

Private universities: Imposition of 15% tax goes against law, says owners' association



Staff Correspondent

The proposed 15 percent income tax on private universities is unacceptable and contradictory to the Private University Act-2010, Association of Private Universities of Bangladesh (APUB) said yesterday.

A group of private university students also protested the proposal and gave the government time until June 10 to withdraw the proposal; otherwise they would wage a strong movement against the move.



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While placing the budget for 2021-22 fiscal at the parliament on Thursday, Finance Minister AHM Mustafa Kamal proposed 15 tax on private universities, and private medical, dental and engineering colleges, including the ones offering IT education, in the new fiscal year starting July 1.

This proposal has created concern among all stakeholders, including students and their guardians, APUB said in a statement.

The statement, issued by its Chairman Sheikh Kabir Hossain, said private universities are non-profit organisations and operating as trust in line with the Private University Act-2010.

Kabir said imposing 15 percent tax on non-profitable private universities like the same rate tax on profitable private medical and engineering colleges is not acceptable, and that this is against the private university act.

During the pandemic, many private universities are facing financial crisis. Paying salaries of teachers and staffers and rent of buildings that house the universities becomes uncertain.

In this situation, imposing 15 percent tax on the income of private universities might end up in closure of some newly approved private universities.

"We hope that the government should not impose income tax; rather it should extend assistance by declaring stimulus packages," Kabir said.

The statement said private universities are helping the expansion of higher education in Bangladesh. They have a remarkable contribution to reducing the number of students going abroad for study thus saving foreign currency as well as the deduction of brain drain. Rather, many students from abroad are coming to Bangladesh for higher studies and Bangladesh is earning foreign currency.

At a press conference at Dhaka University's Madhu's Canteen, Private university students yesterday placed six-point demand -- withdrawal of the proposed 15 percent tax on private universities, looking into the income and expenditure of private universities, introducing uniform tuition fee policy and uniform grading system at all private universities and increasing budget for research at the universities and stimulus package for the students so that they don't drop out due to the Covid-19.

"We are giving the government time to withdraw the proposal of 15 percent tax till June 10. If the government does not meet their demand, we will go for tougher movement," said Mukta Rezwana, a student of a private university, at the conference.

There are 107 approved private universities in Bangladesh with about 5 lakh students, the statement said.

The government in 2015 also imposed a 7.5 percent value added tax on tuition fees of private universities, medical and engineering colleges.

It, however, had to backtrack from its decision following several days of students' protest which almost brought the capital to a standstill.