

# Quarterly Analysis of Government's Revenue Receipts October-December 2022

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### **Some Stylized Facts: October-December 2022**

- *The target for total revenue collection in FY'23 was set at Tk. 433000 crore, 11.3 percent higher than the revised revenue target (Tk. 389000 crore) in FY'22.*
- *During the second quarter of FY'23, i.e. October-December 2022, total revenue collection stood at Tk. 84481.1 crore, which was 10.9 percent and 10.4 percent higher than that of the previous quarter and that of the same quarter of FY'22 respectively.*
- *During the quarter under review, total NBR tax revenue collection stood at Tk. 78306.8 crore, which was 16.7 percent and 10.7 percent higher than that of the previous quarter and the same quarter of the previous fiscal year respectively.*
- *During October-December 2022, direct and indirect tax increased by 13.1 percent and 9.7 percent compared to that of the corresponding quarter of the last fiscal year and stood at Tk. 24519.3 crore and Tk. 53787.5 crore respectively.*
- *During October-December 2022, non-NBR tax revenue collection stood at Tk. 1731.2 crore, which was 1.6 percent lower than that of the previous quarter but 5.1 percent higher than that of the corresponding quarter of the last fiscal year.*
- *During October-December 2022, non-tax revenue collection stood at Tk. 4443.1 crore, which was 39.1 percent lower than that of the previous quarter but 6.9 percent higher than that of the corresponding quarter of the last fiscal year.*

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

## October-December 2022

The quarterly scenario on revenue collection depicts many dimensions of the revenue earnings path including category and sub-category-wise comparisons, inter-quarter comparisons, progress towards 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 Dec'22 of FY23 | Revised Target for FY22 | Actual* Collection in FY22 |
|-------------------------------|-----------------|--|-------------------------|----------------------------|
| <b>I. Tax Revenue</b>         | 3,88,000        | 1,48,922.3                             | 3,46,000                | 3,08,625.6                 |
| <b>A. NBR Tax Revenue</b>     | 3,70,000        | 1,45,431.3                             | 3,30,000                | 3,01,633.8                 |
| <b>B. Non-NBR Tax Revenue</b> | 18,000          | 3,491.0                                | 16,000                  | 6,991.8                    |
| <b>II. Non-Tax revenue</b>    | 45,000          | 11,742.6                               | 43,000                  | 23,847.7                   |
| <b>Total</b>                  | <b>4,33,000</b> | <b>1,60,664.9</b>                      | <b>3,89,000</b>         | <b>3,32,473.3</b>          |

\* Provisional

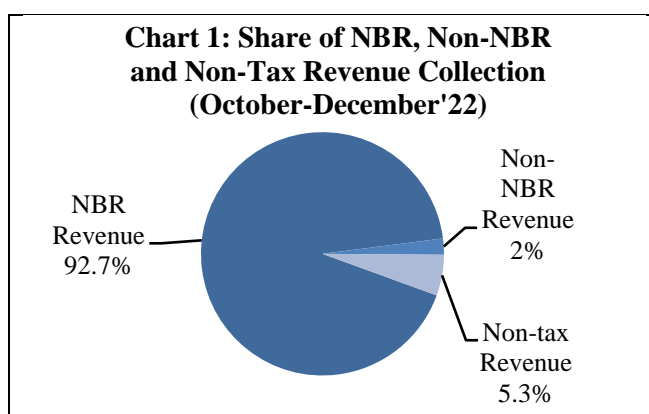
Sources: Budget Speech, FY 2022-23, Ministry of Finance, National Board of Revenue (NBR) and Office of the Controller General of Accounts (CGA)

During October-December 2022, total revenue collection stood at Tk.84481.1 crore, which was 10.9 percent and 10.4 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 92.7 percent of total revenue collection. In comparison, Non-NBR tax revenue and Non-tax revenue collection were only 2.0 percent and 5.3 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 second quarter of FY'23 (October-December 2022), the NBR tax revenue collection stood at Tk. 78306.8 crore (Annex 1), which was 16.7 percent and 10.7 percent higher than that of the previous quarter and the same quarter of the previous fiscal year respectively mainly due to the increase in Supplementary duty, excise duty, income tax and travel tax. Tax revenue collection by NBR can be categorized into direct



Source: NBR and CGA

P= Provisional; Source: NBR and CGA

and indirect segments based on the point of impact principal of taxation.

