

Rights groups emphasize direct taxes over VAT

DHAKA : Terming the VAT (value added tax) as regressive, rights groups on Sunday alleged that the government has been embarking on this with IMF (International Monetary Fund) prescriptions, reports UNB.

There should be more emphasis given on direct tax instead of VAT, which is indirect tax, they said while addressing a press conference at National Press Club. Twenty-five rights based organizations, including EquityBD organized the press conference.

Among others, Rezaul Karim Chowdhury of EquityBD, Monowar Mostafa of Development Synergy Institute, Asgar Ali Sabri of Action Aid Bangladesh, Aminur Rasul Babul of Upkuliya NGO Jote and Badrul Alam of Bangladesh Krishok Federation spoke at the press conference.

In his speech, Monowar Mostafa said the

state cannot ignore the principle of ability of payment of its citizen. VAT defeats this principle which is against the sense of social democracy.

Asgar Ali Sabri said that governments hardly follow a democratic and inclusive process for preparation of budget and setting tax principles.

Aminur Rasul Babul said that due to the new VAT law savings of poor families will be eroded and then the investment toward education and health will be hampered.

Badrul Alam said that majority of the farmers will be loser due to the new VAT law.

Rezaul Karim Chowdhury, the moderator of the press conference, said government must stop the loopholes first to do local resource mobilization prior to embarking on new law on tax mobilization. ✓