

# Quarterly Analysis of Government's Revenue Receipts January-March 2023

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### **Some Stylized Facts: January-March 2023**

- *The target for total revenue collection in FY23 has been set at Tk. 433000 crore, 11.3 percent higher than the revised revenue target (Tk. 389000 crore) in FY22.*
- *During the third quarter of FY23, i.e. January-March 2023, total revenue collection stood at Tk. 90194.2 crore, which was 6.8 percent and 8.3 percent higher than that of the previous quarter and that of the same quarter of FY22 respectively.*
- *During the quarter under review, total NBR tax revenue collection stood at Tk. 80082 crore, which was 2.3 percent and 6.9 percent higher than that of the previous quarter and the same quarter of the previous fiscal year respectively.*
- *During January-March 2023, direct and indirect tax increased by 10.7 percent and 5.1 percent compared to that of the corresponding quarter of the last fiscal year and stood at Tk. 26585.1 crore and Tk. 53496.9 crore respectively.*
- *During January-March 2023, non-NBR tax revenue collection stood at Tk. 2261.1 crore, which was 30.6 percent higher than that of the previous quarter but 8.0 percent lower than that of the corresponding quarter of the last fiscal year.*
- *During January-March 2023, non-tax revenue collection stood at Tk. 7851.1 crore, which was 76.7 percent and 33.2 percent higher than that of the previous quarter and than that of the corresponding quarter of the last fiscal year.*

# Quarterly Analysis of Government's Revenue Receipts<sup>P</sup>

## January-March 2023

The quarterly scenario on revenue collection reveals its many dimensions including category and sub-category-wise comparisons, inter-quarter comparisons, progress towards the yearly target, etc. along with important policy aspects taken by the government. The category-wise target, revised target and actual revenue collection are shown in Table 1.

**Table 1: Target and Actual Revenue Collection at a Glance**

| Source of Revenue             | Target for FY23 | Actual* Collection till Mar'23 of FY23 | Revised Target for FY22 | Actual* Collection in FY22 |
|-------------------------------|-----------------|--|-------------------------|----------------------------|
| <b>I. Tax Revenue</b>         | 3,88,000        | 2,31,265.4                             | 3,46,000                | 3,08,625.6                 |
| <b>A. NBR Tax Revenue</b>     | 3,70,000        | 2,25,513.2                             | 3,30,000                | 3,01,633.8                 |
| <b>B. Non-NBR Tax Revenue</b> | 18,000          | 5,752.2                                | 16,000                  | 6,991.8                    |
| <b>II. Non-Tax Revenue</b>    | 45,000          | 19,593.7                               | 43,000                  | 23,847.7                   |
| <b>Total</b>                  | <b>4,33,000</b> | <b>2,50,859.1</b>                      | <b>3,89,000</b>         | <b>3,32,473.3</b>          |

\* Provisional

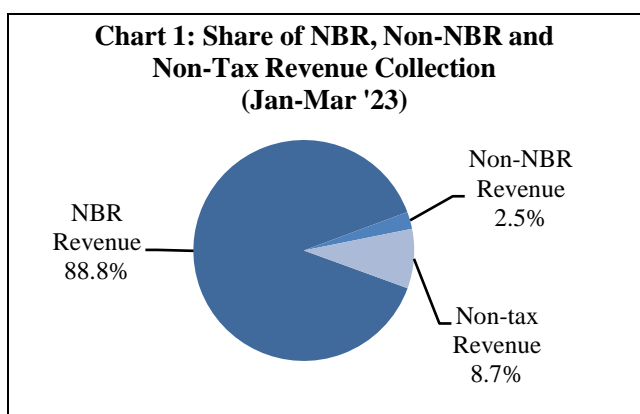
Sources: Budget Speech, FY 2022-23, Ministry of Finance, National Board of Revenue (NBR) and Office of the Controller General of Accounts (CGA)

