

Promotion of Tax culture in Pakistan: Perspective, prospects and challenges

i. Introduction

Thesis Statement: The tax culture of Pakistan finds its roots in the Mughal Era and is more significantly influenced by the British Colonial Acts; however, over centralization of taxation system, institutional fragility and absence of Political will have reduced the efficiency of the tax administration; nonetheless, sound reforms, strict accountability mechanisms and digitalization of the state institutions can increase the tax collection in the country.

ii. Historical Perspective of Tax culture

a. Tax collection in Mughal Era

Tax on Agriculture and Trade

b. Tax administration of British Raj

Drain Theory of Dadabhai Naoroji

iii. Current Outlook of Pakistan Tax System

a. Civilian governments and tax culture of the country

b. Military establishments and tax collection in

iv. Determinants of Weak Tax Culture

a. Institutionally fragile tax administration.

b. Over centralization of tax system

c. Political unwillingness to impose tax

d. Resistance by powerful groups to tax collections

v. Pathways for Sustainable Tax Administration

a. Developing strong Audit System

b. Digitalisation of Notice Management^{system} and Tax Collection

c. Increasing Incentives for Tax Collectors

d. Decentralization of Tax Administration

vi. Conclusion

"In this world, nothing can be said to be certain except death and taxes."

Benjamin Franklin.

Taxes are crucial for sustainable economic growth; for instance, revenue generated by taxes reduces dependence on foreign debts and aids significantly. Furthermore, taxes also promote human development as taxpayers demand efficient government services. For these reasons, developed nations have moderate to high tax-to-GDP ratio; and developing nations, also, taking measures to reduce the tax-to-GDP gap. Despite the give significance of tax collection, Pakistan tax-to-GDP ratio remains low; for example, according to FBR latest data Pakistan tax-to-GDP ratio is reported as

10.6.1. Moreover, nation's perspective of taxes is undesirable. The tax culture of Pakistan finds its roots in the Mughal Era and is more significantly influenced by the British Colonial Acts; however, over centralization of taxation ^{administration} system, institutional fragility and absence of political will have reduced the efficiency of the taxation department; nonetheless, sound reforms, strict accountability mechanisms and digitalisation of the state institutions can increase the tax collection in the country.

Outline is for PMS.

- i. Do very strict checking.
- ii. If you find any mistake then kindly tell ways to overcome the mistake.
- iii. Suggest any topic related to water issue. Essay Title.
- iv. Tell about expression too.