

**INCOME TAX ON BUSINESS INCOME IN NEPAL AND
ITS IMPACT ON REVENUE COLLECTION**

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RECOMMENDATION

This is to certify that the thesis:

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Entitled

*Income Tax on Business Income in Nepal
and Its Impact on Revenue Collection*

has been prepared as approved by this Campus in the Prescribed format of Faculty of Management. This thesis is forwarded for examination.

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and found the thesis to be original work of the student and written according to the prescribed format. We recommend the thesis to be accepted as partial fulfillment of the requirements for the degree of

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DECLARATION

I hereby declare that the work reported in this thesis entitled "**Income Tax on Business Income in Nepal and Its Impact on Revenue Collection**"

Submitted to the Prithvi Narayan Campus; Pokhara is my original work. It is done in the form of Partial fulfillment of the requirements for the Master of Business Studies (MBS) under the supervision and guidance of Indra Prasad Sharma.

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Needless to say, 'to err is human' and I am no exception so I alone am responsible for any deficiencies that may have remained in this work.

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LIST OF ABBREVIATIONS

A.D.	= Anno Domini
AETR	= Average Effective Tax Rate
B.S.	= Bikram Sambat
BBS	= Bachelor of Business Studies
BITR	= Business Income Tax Revenue
BOT/BOOT	= Build Operate Transfer/ Build Operate Own Transfer
BP & RA	= Business Profit and Remuneration Tax Act
CA	= Chartered Account
CEDA	= Community and Economic Development Association
FIFO	= First In First Out
FY	= Fiscal Year
GDP	= Gross Domestic Product
GON	= Government of Nepal
ICA	= Investigation and Control Act
IMF	= International Monetary Fund
IRD	= Inland Revenue Department
IT	= Information Technology
ITA	= Income Tax Act
MBS	= Master in Business Studies
METR	= Marginal Effective Tax Rate
MOF	= Ministry of Finance

OECD	= Organization for Economic Co-operation and Development
PAN	= Permanent Account Number
R&D	= Research and Development
SEZ	= Special Economic Zone
T.U.	= Tribhuvan University
TDS	= Tax Deduction at Source
USA	= United State of America
VAT	= Value Added Tax
VDC	= Village Development Committee
VDIS	= Voluntary Disclosure of Income Scheme
WTO	= World Trade Organization