During January-March 2023, total revenue collection stood at Tk. 90194.2 crore, which was 6.8 percent and 8.3 percent higher than that of the previous quarter and the same quarter of the previous fiscal year respectively (Annex-1). In the reported quarter, NBR tax revenue collection comprised almost 88.8 percent of total revenue collection. In comparison, Non-NBR tax revenue and Non-tax revenue collection were only 2.5 percent and 8.7 percent respectively (Chart-1). According to the latest data, revenue collection from different sources of the government is elaborately described below:

### I. Tax Revenue

#### A. NBR Tax Revenue Collection

During the third quarter of FY'23 (January-March 2023), the NBR tax revenue collection stood at Tk. 80081.9 crore (Annex 1), which was 2.3 percent and 6.9 percent higher than that of the previous quarter and the same quarter of the previous fiscal year respectively due mainly to the increase in income tax, VAT (domestic), supplementary duty and travel tax. Tax revenue collection by NBR can be categorized into direct and indirect



Source: NBR and CGA

P= Provisional; Source: NBR and CGA

segments based on the point of impact principle of taxation.

### (i) Direct Tax (Income Tax and Travel Tax)

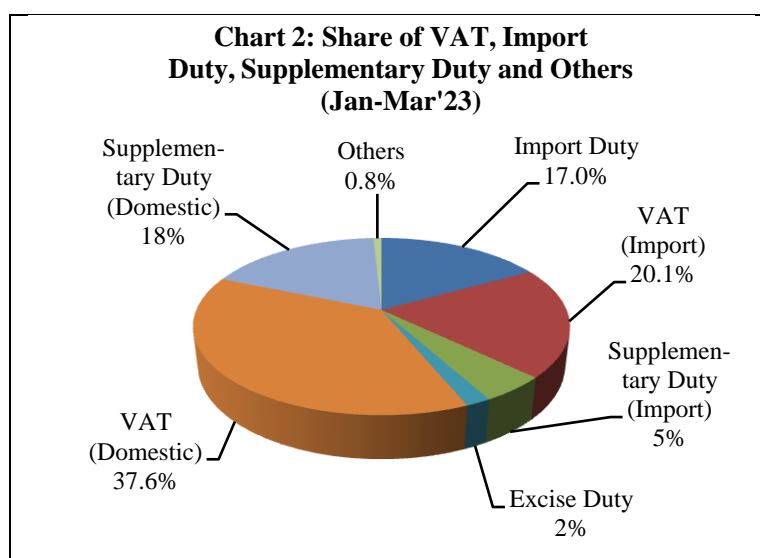
During January-March 2023, collection from the direct tax increased by 8.4 percent and 10.7 percent compared to the previous quarter and the same quarter of the previous fiscal year respectively and stood at Tk. 26585.1 crore. Direct tax contributed around 33.2 percent of total NBR revenue collection in the reported quarter.

Of the sources of direct tax, income tax and travel tax collection stood at Tk. 26199.0 crore and Tk. 386 crore which increased by 8.5 percent and 4.8 percent respectively compared to the previous quarter. This income tax and travel tax were also 10.4 percent and 33.9 percent higher than that of the corresponding quarter of the previous fiscal year respectively. The share of the income tax in total direct tax revenue collection by NBR was 98.5 percent during the quarter under review (Annex 2).

### (ii) Indirect Tax (VAT, Import Duty, Supplementary Duty and Others)

During the third quarter of FY23, indirect tax decreased by 0.5 percent compared to that of the previous quarter but increased by 5.1 percent than that of the same quarter of the previous fiscal year respectively and stood at Tk. 53496.9 crore. Indirect tax contributed 66.8 percent to total NBR revenue collection during the quarter under review (Annex 2).

As usual, VAT plays a dominant role in indirect tax revenue collection. A total of Tk. 30870.5 crore was collected during January-March 2023 from VAT (domestic and import) which was 11 percent and 4.7 percent higher than that of the previous quarter and the same quarter of the previous fiscal year respectively. Of the other sources of indirect tax Tk. 12128.1 crore was collected from supplementary duty (domestic and import) which was 22.8