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

During October-December 2022, collection from the direct tax increased by 21.9 percent and 13.1 percent compared to the previous quarter and the same quarter of the previous fiscal year respectively and stood at Tk. 24519.3 crore. Direct tax contributed around 31.3 percent of total NBR revenue collection in the reported quarter.

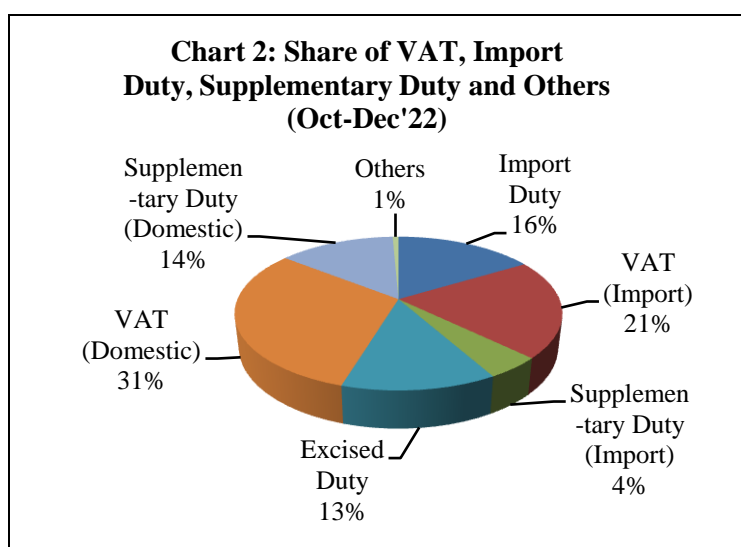
Of the sources of direct tax, income tax and travel tax collection stood at Tk. 24150.9 crore and Tk. 368.4 crore which increased by 21.9 percent and 17.1 percent respectively compared to the previous quarter. This income tax and travel tax were also 12.3 and 99.2 percent higher than that of the corresponding quarter of the previous fiscal year respectively. The contribution of the income tax was 98.5 percent to total direct tax revenue collection by NBR during the quarter under review (Annex 2).

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

During the second quarter of FY23, indirect tax increased by 14.4 percent and 9.7 percent compared to that of the previous quarter and the same quarter of the previous fiscal year respectively and stood at Tk. 53787.5 crore. Indirect tax contributed 68.7 percent of 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. 27810.7 crore was collected during October-December 2022 from VAT (domestic and import) which was 0.1 percent and 0.9 percent lower than that of the previous quarter and the same quarter of the previous fiscal year respectively. Of the other sources, Tk. 9872.5 crore was collected from Supplementary Duty (domestic and import) which was almost 3.7 percent higher but 6.6

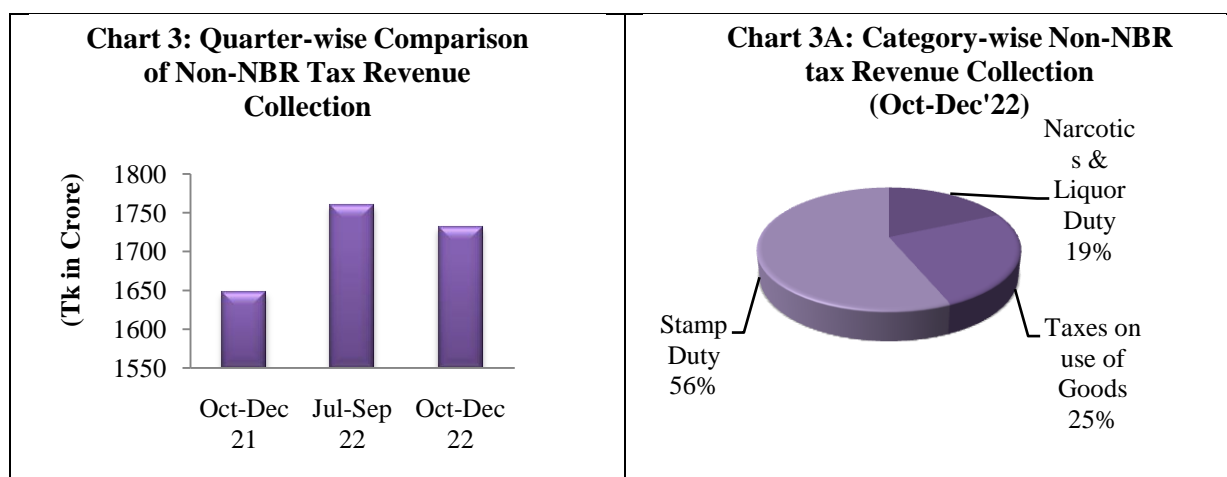
percent lower than that of the previous quarter and the same quarter of the previous fiscal year respectively. A total of Tk. 8812.4 crore was collected from import duty which was 2.6 percent lower than that of the previous quarter. However, it was 3.6 percent higher than that of the same quarter of the previous fiscal year. The share of the components of indirect tax during October-December 2022 is shown in chart 2.



