

15/12/2002

Courts to deal with income tax defaulters may be set up

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KUALA KLAWANG, Sat. - The Government is considering setting up special courts to hear cases against income tax defaulters who owe the Government more than RM1 billion in unpaid taxes.

The proposal came from Inland Revenue Board chief executive officer Datuk Zainol Abidin Rashid, who had said that there was a need to speed up the hearing of such cases.

Minister in the Prime Minister's Department Datuk Seri Dr Rais Yatim said the proposal could be carried out if there were many cases.

Statistics from the IRB showed that of the 22,978 cases filed in 1999, only 6,060 were settled. In 2000, only 5,098 of the 27,650 cases filed were settled.

The number of cases filed last year totalled 27,527. However, only 703 were settled at the headquarters in Jalan Duta.

The number in other States was not available.

The IRB recovered more than RM1.3 billion from cases settled in the last four years.

He said while the suggestion was worth considering, they had to first decide on the number of cases that need to be settled within a given period of time.

"If the number is large, then I think there is merit to set up an income tax or revenue law court," he said.

Zainol said such courts should be set up first in the Klang Valley.

They would be similar to the Industrial Court which heard employment-related cases.

He said it was also important that such a court be set up following the implementation of the self-assessment system, which requires the people to declare their taxes voluntarily.

Rais said the establishment of an income tax tribunal could also be considered.

"Those who are unhappy with the tribunal's decisions can then appeal their cases in court," he said.

Rais said before the proposal was considered, the role of the Tax Commissioner in such matters should also be studied to avoid duplication.

"The Tax Commissioner's jurisdiction is quite considerable. We will also have to study this first," he said, adding that the Tax Commissioner sits as a judge to hear income tax cases.

On Tuesday, Prime Minister Datuk Seri Dr Mahathir Mohamad said enforcement on the collection of income tax should be enhanced following a New Straits Times report that 13,285 people have been barred from leaving the country as they owed RM1 billion in unpaid taxes.

Rais expressed hope Immigration authorities stationed at the country's entry and exit points would be vigilant in detecting names of those on the blacklist.