

TAX POLICY AND ENTERPRISE DEVELOPMENT IN PAKISTAN

Primary Survey of SMEs



Institute of Public Policy
Beaconhouse National University, Lahore

TAX POLICY AND ENTERPRISE DEVELOPMENT IN SOUTH ASIA SURVEY QUESTIONNAIRE

A. INFORMATION ON SAMPLE UNIT

1. Name of the Enumerator _____

2. Name of the Respondent _____

3. Name and Address of Establishment _____

4. Telephone _____

5. Province _____

6. Legal Status

Registered

Non- Registered

7. If No, do you think the following present obstacles with respect to registering

Difficulty of getting information on what you need to register

Minimum capital requirements for registered enterprises in my sector

Administrative burden of complying with all tax laws for registered enterprises

Strict labor market rules that registered businesses must comply with

Complex registration forms which are difficult to fill

Time to complete registration procedures

Financial cost of completing registration procedures

Financial burden of taxes on registered enterprises

Other administrative burdens imposed on registered businesses (e.g. inspections and meetings with government officials)

The place you go to register is far and therefore transport is expensive

8. Ownership pattern

Limited Company

Partnership

Other

Sole Proprietorship

Co-operative

9. Gender of the Enterprise Owner

Male

Jointly Owned

Female

10. Education of Enterprise Owner

- Less than Primary
- Primary
- Secondary
- Graduate
- Post Graduate

11. How long have you been in operation

- Up to 1 Year
- Up to 5 Years
- More than 5 Years

B. INFORMATION ON BUSINESS

10. Products Manufactured in 2012

No	Description	HS Code (8 digit)	Unit of Measurement	Quantity Manufactured
1				
2				
3				
4				
5				

12. Annual Turnover _____

13. Total Number of Staff Employed _____

- Part Time _____
- Full Time _____
- Contract _____

14. Total Sales in 2012

Local Markets Rs(000): _____ Export Markets Rs(000): _____

15. Exports to which countries _____

C. CONSTRAINT TO PRODUCTIVITY AND GROWTH

16. What were your sales in 2011 (Local + Exports) RS: _____

17. Have you met your Targeted Production

Yes

No

18. If No, then why haven't you met your targeted Production [Rank the Factors]

Law and Order Situation

Loadshedding/ Energy Crises

Inflation

Lack of Adequate Finance

Lack of Demand

Non-Availability of Human Resources

Corruption

Non-Availability of Raw Material

Government Policies,
Specify-----

Any Others, Specify_____

19. Do you have problems in availing credit or loan from the banking system

Yes

No

20. If yes, reasons

Unfavorable Interest Rates

Too many Legal Requirements

Insufficient Size of Loan

No need for Credit/Loan,

Collateral Requirements

Establishment is Self-Sufficient

Others, Specify_____

21. Which obstacles you face in access to the market

Lack of Market Information

Poor Infrastructure

Lack of Expertise

Low Connectivity

Low Quality

High Competition

22. Do you have compliance problem related to ISO

Yes

No

23. Are you availing any business development services from public institutions

Yes

No

24. If so, which Institution _____

25. Do you keep business record of accounts/business

Yes

No

26. If Yes, reasons for maintain business record

For Tax Payments

For Management

For Decision Making

Others _____

Required by Law to keep
Business record

D. TAX CONCESSIONS AND INCENTIVES

27. Do you pay taxes

Yes

No

28. Do you have National Tax Number

Yes

No

29. If Yes, which Federal taxes do you pay

Corporate Tax/Income Tax

General Sales Tax

Withholding Tax

Excise Duty

Import Duty

Workers Welfare Fund

Others _____

30. If no taxes paid, which of the following reasons explain why you pay no taxes

Turnover/Sales are below
Exemption Level

Tax Rates are too high

No benefit from taxes paid in Services
from Government

Tax Revenue is not fairly spent
by the Government

No one comes to Collect Tax

Difficulty in filling the Tax Return

Others, Specify _____

See no need for paying Taxes

31. Which of Provincial and local taxes do you pay

- | | |
|---|--|
| <input type="checkbox"/> Property Tax | <input type="checkbox"/> Land Revenue |
| <input type="checkbox"/> Tax on Profession, Trades and Callings | <input type="checkbox"/> Capital Value Tax on Immoveable Property |
| <input type="checkbox"/> Sales Tax (GST Provincial) | <input type="checkbox"/> Transfer of Sales Tax on Services (GST Provincial) to Provinces |
| <input type="checkbox"/> Provincial Excise | <input type="checkbox"/> Stamps Duty |
| <input type="checkbox"/> Motor Vehicles | <input type="checkbox"/> Sale of Opium |
| <input type="checkbox"/> Entertainment Tax | <input type="checkbox"/> Cess All Types |
| <input type="checkbox"/> Electricity Duty | <input type="checkbox"/> Sale of Tobacco Dealers License Forms |
| <input type="checkbox"/> Fees for Registration of Real Estates Agencies | <input type="checkbox"/> Cotton Fees |
| <input type="checkbox"/> Tax on Bank Cheques | <input type="checkbox"/> Trade Tax on Business Services |
| <input type="checkbox"/> Other Fees all Types | <input type="checkbox"/> Tolls on Roads and Bridges |
| <input type="checkbox"/> Fee for use of Right of Way laying Cables / Pipelines etc. along the ROW of all Provincial Roads | <input type="checkbox"/> Fees on Food & Agriculture |
| <input type="checkbox"/> Research Operation | <input type="checkbox"/> Boring Operation |
| <input type="checkbox"/> Forest | <input type="checkbox"/> Fisheries & Animal |
| <input type="checkbox"/> Fee for fairs, agricultural shows, cattle fairs, industrial exhibitions | <input type="checkbox"/> Irrigation and Drainage Works |
| <input type="checkbox"/> Lighting | <input type="checkbox"/> Fee on Advertisement, other than on Radio and Television and Billboards |
| <input type="checkbox"/> Water Supply | <input type="checkbox"/> Drainage |
| <input type="checkbox"/> Any other Tax/Fee/Charge not specified above _____ | <input type="checkbox"/> Fee on sale of Animals in Cattle Markets |