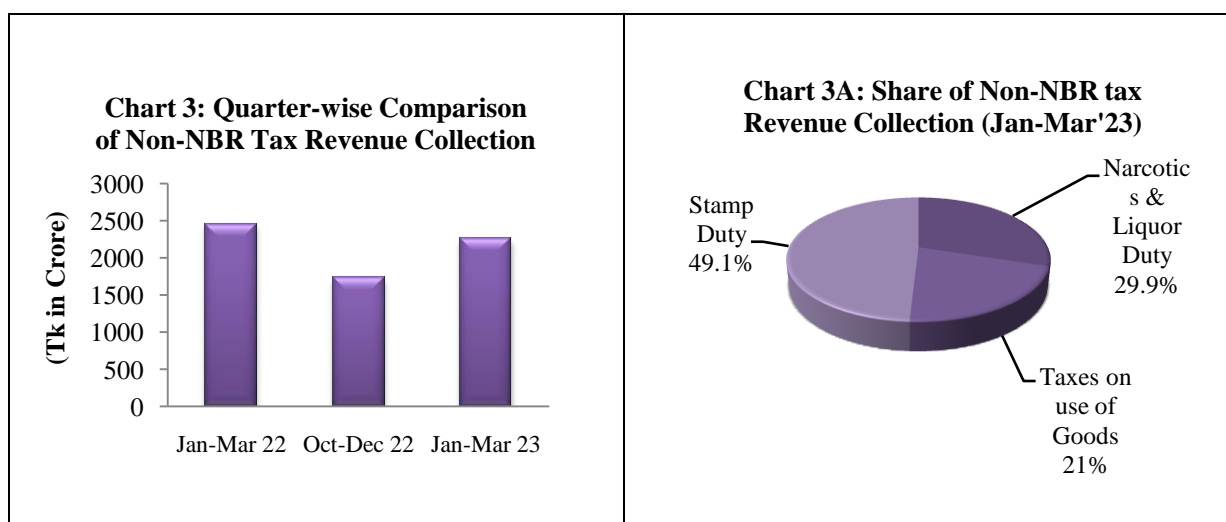


Source: NBR

percent and 10.2 percent higher than that of the previous quarter and the same quarter of the previous fiscal year respectively. A total of Tk. 9068.4 crore was collected from import duty which was 2.9 percent higher than that of the previous quarter. However, it was 2.2 percent lower than that of the same quarter of the previous fiscal year. The share of the components of indirect tax during January-March 2023 is shown in chart 2.

## B. Non-NBR Tax Revenue Collection

Among all the sources of revenue collection, the least expected earning source is the non-NBR tax revenue. In the budget of FY23, the annual target for non-NBR tax revenue collection has been set at only Tk. 18000 crore which is 4.2 percent of the total revenue collection. During January-March 2023, revenue collection from non-NBR tax was Tk. 2261.1 crore, which was 30.6 percent higher than that of the previous quarter but 8.0 percent lower than that of the same quarter of the preceding year respectively (Annex 1). Stamp duty, narcotics & liquor duty and taxes on use of goods are the components of non-NBR revenue collection, which contributed 49.1 percent (Tk. 1110.7 crore), 29.9 percent (Tk. 676.8 crore), and 21 percent (Tk. 473.7 crore) respectively to the total non-NBR tax revenue collection during the quarter under discussion (Annex 3). The quarter-wise comparison of non-NBR tax revenue collection and the share of the components in non-NBR tax revenue collection are shown in chart 3 and chart 3A respectively.



