

20 SEP 2002

BUDGET-SALES TAX

SALES TAX VALUATION FOR MANUFACTURED GOODS TO BE STANDARDISED

KUALA LUMPUR, Sept 20 (Bernama) -- In an effort to reduce the burden of sales tax and enhance the competitiveness of locally manufactured goods, the government today has proposed that the valuation method for locally manufactured goods to be standardised with the imported goods which was based on the transaction value.

In presenting Budget 2003, the Finance Minister, Datuk Seri Dr Mahathir Mohamad said the proposal would be effective from Jan 1, 2003.

Currently, the value of imported goods used for purposes of sales tax is the same as that used in arriving at the import duty.

The value of imported goods was determined in accordance with the World Trade Organisation (WTO) method of valuation which was based on the transaction value.

Unless proven, adjustments on the value of the goods were disallowed.

For locally manufactured goods, the determination of value for purposes of sales tax was based on the notional value concept which is based on an open market price where an up-lift on the value of goods can be imposed under certain circumstances.

The burden of proof of the open market price is with the manufacturer.

-- BERNAMA

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