Source: NBR

## 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. 18,000 crore which is 4.2 percent of the target for total revenue collection. During October-December 2022, revenue collection from non-NBR tax was Tk. 1731.23 crore, which was 1.6 percent lower and 5.1 percent higher than that of the previous quarter and the same quarter of the preceding year respectively (Annex 1). Stamp duty, taxes on use of goods, and narcotics & liquor duty are the components of non-NBR revenue collection, which contributed by 56.4 percent (Tk. 975.7 crore), 25.3 percent (Tk. 437.6 crore), and 18.4 percent (Tk. 317.9 crore) respectively in the total non-NBR tax revenue collection during the quarter under discussion. The quarter-wise comparison of Non-NBR tax revenue collection and the share of the components of non-NBR tax revenue collection are shown in chart 3 and chart 3A respectively.



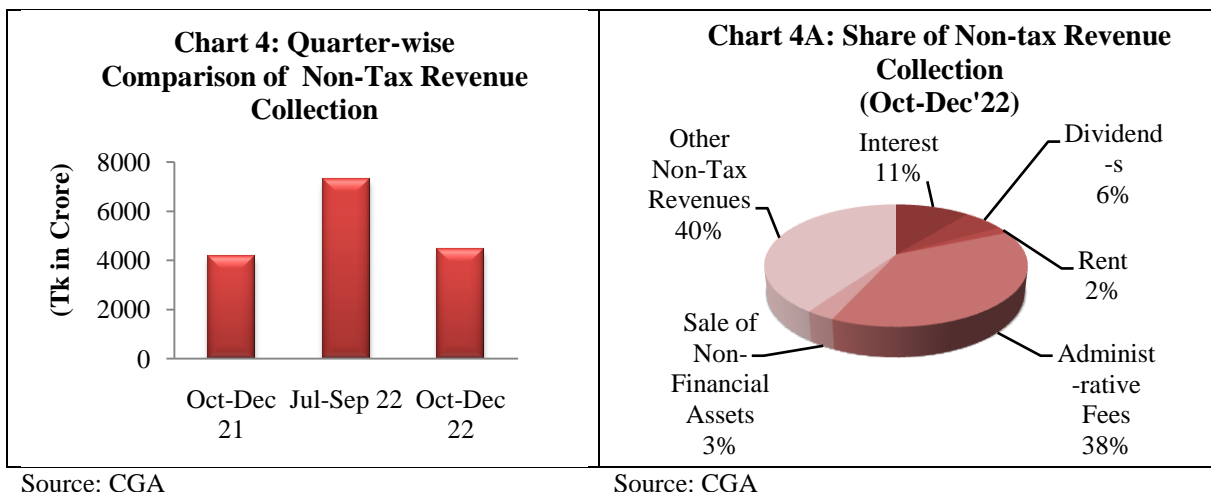
Source: CGA

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. 45,000 crore which is 10.4 percent of the total target set for revenue collection. During October-December 2022, the non-tax revenue collection was Tk. 4443.1 crore which was 39.1 percent lower and 6.7 percent higher than that of the previous quarter and that of the corresponding quarter of the previous fiscal year respectively.

Administrative fee contributed 38.2 percent (Tk. 1695.7 crore) to the total non-tax revenue collection which was the highest among all the components. Besides, interest, dividends, sales of non financial assets and rent contributed 10.8 percent (Tk. 479.7 crore), 5.9 percent (Tk. 262.0 crore), 2.9 percent (Tk. 132.4 crore) and 1.9 percent (Tk. 82.5 crore) respectively. A total of Tk. 1790.8 crore (40.3 percent) was collected from other non-tax revenue sources. The quarter-wise comparison of non-tax revenue collection and the share of the components of non-tax revenue collection are shown in chart 4 and chart 4A respectively.



