

**THE FEDERAL TAX OMBUDSMAN
ISLAMABAD**

C.NOS. 17205/SKT/IT/2026 & 17252, 17324 /LHR/IT/2026

Dated: 27.09.2026 & others - HQ* Islamabad

Mr. Bilal Ahmed

Govt Graduate College Kharian,
Gujrat.
(C.No.17205/SKT/IT/2026)

...Complainant

V e r s u s

The Secretary,
Revenue Division,
Islamabad.

...Respondent

Dealing Officer : Mr. Shaukat Mahmood, Advisor
Authorized Representative : Complainant (online)

Departmental Representative : Mr. Rashid Ali, Inspector, RTO-I, Lahore (online)

Date of hearing : 15.10.2026

FINDINGS/RECOMMENDATIONS

This complaint has been filed under Section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 regarding unjustified delay in processing and release of income tax refund amounting to Rs. 56,364/- for Tax Year 2025 by Regional Tax Office-I, Lahore, Federal Board of Revenue (FBR).

2. Main facts of the case are that the Complainant, working as a full-time teacher at a Government college, e-filed an online refund application under Section 170 of the Income Tax Ordinance, 2001 on 11.06.2026 for Tax Year 2025, claiming a refund arising on account of excess tax deduction under Section 149 and eligibility for 25% tax rebate reintroduced for full-time teachers under the Finance Act, 2025. Despite the lapse of the statutory time period mandating disposal within the prescribed timeframe of sixty days, the Department failed to process and dispose of the refund application under Section 170(4) of the Ordinance within time. Hence, filing the instant complaint.

3. The complaint was sent for comments to the Secretary, Revenue Division, Islamabad in terms of Section 10(4) of the FTO Ordinance read with Section 9(1) of Federal Ombudsmen Institutional Reforms Act, 2013. In response thereto, the Chief Commissioner Inland Revenue, RTO-I Lahore forwarded parawise comments of the Commissioner-IR (Refund) vide letter dated 07.10.2026, wherein it was contended that:



"the taxpayer has claimed tax deductions under Sections 149 & 236(1)(a) of the Income Tax Ordinance, 2001, but failed to furnish proof of such deductions, and the claimed deductions could not be verified from the FBR online portal / IRIS, due to which a notice under Section 170(4) has been issued to the taxpayer on 01.10.2026, and the refund shall be processed in accordance with law upon submission of the requisite documents."

4. Case was fixed for hearing on 15.10.2026. The Complainant and the Departmental Representative attended the hearing online and reiterated their respective positions.

5. During hearing and review of the case record, it was observed that the refund application for Tax Year 2025 was duly e-filed along with supporting salary slips, revised tax return, and finance act amendments, but no final refund order had been issued by the Department till date. Issuing a belated notice under Section 170(4) on 01.10.2026 long after the expiry of the statutory 60-day period from the application date of 11.06.2026 does not absolve the Department of its default. Nevertheless, the Department was required to dispose of the refund application within sixty days under the law but failed to do so.

FINDINGS:

6. In the light of Para-5 supra, this delay is **manifestation of Departmental neglect, inattention and ineptitude in discharge of its duties and the same is tantamount to maladministration in terms of Section 2(3)(ii) of the FTO Ordinance, 2000.**

7. The issues involved in complaints as detailed in Annexure-A are identical, i.e. deductions of income tax u/s 236K/C and other sections of ITO Ordinance, 2001 alleging delay in processing of refund applications beyond statutory time period of 60 days, as discussed in this complaint. All these cases/complaints also fall within the jurisdiction of CIR-Refund Zone, RTO-I, Lahore. In the complaints by Teachers / Associate Professors / Professors / Researchers regarding excess deduction of income tax u/s 149 of the ITO 2001 during the months of May and June 2025 on account of recovery of rebate allowed to the teachers in the past, the refund claims be processed under the law.

RECOMMENDATIONS:

8. FBR to direct:

- i) the Commissioner-IR, (Refunds) RTO-I, Lahore to process the refund claim of the Complainant for Tax Year 2025 in accordance with law, after providing adequate opportunity of hearing; and
- (ii) report compliance within 30 days.

9. In view of above, findings/recommendations supra shall, *mutatis mutandis*, apply to all the complaints as given in **Annexure-A**.

10. Annexure A (page-3) forms the integral part of this order.

Dated: **21 OCT 2026**

(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman

Annexure-A

Sr#	Complaint No	Complainant Name
1.	17252/LHR/IT/2026	Muhammad Ikram
2.	17324/LHR/IT/2026	Saba Zahid

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