

PM raps local govts over tax collections

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BANGI: The Prime Minister criticised some local authorities for their tardiness in collecting assessment rates and taxes.

Datuk Seri Dr Mahathir Mohamad said action would be taken against these local councils so that they would be more focussed in their efforts to collect taxes and arrears.

He said that unlike the Inland Revenue Board that had successfully improved tax collection over the years, these local authorities were too lazy to do so.

"The lazy ones are the local authorities. This is because of politicians and politicians are known for their laziness in collecting taxes.

"They don't make an effort to collect assessment and tax arrears but when they are short of money, they ask for assistance from the Government.

"But we need the money to finance other projects for the people," he said at IRB's Hari Raya open house at the National Taxation Academy near here yesterday.

Dr Mahathir said local councils, should emulate the IRB and Customs and Excise Department in their diligence in collecting taxes.

He said as a result of their efficiency and professionalism, tax collection this year would exceed RM40bil.

Dr Mahathir, who is also

Finance Minister, warned those who did not pay taxes - especially businessmen - that their days of evading taxes were numbered.

"Whoever tries to cheat us will become our main focus of action. You can be successful in your business but you cannot run away from paying taxes. Sooner or later we will get you," he said.

He also said although there were calls for dues including the 28% corporate tax to be further reduced, it would not happen next year.

Dr Mahathir said the Government could not afford to lower the tax because only about one million of the population were taxpayers.

He said the Government's financial standing was very healthy at the moment because of its prudent approaches in spending, focussing only on programmes that would benefit the masses.

"Whatever we spend, is for the good of the people and not to show off our capabilities. At the same time, we are also spending quite a lot on various subsidies like the highway toll and petrol to ensure that people would not end up paying more.

"But too much subsidy can cause distortion in our economy. We need to reduce this in stages so that the people will have to contribute more towards the country's development," he added.