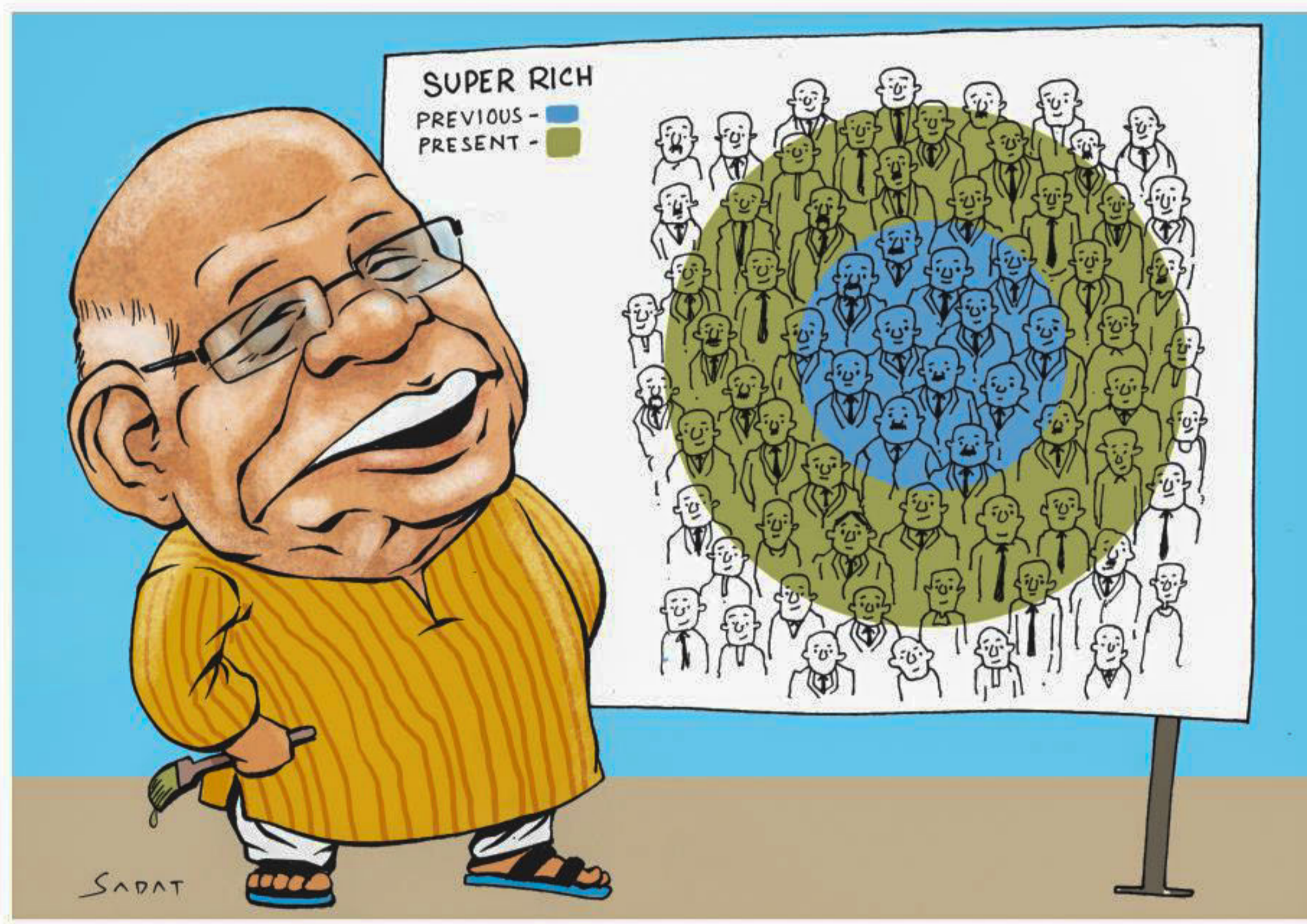
Opposition leaders yesterday termed the proposed budget for the next fiscal year anti-people and not feasible.

The ruling Awami League didn't make any official statement but some of its leaders said the proposed budget itself was the reaction of the party. The party, however, brought out a procession in the city hailing the budget.

Other components in the AL-led alliance came up with mixed reaction.

Talking to The Daily Star, AL Presidium Member Nooh Ul Alam Lenin said the budget is pro-people and poor-friendly and it

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Complete sealing of Bangladesh border by June next year

Says Indian home minister

OUR CORRESPONDENT, New Delhi

The BJP-led NDA government yesterday ordered complete sealing of north-eastern Indian state of Assam's border with Bangladesh by June next year.

Indian Home Minister Rajnath Singh issued the order at a high-level meeting attended by top home ministry officials in New Delhi.

The order came within a week of ruling Bharatiya Janata Party assuming power in Assam where it had fought recent state assembly polls.

During yesterday's meeting, the home minister directed that the India-Bangladesh border in Assam should be sealed off completely, a home ministry official said.

Additional director general of Border Security Force and additional director general (Border) of the central public works department were already on site visit on Assam's border with Bangladesh to prepare a comprehensive plan for sealing the border by June 2017 by means of physical and non-physical barriers.

The Indian home minister also directed that full use of technological solutions be made to secure sensitive areas

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