

# Income tax on pvt univs illegal: HC

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THE High Court Division on Monday struck down imposition of income tax on private universities, medical, dental, engineering colleges as well as information technology institutes.

The court also directed the government to return in 30 working days income tax collected from 46 private universities since July 1, 2010.

The court declared a finance ministry notification under which income tax was collected from the pri-

vate universities, medical, dental, engineering colleges and IT institutes from July 1, 2010.

A bench of Justice Sheikh Hassan Arif and Justice Bhishmadev Chakraborty gave the directive while disposing of 46 writ petitions filed by as many private universities.

The writ petitions challenged the legality of imposing income tax only on private institutions imparting higher education.

In the face of protests from the students of private universities, the government withdrew 7.5 per cent value

added tax on their tuition fee in September 2015.

The government had imposed VAT on their tuition fees in 2010.

The HC called collection of 15 per cent tax on incomes of only private universities, medical, dental and engineering colleges and IT institutes as discriminatory to them when the public universities enjoyed full exemption from paying income tax, lawyer Muhammad Sakhat Hossain, who appeared for 25 writ petitioners said quoting the verdict.

Imposition of income

tax on the private institutions discouraged imparting higher education by them when the government failed to create sufficient facilities for higher education.

Imposition of income tax on the private institutions also contradicts the fundamental principles of the state policy on education spelt out in the Constitution, said the verdict.

Deputy attorney general Sarder Md Rashed Jahangir, who appeared for the state told New Age that the government would soon appeal against HC verdict.