

Don't charge 5% service tax, hotels and outlets reminded

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THE Customs Department has reminded hotel and restaurant operators not to charge their customers the 5% service tax from June 1 till Dec 31 in accordance with the recently announced waiver, *Nanyang Siang Pau* reported.

Some 940 hotels and 2,600 restaurants are allowed to collect the service tax under the Service Tax Act 1975, but under the economic stimulus package announced by Prime Minister Datuk Seri Dr Mahathir Mohamad, the collection has been waived for the above period.

According to *Nanyang Siang Pau*, the department said it had received complaints that some hotels and restaurants were still charging customers the service tax after June 1.

The department said in a statement that because the

Severe Acute Respiratory Syndrome outbreak 'had affected the economy, the Government decided to lift the service tax to stimulate consumption.

Hotels and restaurants which continued to collect the service tax during the said period would face a fine of RM5,000 or two years' jail, or both.

The service tax waiver would cause the Government to lose RM209mil in revenue from restaurants and RM87mil from hotels, said the department.

A department spokesman said restaurants with annual sales above RM500,000 and hotels with more than 26 rooms were required to apply to the department for a service tax licence.

● THE Chinese education

movement *Dong Jiao Zong* is not unduly concerned over the call by *Umno* Youth and Puteri *Umno* to the Government to strengthen national primary schools to attract more pupils of other races.

Dong Zong chairman Quek Suan Hiang and *Jiao Zong* chief Ong Kow Yee said they did not regard the call as a threat to the national-type Chinese primary schools, said the *Sin Chew Daily*.

"Malaysia is a multi-racial country and Malaysians are free to choose the schools they wish to go to. Moreover, the existence of the national, Chinese and Tamil schools are guaranteed under the Constitution," Ong said.

He hoped the Government would also improve the Chinese schools.