# Brief overview

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<table>
<thead>
<tr>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>GDP</strong></td>
<td>454 Billion dollar</td>
</tr>
<tr>
<td>Informal Economy to GDP</td>
<td>30-40%</td>
</tr>
<tr>
<td>Per Capita GNI</td>
<td>2,765 dollar</td>
</tr>
<tr>
<td>Population</td>
<td>171 million</td>
</tr>
<tr>
<td>Tax to GDP Ratio</td>
<td>9</td>
</tr>
<tr>
<td>No. of Registered Taxpayers</td>
<td>10 million</td>
</tr>
<tr>
<td>No. of Tax filer</td>
<td>4 million</td>
</tr>
<tr>
<td>No. of VAT Registered Taxpayers</td>
<td>.48 million</td>
</tr>
<tr>
<td>No. of VAT filer</td>
<td>.45 million</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th><strong>Serial No</strong></th>
<th><strong>Types of Tax Mix</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Customs Duty</td>
</tr>
<tr>
<td>2.</td>
<td>Regulatory Duty</td>
</tr>
<tr>
<td>3.</td>
<td>Supplementary Duty</td>
</tr>
<tr>
<td>4.</td>
<td>VAT</td>
</tr>
<tr>
<td>5.</td>
<td>Excise Duty</td>
</tr>
<tr>
<td>6.</td>
<td>Income Tax</td>
</tr>
<tr>
<td>7.</td>
<td>Gift Tax</td>
</tr>
<tr>
<td>8.</td>
<td>Travel Tax</td>
</tr>
<tr>
<td>9.</td>
<td>Wealth Surcharge</td>
</tr>
</tbody>
</table>
The Evolving Mix

FY 1972-73

- Customs
- VAT
- Income Tax

FY 1992-93

- Customs
- VAT
- Income Tax

FY 2012-13

- Customs
- VAT
- Income Tax

FY 22-23

- Customs
- VAT
- Income Tax
No. of Registered Taxpayers (in millions)
Types of Taxpayers

- Other individuals: 67%
- Company: 3%
- Firm: 1%
- Others: 0%
- Salaried individuals: 29%
Collection from Direct Taxes (in billion taka)

- 2013-2014: 432.7 billion taka
- 2014-2015: 474.78 billion taka
- 2015-2016: 513.29 billion taka
- 2016-2017: 527.55 billion taka
- 2017-2018: 611.45 billion taka
- 2018-2019: 729 billion taka
- 2019-2020: 730 billion taka
- 2020-2021: 852.24 billion taka
- 2021-2022: 1023.37 billion taka
- 2022-2023: 1133.46 billion taka

### No. of Return filers (in millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Return Filers (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 2020</td>
<td>0.2</td>
</tr>
<tr>
<td>June 2021</td>
<td>0.24</td>
</tr>
<tr>
<td>June 2022</td>
<td>0.26</td>
</tr>
<tr>
<td>June 2023</td>
<td>0.36</td>
</tr>
<tr>
<td>June 2024</td>
<td>0.42</td>
</tr>
</tbody>
</table>

- June 2020 to June 2021: 15% increase
- June 2021 to June 2022: 6.58% increase
- June 2022 to June 2023: 39% increase
- June 2023 to June 2024: 16.7% increase
No. of VAT Registered Taxpayers (in millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>VAT Registered Taxpayers</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 2020</td>
<td>0.2</td>
</tr>
<tr>
<td>June 2021</td>
<td>0.28</td>
</tr>
<tr>
<td>June 2022</td>
<td>0.36</td>
</tr>
<tr>
<td>June 2023</td>
<td>0.43</td>
</tr>
<tr>
<td>June 2024</td>
<td>0.48</td>
</tr>
</tbody>
</table>

Percentage Increase:
- 40% from June 2020 to June 2021
- 28% from June 2021 to June 2022
- 19% from June 2022 to June 2023
- 11.6% from June 2023 to June 2024
In the FY 20-21
Collection from direct tax: 1023.37 billion taka
Direct tax expenditure estimation: 1258.14 billion taka
Key Challenges in Bangladesh

- Large informal Sector
- Absence of Tax Culture
- Narrow Tax Base
- Slow Digital Transformation
- Inefficient Tax Systems and Administration
- Wide Spectrum of Tax Expenditure
- Tax Gap
- Slow growth of direct tax
Short-term Priorities of income tax

- Enhancing Taxpayer Registration
- Improving Tax Compliance
- Strengthening Enforcement
- Introducing Digital Solutions
- Training and Capacity Building
Medium-term Priorities of income tax

- Expanding the Tax Base
- Improving Taxpayer Services
- Addressing Tax Leakage
- Modernizing Infrastructure
- Enhancing Inter-Agency Cooperation
Things that are working well

• Design and upgrade **e-Tax systems** to the tune of digital transformation
  ✓ Online return filing (eReturn & Corporate Return), Source tax management (eTDS)
  ✓ Tax information management system
• Requiring Proof of Submission of Return (PSR) has been made mandatory to avail 44 Services including taking supply of goods and services
• Enact and Implement new Income Tax Act (**Income Tax Act, 2023**)  
  ✓ Enactment completed, Implementation started
Way Forward

1. Administrative and organizational reform;
2. Invest on capacity building of Human Resources of NBR
3. Baseline studies on tax related issues i.e. tax expenditure analysis, tax-gap analysis, revenue forecasting and risk management;
4. Action Plan for all wings of NBR and the implementation of plans and strategies;
5. Strengthening Digital transformation capabilities of NBR;
6. Interconnectivity among all the NBR systems.
Thank You