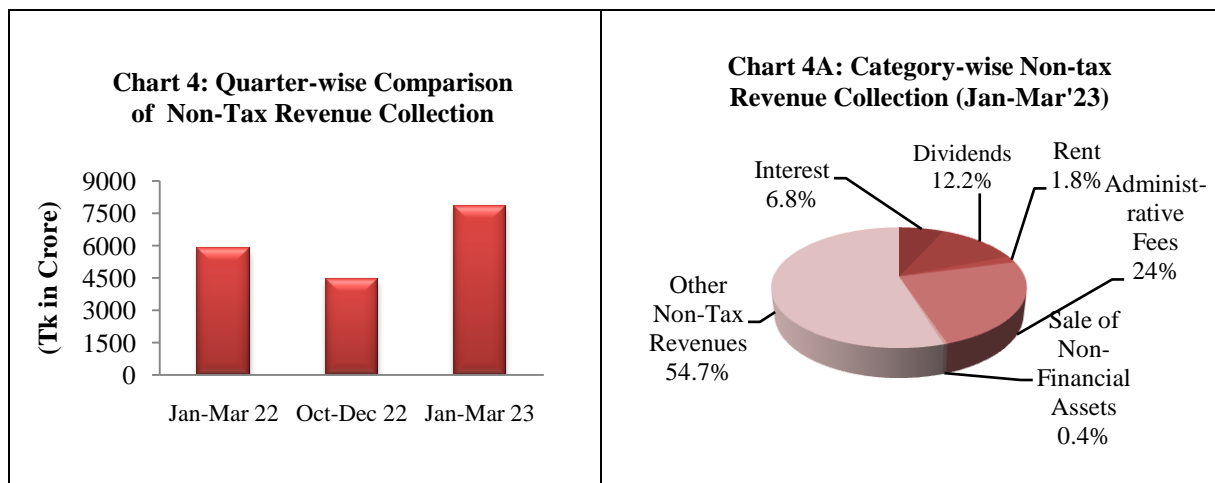
Source: CGA

Source: CGA

## II. Non-tax Revenue Collection

The second highest revenue-earning source is non-tax revenue collection. The annual target for non-tax revenue collection in FY23 has been set at Tk. 45000 crore which is 10.4 percent of the revenue collection. During January-March 2023, the non-tax revenue collection was Tk. 7851.1 crore which was 76.7 percent and 33.2 percent higher than that of the previous quarter and that of the corresponding quarter of the previous fiscal year respectively.

Administrative fee contributed 24 percent (Tk.1884.3 crore) to the total non-tax revenue collection which was the highest among all the components. Besides, dividends, interest, rent and sales of non-financial assets contributed 12.2 percent (Tk.960.6 crore), 6.8 percent (Tk.533.3 crore), 1.8 percent (Tk.144.4 crore) and 0.4 percent (Tk.31.4 crore) respectively to non-tax revenue collection. A total of Tk.4297.2 crore (54.7 percent) was collected from other non-tax revenue sources (Annex 4). The quarter-wise comparison of non-tax revenue collection and the share of the components in non-tax revenue collection are shown in chart 4 and chart 4A respectively.



Source: CGA

Source: CGA

### Important policy measures taken by the government for revenue mobilization in FY23

Every year revenue target is set at a newer height to cover higher budgetary expenses. In line with this, the government has declared some important policy measures and action plans for revenue mobilization in the budget for FY23 which are stated below:

- ◆ The NBR has provided easy and seamless services to taxpayers through the digitalization and automation of income tax, VAT and customs duties.
- ◆ E-payment services have been initiated which are creating opportunities to encourage the taxpayers to pay taxes at their convenience, even without physical presence. Moreover, NBR has taken some necessary steps for submitting the income tax online.
- ◆ The National Board of Revenue and the Institute of Chartered Accountants of Bangladesh (ICAB) have jointly introduced the Document Verification System (DVS) to ascertain the authenticity and transparency of the audited statements of accounts submitted by the taxpayer companies. Furthermore, the e-TDS system has also been introduced for monitoring tax deduction and collection.
- ◆ To increase the number of tax payers, an E-filing system has been introduced for the taxpayers so that they can easily file their income tax returns online.
- ◆ The NBR installed EFD (Electronic Fiscal Device)/SDC (Sales Data Controller) in various sectors to ensure easy, transparent and hassle-free VAT collection, hoping that the general consumers will make this project successful.
- ◆ Incorporating the global best practices of customs management, the Customs Act, 2021 is being newly formulated which is now at the vetting stage. Moreover, several modernization initiatives, such as National Single Window (NSW), automation of Bond Management and introduction of an Authorized Economic Operator (AEO) are in progress to speed up customs clearance and to bring dynamism to import-export trade.

