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FBR Requires Property Valuations in 2025 Tax Returns

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– Categories: Real Estate



The Federal Board of Revenue (FBR) has mandated that taxpayers must declare updated property values in their 2025 income tax returns, aiming to enhance transparency and curb tax evasion.

In a move aimed at increasing transparency and broadening the tax base, the Federal Board of Revenue (FBR) has announced that property owners must declare updated property values in their 2025 income tax returns. This requirement applies to all individuals and

entities who own real estate assets, marking a significant step in the government's efforts to improve tax compliance and reduce underreporting.

According to the FBR, taxpayers will be expected to disclose the fair market value of their properties as of 2025. The new rule ensures that asset declarations reflect current market rates, instead of outdated valuations that reduce government revenue.

Tax authorities believe this move will not only strengthen the integrity of the tax system but also provide a more accurate picture of wealth distribution and property ownership across the country. By using updated valuations, the FBR aims to better align taxation with actual asset holdings, especially in the real estate sector, which has historically seen gaps in proper reporting.

This decision is also seen as part of a larger national strategy to meet fiscal targets and reduce reliance on external borrowing. Property taxes have long been considered an underutilized revenue source in Pakistan, and bringing real estate valuations up to date could help unlock significant income for the state.

To implement the change, the FBR is expected to release valuation guidelines and may update official property valuation tables to provide consistency and clarity. Taxpayers are advised to consult licensed property valuers and tax professionals to ensure their submissions meet the new requirements.

Experts say that while the move may face initial resistance, especially from those in the property market used to underreporting asset values, it represents a necessary reform. Accurate asset declarations are essential not only for taxation purposes but also for improved policymaking and economic planning.

The FBR has urged all taxpayers to begin preparing early to avoid complications when filing returns. Non-compliance or misreporting may result in penalties, audits, or legal action.

As Pakistan continues to reform its tax regime, this latest development reflects a clear shift towards accountability and financial transparency. The FBR's updated property valuation requirement signals the government's intent to modernize its systems and ensure fair taxation for all.