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

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

- The NBR has provided easy and seamless services to the taxpayers through digitalization and automation of income tax, VAT and customs duties.
- E-payment services have been initiated which are creating opportunity for encouraging the taxpayers to pay taxes at their convenience even without physical presence. Moreover, NBR has taken necessary steps for submitting the income tax online.
- To ascertain the authenticity and transparency of the audited statements of accounts submitted by the taxpayer companies The National Board of Revenue and the Institute of Chartered Accountants of Bangladesh (ICAB) have jointly introduced Document Verification System (DVS). 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 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 FY'23         | Oct-Dec'21          | July-Sep'22         | Oct-Dec'22          | Percentage Change           |                            |
|                            |                          |                     |                     |                     | Oct-Dec'22 over July-Sep'22 | Oct-Dec'22 over Oct-Dec'21 |
| <b>NBR tax revenue</b>     | <b>370000</b><br>(85.45) | 70738.92<br>(92.42) | 67124.45<br>(88.11) | 78306.81<br>(92.69) | 16.66                       | 10.70                      |
| <b>Non-NBR Tax Revenue</b> | <b>18000</b><br>(4.16)   | 1647.45<br>(2.15)   | 1759.78<br>(2.31)   | 1731.23<br>(2.05)   | -1.62                       | 5.09                       |
| <b>Non-Tax Revenue</b>     | <b>45000</b><br>(10.39)  | 4157.96<br>(5.43)   | 7299.4831<br>(9.58) | 4443.09<br>(5.26)   | -39.13                      | 6.86                       |
| <b>Total</b>               | <b>433000</b>            | <b>76544.33</b>     | <b>76183.72</b>     | <b>84481.12</b>     | 10.89                       | 10.37                      |

(Annex-2)

| NBR tax Revenue Receipts      |                       |                            |                            |                            |                             |                            |
|-------------------------------|-----------------------|----------------------------|----------------------------|----------------------------|-----------------------------|----------------------------|
| (Tk. In Crore)                |                       |                            |                            |                            |                             |                            |
| Sector of Receipts            | Target For FY'23      | Oct-Dec'21                 | July-Sep'22                | Oct-Dec'22                 | Percentage Change           |                            |
|                               |                       |                            |                            |                            | Oct-Dec'22 over July-Sep'22 | Oct-Dec'22 over Oct-Dec'21 |
| <b>Direct Tax</b>             | <b>122100</b><br>(33) | <b>21684.80</b><br>(30.65) | <b>20122.86</b><br>(29.98) | <b>24519.29</b><br>(31.31) | 21.85                       | 13.07                      |
| Income Tax                    | 121094.00             | 21499.81<br>(99.15)        | 19808.18<br>(98.44)        | 24150.85<br>(98.50)        | 21.92                       | 12.33                      |
| Travel Tax                    | 1006.00               | 184.99<br>(0.85)           | 314.68<br>(1.56)           | 368.44<br>(1.50)           | 17.08                       | 99.17                      |
| <b>Indirect Tax</b>           | <b>247900</b><br>(67) | <b>49054.12</b><br>(69.35) | <b>47001.59</b><br>(70.02) | <b>53787.52</b><br>(68.69) | 14.44                       | 9.65                       |
| Import Duty                   | 43994.3               | 8507.25<br>(17.34)         | 9050.28<br>(19.26)         | 8812.38<br>(16.38)         | -2.63                       | 3.59                       |
| VAT (import)                  | 52529.5               | 10983.62<br>(22.39)        | 10908.65<br>(23.21)        | 11188.23<br>(20.80)        | 2.56                        | 1.86                       |
| VAT (domestic)                | 93696                 | 17078.32<br>(34.82)        | 16933.59<br>(36.03)        | 16622.50<br>(30.90)        | -1.84                       | -2.67                      |
| Supplementary duty (Import)   | 14413.34              | 2393.57<br>(4.88)          | 2493.5<br>(5.31)           | 2494.89<br>(4.64)          | 0.06                        | 4.23                       |
| Supplementary duty (domestic) | 39261.61              | 8173.78<br>(16.66)         | 7030.46<br>(14.96)         | 7377.64<br>(13.72)         | 4.94                        | -9.74                      |
| Regulatory Duty               | 62.8                  | 0.00<br>(0.00)             | 2.51<br>(0.00)             | 0.28<br>(0.00)             | -88.84                      | -                          |
| Excise Duty                   | 3941.61               | 1629.32<br>(3.32)          | 382.87<br>(0.81)           | 6924.12<br>(12.87)         | 1708.48                     | 324.97                     |
| Turn Over Tax                 | 0.78                  | 0.15<br>(0.00)             | 0.10<br>(0.00)             | 0.07<br>(0.00)             | -30.00                      | -53.33                     |
| Others                        | 0                     | 288.11<br>(0.59)           | 199.63<br>(0.42)           | 367.41<br>(0.68)           | 84.05                       | 27.52                      |
| <b>Total of NBR tax</b>       | <b>370000</b>         | <b>70738.92</b>            | <b>67124.45</b>            | <b>78306.81</b>            | 16.66                       | 10.70                      |