(Annex-1)

| Total Revenue Collection   |                          |                     |                     |                     |                            |                            |
|----------------------------|--------------------------|---------------------|---------------------|---------------------|----------------------------|----------------------------|
| (Tk. In Crore)             |                          |                     |                     |                     |                            |                            |
| Source                     | Target For FY23          | Jan-Mar'22          | Oct-Dec'22          | Jan-Mar'23          | Percentage Change          |                            |
|                            |                          |                     |                     |                     | Jan-Mar'23 over Oct-Dec'22 | Jan-Mar'23 over Jan-Mar'22 |
| <b>NBR tax revenue</b>     | <b>370000</b><br>(85.45) | 74918.02<br>(89.97) | 78306.81<br>(92.69) | 80081.95<br>(88.79) | 2.27                       | 6.89                       |
| <b>Non-NBR Tax Revenue</b> | <b>18000</b><br>(4.16)   | 2458.26<br>(2.95)   | 1731.23<br>(2.05)   | 2261.14<br>(2.51)   | 30.61                      | -8.02                      |
| <b>Non-Tax Revenue</b>     | <b>45000</b><br>(10.39)  | 5894.07<br>(7.08)   | 4443.09<br>(5.26)   | 7851.14<br>(8.70)   | 76.70                      | 33.20                      |
| <b>Total</b>               | <b>433000</b>            | <b>83270.36</b>     | <b>84481.1238</b>   | <b>90194.2357</b>   | 6.76                       | 8.31                       |

(Annex-2)

| NBR tax Revenue Receipts      |                       |                            |                            |                            |                            |                            |
|-------------------------------|-----------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| (Tk. In Crore)                |                       |                            |                            |                            |                            |                            |
| Sector of Receipts            | Target For FY23       | Jan-Mar'22                 | Oct-Dec'22                 | Jan-Mar'23                 | Percentage Change          |                            |
|                               |                       |                            |                            |                            | Jan-Mar'23 over Oct-Dec'22 | Jan-Mar'23 over Jan-Mar'22 |
| <b>Direct Tax</b>             | <b>122100</b><br>(33) | <b>24023.93</b><br>(32.07) | <b>24519.29</b><br>(31.31) | <b>26585.07</b><br>(33.20) | 8.43                       | 10.66                      |
| Income Tax                    | 121094.00             | 23735.68<br>(98.80)        | 24150.85<br>(98.50)        | 26199.03<br>(98.55)        | 8.48                       | 10.38                      |
| Travel Tax                    | 1006.00               | 288.25<br>(1.20)           | 368.44<br>(1.50)           | 386.04<br>(1.45)           | 4.78                       | 33.93                      |
| <b>Indirect Tax</b>           | <b>247900</b><br>(67) | <b>50894.09</b><br>(67.93) | <b>53787.52</b><br>(68.69) | <b>53496.88</b><br>(66.80) | -0.54                      | 5.11                       |
| Import Duty                   | 43994.3               | 9271.55<br>(18.22)         | 8812.38<br>(16.38)         | 9068.42<br>(16.95)         | 2.91                       | -2.19                      |
| VAT (import)                  | 52529.5               | 11923.61<br>(23.43)        | 11188.23<br>(20.80)        | 10778.42<br>(20.15)        | -3.66                      | -9.60                      |
| VAT (domestic)                | 93696                 | 17565<br>(34.51)           | 16622.5<br>(30.90)         | 20092.04<br>(37.56)        | 20.87                      | 14.39                      |
| Supplementary duty (Import)   | 14413.34              | 2684.19<br>(5.27)          | 2494.89<br>(4.64)          | 2582.77<br>(4.83)          | 3.52                       | -3.78                      |
| Supplementary duty (domestic) | 39261.61              | 8323.44<br>(16.35)         | 7377.64<br>(13.72)         | 9545.29<br>(17.84)         | 29.38                      | 14.68                      |
| Regulatory Duty               | 62.8                  | 0.00<br>(0.00)             | 0.28<br>(0.00)             | 0.01<br>(0.00)             | -96.43                     | -                          |
| Excise Duty                   | 3941.61               | 905.12<br>(1.78)           | 6924.12<br>(12.87)         | 975.21<br>(1.82)           | -85.92                     | 7.74                       |
| Turn Over Tax                 | 0.78                  | 0.19<br>(0.00)             | 0.07<br>(0.00)             | 12.98<br>(0.02)            | 18442.86                   | 6731.58                    |
| Others                        | 0.00                  | 220.99<br>(0.43)           | 367.41<br>(0.68)           | 441.74<br>(0.83)           | 20.23                      | 99.89                      |
| <b>Total of NBR tax</b>       | <b>370000</b>         | <b>74918.02</b>            | <b>78306.81</b>            | <b>80081.95</b>            | 2.27                       | 6.89                       |



