

5 per cent tax proposed in budget for restaurant sector

A Monitor Report

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Dhaka: The government has proposed 5 per cent tax for the restaurant sector in the national budget for FY23.

"I propose 5 per cent VAT on both AC and Non-AC restaurants (except restaurants in hotels with 3 or more star, and restaurants, where alcohol is served) instead of 10 percent VAT on AC restaurant and 5 per cent VAT on non-AC restaurant," said Finance Minister AHM Mustafa Kamal during his budget speech.

The finance minister on June 9 placed the BDT 6,78,064 crore national budget for FY23 at Jatiya Sangsad according top priority to safeguarding marginal people from inflation fuelled by the Russia-Ukraine conflict.

This is the fourth budget of the third consecutive term of the government led by Prime Minister Sheikh Hasina and also the overall 51st budget of the country.

The proposed budget is BDT 74,383 crore higher than the original budget size of the FY2021-22 fiscal year, which was BDT 6,03,681 crore.

Amid the pandemic, the hotel and restaurant industry suffered massive losses, specially during the lockdown.

However, after the lockdown was lifted following gradual development of the Covid-19 situation, the industry started recovering.