(Annex-3)



| Non-NBR Tax Revenue Receipts |                  |                   |                    |                   |                             |                            |
|------------------------------|------------------|-------------------|--------------------|-------------------|-----------------------------|----------------------------|
| (Tk. In Crore)               |                  |                   |                    |                   |                             |                            |
| Sector of Receipts           | Target For FY'23 | Oct-Dec'21        | July-Sep'22        | Oct-Dec'22        | Percentage Change           |                            |
|                              |                  |                   |                    |                   | Oct-Dec'22 over July-Sep'22 | Oct-Dec'22 over Oct-Dec'21 |
| Narcotics & Liquor Duty      |                  | 256.01<br>(15.54) | 269.53<br>(15.32)  | 317.91<br>(18.36) | 17.95                       | 24.18                      |
| Taxes on use of Goods        |                  | 499.81<br>(30.34) | 462.86<br>(26.30)  | 437.59<br>(25.28) | -5.46                       | -12.45                     |
| Stamp Duty                   |                  | 891.63<br>(54.12) | 1027.39<br>(58.38) | 975.74<br>(56.36) | -5.03                       | 9.43                       |
| Other Non-NBR Taxes          |                  | 0.00<br>(0)       | 0.00<br>(0)        | 0.00<br>(0)       | -                           | -                          |
| <b>Total Non-NBR Tax</b>     |                  | <b>1647.45</b>    | <b>1759.78</b>     | <b>1731.23</b>    | <b>-1.62</b>                | <b>5.09</b>                |

(Annex-4)

| Non-Tax Revenue Receipts     |                  |                    |                      |                    |                             |                            |
|------------------------------|------------------|--------------------|----------------------|--------------------|-----------------------------|----------------------------|
| (Tk. In Crore)               |                  |                    |                      |                    |                             |                            |
| Sector of Receipts           | Target For FY'23 | Oct-Dec'21         | July-Sep'22          | Oct-Dec'22         | Percentage Change           |                            |
|                              |                  |                    |                      |                    | Oct-Dec'22 over July-Sep'22 | Oct-Dec'22 over Oct-Dec'21 |
| Interest                     |                  | 421.59<br>(10.14)  | 3180.38<br>(43.57)   | 479.69<br>(10.80)  | -84.92                      | 13.78                      |
| Dividends                    |                  | 390.37<br>(9.39)   | 203.30<br>(2.79)     | 262.01<br>(5.90)   | 28.88                       | -32.88                     |
| Rent                         |                  | 63.37<br>(1.52)    | 87.13<br>(1.19)      | 82.53<br>(1.86)    | -5.29                       | 30.23                      |
| Administrative Fees          |                  | 1697.44<br>(40.82) | 1936.3039<br>(26.53) | 1695.72<br>(38.17) | -12.42                      | -0.10                      |
| Sale of Non-Financial Assets |                  | 30.49<br>(0.73)    | 16.71<br>(0.23)      | 132.35<br>(2.98)   | 691.89                      | 334.08                     |
| Other Non-Tax Revenues       |                  | 1554.70<br>(37.39) | 1875.65<br>(25.70)   | 1790.80<br>(40.30) | -4.52                       | 15.19                      |
| <b>Total of Non-Tax</b>      |                  | <b>4157.96</b>     | <b>7299.48</b>       | <b>4443.09</b>     | <b>-39.13</b>               | <b>6.86</b>                |

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

**Data Source:**

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