

## 15% income tax on private univs illegal Declares High Court

STAFF CORRESPONDENT

The High Court yesterday declared illegal the government orders that imposed 15 percent income tax on private universities and private medical, dental and engineering colleges.

The court also scrapped the three orders on the imposition of tax issued by the government on these private institutions in 2007 and 2010.

The bench of Justice Sheikh Hassan Arif and Justice Bhishmadev Chakraborty came up with the verdict after hearing 46 separate writ petitions filed by 12 private universities and a student challenging the legality of the government orders.

The HC also directed the National Board of Revenue to refund the money collected from the writ petitioners from 2007 as income tax.

Private universities, medical, dental and engineering colleges need not to pay income tax now to the government following the HC verdict, Barrister Omar Sadat and Barrister Sakhawat Hossain, two lawyers for the writ petitioners, told The Daily Star.

The HC had earlier stayed the effectiveness of the government orders imposing income tax on the institutions that moved the writ petitions at different times between 2007 and 2014, they said.

Delivering the verdict, the HC observed that by imposing 15 percent tax the government has violated equal protection of law for the young citizens

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of the country mandated in article-27 read with article-31 of the constitution.

"Right to life implicit in Article 32 of the constitution includes right to education and the young citizens have a fundamental right to education as life without education in this modern world is a nullity," it said.

The owners of the private universities hailed the decision.

"It's a huge step for the expansion of higher education in the country," Sheikh Kabir Hossain, president of Private University Association of Bangladesh, told The Daily Star.

"There shouldn't be any tax on education as it prevents expansion of education," he added.

Deputy Attorney General Rashed S Jahangir yesterday told The Daily Star that the government would move an appeal before the Appellate Division of the Supreme Court seeking stay on the HC verdict.

Citing from the HC observations, Barrister Sakhawat said, "Bangladesh being republic state having failed to provide and accommodate sufficient educational institutions for their young citizens allowed the venture of private universities under the Private University Act, 1992, when the private universities were fully exempt for giving any tax".

"If now the government imposes tax to the private universities, then it would definitely enhance the tuition fees of the students of private universities. This situation has utterly discriminated the students of the republic vis-à-vis between public universities and private universities and the young citizens of private universities will be the ultimate sufferer for the discriminatory action of the state. This is unconstitutional and illegal," the lawyer said, citing from the HC observations.

"The government having failed to discharge the constitutional responsibilities in term of Articles 15, 17 and 19 of the constitution i.e. the provision of the basic necessities of life including food, clothing, shelter, education and medical care cannot impose irrational, arbitrary and unreasonable tax on the private institutions to the detriment of young citizens of the country," he said, quoting the HC observations.