(Annex-3)

| Non-NBR Tax Revenue Receipts |                 |                    |                   |                    |                            |                            |
|------------------------------|-----------------|--------------------|-------------------|--------------------|----------------------------|----------------------------|
| (Tk. In Crore)               |                 |                    |                   |                    |                            |                            |
| Sector of Receipts           | Target For FY23 | Jan-Mar'22         | Oct-Dec'22        | Jan-Mar'23         | Percentage Change          |                            |
|                              |                 |                    |                   |                    | Jan-Mar'23 over Oct-Dec'22 | Jan-Mar'23 over Jan-Mar'22 |
| Narcotics & Liquor Duty      |                 | 1034.80<br>(42.09) | 317.91<br>(18.36) | 676.81<br>(29.93)  | 112.90                     | -34.60                     |
| Taxes on use of Goods        |                 | 477.09<br>(19.41)  | 437.59<br>(25.28) | 473.65<br>(20.95)  | 8.24                       | -0.72                      |
| Stamp Duty                   |                 | 946.37<br>(38.50)  | 975.74<br>(56.36) | 1110.69<br>(49.12) | 13.83                      | 17.36                      |
| Other Non-NBR Taxes          |                 | 0.00<br>(0)        | 0.00<br>(0)       | 0.00<br>(0)        | -                          | -                          |
| <b>Total Non-NBR Tax</b>     | <b>18000</b>    | <b>2458.26</b>     | <b>1731.23</b>    | <b>2261.14</b>     | 30.61                      | -8.02                      |

(Annex-4)

| Non-Tax Revenue Receipts     |                 |                    |                    |                    |                            |                            |
|------------------------------|-----------------|--------------------|--------------------|--------------------|----------------------------|----------------------------|
| (Tk. In Crore)               |                 |                    |                    |                    |                            |                            |
| Sector of Receipts           | Target For FY23 | Jan-Mar'22         | Oct-Dec'22         | Jan-Mar'23         | Percentage Change          |                            |
|                              |                 |                    |                    |                    | Jan-Mar'23 over Oct-Dec'22 | Jan-Mar'23 over Jan-Mar'22 |
| Interest                     |                 | 593.30<br>(10.07)  | 479.69<br>(10.80)  | 533.31<br>(6.79)   | 11.18                      | -10.11                     |
| Dividends                    |                 | 531.28<br>(9.01)   | 262.01<br>(5.90)   | 960.59<br>(12.23)  | 266.62                     | 80.80                      |
| Rent                         |                 | 116.43<br>(1.98)   | 82.53<br>(1.86)    | 144.37<br>(1.84)   | 74.94                      | 23.99                      |
| Administrative Fees          |                 | 1812.32<br>(30.75) | 1695.72<br>(38.17) | 1884.31<br>(24.00) | 11.12                      | 3.97                       |
| Sale of Non-Financial Assets |                 | 33.19<br>(0.56)    | 132.35<br>(2.98)   | 31.39<br>(0.40)    | -76.28                     | -5.44                      |
| Other Non-Tax Revenues       |                 | 2807.55<br>(47.63) | 1790.80<br>(40.31) | 4297.18<br>(54.73) | 139.96                     | 53.06                      |
| <b>Total of Non-Tax</b>      | <b>45000</b>    | <b>5894.07</b>     | <b>4443.09</b>     | <b>7851.14</b>     | 76.70                      | 33.20                      |

*N.B: Figures in parenthesis indicate share in the respective total for that category.*

**Data Source:**

*Budget in Brief, FY 2022-23, Ministry of Finance,  
National Board of Revenue (NBR) and  
Office of the Controller General of Accounts (CGA)*