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MAHATHIR-TAX

GOVT MAY CONSIDER REDUCING 28 PCT CORPORATE TAX IF...

PUTRAJAYA, June 10 (Bernama) -- The government may consider reducing the corporate tax, now standing at 28 percent, in the 2004 Budget if this move may lead to the government collecting more revenue, said Prime Minister Datuk Seri Dr Mahathir Mohamad today.

"There have been some suggestions towards a corporate tax cut but we will study whether that is the way of increasing revenue," he told a press conference after a 2004 Budget dialogue session with state leaders and members of the government backbenchers club.

"We can't spend more and collect less but there are instances whereby through reducing some taxes we can collect more of other taxes," he said.

Dr Mahathir, who is also the finance minister, said the government would be receptive to such proposals which could help enhance the government's revenue.

"But simply to call on the government to give more incentives, reduce taxes and spend more money on infrastructure, that we cannot do," he said.

On tax collection, Dr Mahathir said officers entrusted with such duties had done their jobs well in the last three years as the tax collected in the country had risen sharply to RM40 billion.

He also said there were some taxpayers who had not paid taxes because they had escaped the attention of the authorities.

But Dr Mahathir, who is also finance minister, said these people would soon be given due attention.

On Malaysia's reserves, he said said Bank Negara Malaysia was managing its reserves very well and this enabled its reserves to increase to US\$36 billion at present.

"But it does not mean that the reserves are in US dollars. Maybe the reserves increased because the euro appreciated against the (US) dollar," he said when asked if Malaysia would increase the euro portion of its reserves.

He said it was up to BNM to manage the currency mix.

Earlier when speaking at the dialogue session, Dr Mahathir was confident that Malaysia would achieve more than the 4.5 percent projected growth if all the 90 measures contained in the stimulus packaged unveiled on May 21 were successfully implemented.

The 2004 Budget carries the theme of "Mitigating the Destabilising External Environment and Ensuring Sustainable Growth." -- BERNAMA

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