



Disputing the amount of tax payable in a tax assessment

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Introduction

The Income Tax Law 2009 provides a formal administrative dispute resolution process for any person who is dissatisfied with a tax assessment. (Article 89)

This process may involve three steps. First, a person may request an amendment to their tax assessment. Second, if a person is dissatisfied with the decision on their request for amendment, they may lodge an objection to the tax assessment. Third, a person who is dissatisfied with the decision on their objection may appeal to a court of competent jurisdiction.

The purpose of this guide is to explain the formal dispute resolution process, the process for requesting an amendment or lodging an objection to a tax assessment and the procedures and timeframes that the Afghanistan Revenue Department is required to follow.

What matters may be the subject of an amendment request or objection?

When a person has delivered a tax return or received a notice of assessment and the person believes that the tax return or assessment is incorrect, the person can request an amendment of the tax return or assessment notice.

A formal amendment request or objection can only be made in relation to a tax return or notice of assessment when:

- A person filed an income tax return or a business receipts tax form and discovers that there is an error in that tax form
- A person filed an income tax return or a business receipts tax form but the Afghanistan Revenue Department revised the tax payable and/or imposed

- penalties and issued an assessment notice
- No tax return or form has been filed by a person and the Afghanistan Revenue Department has issued an assessment imposing income tax, business receipts tax or penalties; or
 - A person pays a fixed tax that is a final tax which is imposed instead of annual income tax.

A formal request for amendment of assessment notice or objection cannot be made in relation to any other matter. For example, a formal amendment request or objection cannot be made regarding:

- The calculation and payment of withholding taxes such as wage withholding and rent withholding
- Fixed taxes imposed on imports or exports which are allowable as a credit for annual income tax purposes
- Any decisions made during a review of the person's tax affairs including correspondence which indicates proposed tax assessments
- Any enforcement or compliance actions taken by revenue officers or any other officers of Government
- Any interpretation of the law or decision provided in a public or private ruling
- Any correspondence issued or statements made by Afghanistan Revenue Department officials or any other person; and
- Taxes or any other fees or charges that are not imposed under the Income Tax Law.

A person who is dissatisfied with a decision or action taken by revenue officials in a situation where a formal amendment or objection cannot be made is entitled to bring the matter to the attention of the management of the Afghanistan Revenue Department for alternative resolution.

How and when may a matter of formal dispute resolution commence?

The formal dispute resolution process must commence with a request for amendment of assessment i.e. assessment notice or deemed assessment based on a return lodged under self assessment.

The request must be in writing and must be made within five years of the date on which the relevant tax return was due to be filed.

If an assessment is not received by you within 30 days before the five years period expires, a request for amendment can be made within 30 days from the date the assessment is received.

Contesting a tax assessment does not avoid or delay the requirement that you pay the amount of tax assessed.

The process of formal dispute resolution

The process of formal dispute resolution involves the following steps. Each step must be taken in turn.

Step 1

Submit your amendment request in writing. You may use the Request for Amendment form available the Afghanistan Revenue Department and/or its website.

Your request for amendment must state clearly and completely the reasons you disagree with the tax return (deemed assessment) or assessment notice by the Afghanistan Revenue Department. You should attach a copy of the deemed assessment or assessment notice requested for amendment and copies of all relevant documents to support your request.

Your request for amendment is required to be in the Dari or Pashto language. A copy of the request in English will help expedite the process. Supporting documents need not be translated into Dari or Pashto if they are in English. Supporting documents in a language other than Dari, Pashto or English will need to be translated into any of these languages.

Your request for amendment and supporting documents must be submitted to the manager of the operational area responsible for the collection of your tax return or the issue of your tax assessment.

Step 2

The Afghanistan Revenue Department will review the tax return or notice of assessment taking into account your reasons for requesting the amendment and the supporting information you provide. If the Afghanistan Revenue Department requires clarification of any matters you may be requested to provide further information. You may also be required to plead your request for amendment either in person or through an authorized representative and present further supporting documents if necessary.

The Afghanistan Revenue Department will endeavor to issue its decision within 60 days from the date the request for amendment is delivered to the relevant tax office or to a reliable mail delivery or courier service. In the event that Afghanistan Revenue Department does not respond to the request for amendment, the Afghanistan Revenue Department will be deemed to have disallowed the request on the 60th day after the request for amendment was filed.

