

# Tax Reforms in Pakistan

## Thesis Statement:-

Pakistan has been reforming taxation system since inception. Because the tax reforms provide advantages to economy including revenue generation, economic progress and reducing fiscal deficits. These reforms also reduces social inequalities and reduces burden on low-income families and genders gaps. Efficient policies are required for development in future too.

### 1) Introduction

#### 2) Pakistan initiates Taxation Reforms

- i. Broadening the Tax Base
- ii. Digitization and Automation
- iii. Provincial Tax Reforms
- iv. Fiscal Reforms under IMF Programs

2.1) Pakistan has been reforming the taxation system since inception.

- i. Introduction of Income Tax Ordinance (1958)
- ii. Wealth Tax Ordinance (1963)
- iii. General Sales Tax (GST) Introduction (1990)

iv. Tax Reforms Commission (1991)

v. E-filing Systems

2.2) Taxation system will be reformed in future also

i. AI-powered tools Implementation

ii. Blockchain Technology

3) Tax Reforms provides development to economy of Pakistan

i. Increases Revenue Generation

ii. Reduction in Fiscal Deficits

iii. Improves Climate of Investment

3.1) Tax Reforms are reducing social inequalities in Pakistan

i. Reduces burden on low-income families

ii. Increases investment in women-centric Programs

iii. Equal Access to Healthcare and Education

3.2) The other side :- Higher tax rates lead to public backlash in Pakistan

4) Taxation system of Denmark; a best example to follow for improvement

- i. High tax-to-GDP ratio
- ii. Strong trust between government and citizens

4.1) Pakistan's taxation system can also be improved by following Denmark's example.

4.2) Ways Forward to improve tax system in Pakistan.

- i. Simplifying Tax Procedures
- ii. Strengthening Federal Board of Revenue (FBR)
- iii. Leveraging AI Technology
- iv. Building Public Trust

5) Conclusion