32. Are you aware any of the concession you get, like a lower tax rate

- Yes No

33. If yes, which concessions do you get

- i. _____
ii. _____
iii. _____
iv. _____

34. Do these concessions benefit your Establishment/Business

- Yes No

35. If yes, how? Specify

- i. _____
ii. _____
iii. _____
iv. _____

36. Would you pay higher taxes if government provided tax incentives and concessions

Yes

No

37. What concessions, Specify

- i. _____
- ii. _____
- iii. _____
- iv. _____

38. Have you ever faced tax penalties

Yes

No

39. If Yes, for what

- Delayed Payment
- Tax Return Forms

Non Payment

E. PERCEPTION ABOUT TAXES

40. There are too many types of taxes

Yes

No

Don't Know

41. Tax laws and procedures are too complex

Yes

No

Don't Know

42. Tax laws are frequently changed

Yes

No

Don't Know

43. Tax collecting Agencies (FBR) have competent officers and the location of tax office is convenient

- Yes No
 Don't Know

44. FBR Tax staff is fair and respectful in its dealing

- Yes No
 Don't Know

45. Too much corruption by FBR Tax Officers

- Yes No
 Don't Know

46. Provincial Tax Staff (Excise and BOR) is competent

- Yes No
 Don't Know

47. Provincial Tax Staff (Excise and BOR) is respectful and fair

- Yes No
 Don't Know

48. Too much corruption by Provincial Tax officers

- Yes No
 Don't Know

49. Do you feel you are harassed by the tax official

- Yes No
 Don't Know

50. What problems/harassments/inconveniences are caused because of multiplicity of taxes? Specify

- i. _____
- ii. _____
- iii. _____
- iv. _____
- v. _____

51. Does multiplicity of taxes create problems in forecasting profits

- Yes No

52. Rank the top 5 challenges/problems created by taxes imposed on your business

- i. _____
- ii. _____
- iii. _____
- iv. _____
- v. _____

F. IMPACT OF GENERAL SALES TAX ON EMPLOYMENT GENERATION AND PRODUCTIVITY

53. Do you support General Sales Tax

- Yes No

54. If No, why General Sales Tax should be not levied [Rank in order of importance]

- Increase Cost of Raw Material
- Complicated Procedures
- Will Lower Sales in Domestic Market
- Others _____
- _____
- More Documentation
- Lower Exports
- Will Reduce Competitiveness in Market

55. The profitability of your business will decrease following the full levy of General Sales Tax

- Yes No

56. If yes, Why _____

57. Will your production decrease by implementation of GST

Yes

No

58. If yes, why _____

59. Will GST affect employment generation

Yes

No

60. If Yes, Why? _____

61. Rank the top 5 problems created by GST for your business

- i. _____
- ii. _____
- iii. _____
- iv. _____
- v. _____

G. PROPERTY RELATED TAX PAID AND THEIR IMPACT ON BUSINESS DEVELOPMENT

62. Is your business premises

Owner Occupied

Rented

On PUGREE

Others, Specify _____

63. Do you pay tax on your property

Yes

No

64. If yes, how much tax do you pay? Rs _____

65. Do you pay tax as a:

Commercial Property Tax

Residential Property Tax

Industrial Property Tax

66. What is your property tax rate _____

67. Does property tax payment play an important role in selecting location for your business

- Yes No

68. Does the type of property you operate affect your decision to develop the business

- Yes No

69. If Yes how? _____

H. THE PROCESS OF LAND ACQUISITION

70. If you do not own the land of your business site, why? _____

71. If no, why _____

72. The procedure of land acquisition is complex

- Yes No
 Don't Know

73. Land acquisition involves high cost

- Yes No
 Don't Know

74. Land acquisition involves corruption

- Yes No
 Don't Know

75. Rank the top 5 problems/issues land markets create for your business

- i. _____
- ii. _____
- iii. _____
- iv. _____
- v. _____

I. BIASES AND THEIR IMPACT ON BUSINESS OWNED BY WOMEN (TO BE ADMINISTERED IN THE CASE OF WOMEN OWNES / MANAGES ENTERPRISE)

76. People are not cooperative towards women entrepreneurs

- Yes No
- Don't Know

77. Non-professional behavior of male entrepreneurs towards women

- Yes No
- Don't Know

78. Payment recovery is a problem (weak bargaining position) for women

- Yes No
- Don't Know

79. It is a problem to attract customers in a women enterprise

- Yes No
- Don't Know

80. Unfavorable market behavior to women

- Yes No
- Don't Know

81. Finding market is a difficult job for women

- Yes No
 Don't Know

82. Government departments were not cooperative towards women

- Yes No
 Don't Know

83. The costs of running a business are higher for women entrepreneurs

- Yes No
 Don't Know

84. Access to finance/credit for women entrepreneurs is difficult

- Yes No
 Don't Know

85. Do you feel attitudes towards women entrepreneurs is improving over time

- Yes No
 Don't Know

86. Are women business support networks increasing

- Yes No
 Don't Know

87. Technical skills of women entrepreneurs is a problem

- Yes No
 Don't Know

88. Rank the top 5 problems/challenges you face in business development being a women

- i. _____
- ii. _____
- iii. _____
- iv. _____
- v. _____