Step 3

If you are dissatisfied with the decision made on your request

for amendment or 60 days has elapsed since you submitted your request for amendment and you have not been provided with a decision, you may lodge a Notice of Objection.

Such notice of objection is required to be submitted within 30 days of either the receipt of the decision by the Afghanistan Revenue Department regarding your request for amendment or the expiry of 60 days since your request for amendment was submitted.

Your Notice of Objection must be in writing. You may use the Notice of Objection form available from the Afghanistan Revenue Department and/or its website. Your Notice of Objection must state clearly and completely the reasons you disagree with the decision made on your request for amendment. You should attach any copies of any additional relevant documents to support your notice of objection. Information or documents provided to support your previous request for amendment will not need to be provided again.

Your Notice of Objection is required to be in the Dari or Pashto language. A copy of the notice of objection in English will help expedite the process. Supporting documents need not be translated into Dari or Pashto if they are in English. Supporting documents in a language other than Dari, Pashto or English will need to be translated into any of these languages.

Your Notice of Objection and supporting documents should be addressed as follows:

Attention Director General
Appeals and Review Unit
Afghanistan Revenue Department,
Ministry of Finance,
Kabul, Afghanistan.

Note

There are no fees or charges payable to the Afghanistan Revenue Department at any stage of the formal dispute resolution process.

There are no fees for the forms provided by the Afghanistan Revenue Department.

There may be fees or charges payable to the court if you decide to take any matter to that forum.

Step 4

The Afghanistan Revenue Department will review the decision made regarding your amendment request, tax return or notice of assessment taking into account your reasons for objection and the supporting information you provide.

If the Afghanistan Revenue Department requires clarification of any matters you may be requested to provide further information and attend in person or through an authorized representative for such clarification. Statements, oral or written, from you and the Afghanistan Revenue Department officials may be recorded if considered necessary for determination of the case.

If additional documents would be helpful for resolving the dispute, they will be requested from you in writing.

An Objection Review Panel, which is composed of three independent senior Revenue Department officials, will decide your case. The Objection Review Panel will endeavor to issue its decision within 60 days.

Step 5

If you are dissatisfied with the decision made on your objection or if no decision has been made within 60 days after submitting your Notice of Objection, you may refer the matter to a court of competent jurisdiction. The referral must be made within 30 days of either the decision on your objection or the expiration of the 60 days.

Payment of Disputed Income Tax

Whether or not a person has lodged a request for amendment or a notice of objection, the tax that is the subject of the disputed assessment remains due and payable. If the disputed tax is not paid by the due date, additional tax on the amount outstanding will accrue. Further, the Afghanistan Revenue Department may take

such enforcement action to collect the amount of unpaid tax as is considered appropriate in accordance with the Income Tax Law 2009.

All persons who succeed in their amendment request or objection review, will be entitled to a refund of the tax paid.

Customs duties and other taxes

The process described in this guide is in accordance with the Income Tax Law 2009. Therefore, a formal dispute may only be made in relation to matters of tax imposed by that law. A formal dispute under the authority of the Income Tax Law 2009 cannot deal with other taxes or customs duties. For other matters of taxation, the person should contact the relevant government department. Those persons who wish to dispute a matter regarding customs duties should contact the Afghanistan Customs Department, Ministry of Finance, Kabul.

Enforcement provisions

Failure to comply with the requirements of the Income Tax Law 2009 may result in the Afghanistan Revenue Department using administrative powers prescribed by law to ensure compliance. These provisions are contained in Chapters 14 and 16 and include additional income tax and penalties. When non-compliance is with the intent of evading tax a person shall be referred to the office of the Attorney General for investigation and prosecution.

Note

Afghanistan Revenue Department tax offices and Mustufiats provide forms, guides, and instructions to taxpayers free of charge, available both as printed and as downloadable versions from a new website <http://www.ard.gov.af>. The website also provides locations, contact numbers and hours of operation for Afghanistan Revenue Department tax offices and Mustufiats. Taxpayers also can download other useful information including various public announcements and rulings, questions & answers regarding wage withholding tax, the Income Tax Law 2009, and an Income Tax Manual. The manual discusses separately each article of the law, along with relevant regulations, often with helpful examples.

2012 03 11 001E