

'Where are findings of RM51mil GST panel?'

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Kluang MP Liew Chin Tong is demanding the government to disclose the findings of a RM51 million panel to study the implementation of the Goods and Services Tax (GST).

"Pakatan Rakyat and the citizens of Malaysia do not want the government to hide the GST study because it involves the welfare of many people," he said in a statement today.

He also urged the government to name the consultants engaged to conduct the study.

NONE Liew (left) was responding to Finance Minister (II) Husni Hanadzlah's statement in Parliament on Thursday that a study on GST was last conducted in 2009 and therefore another study is necessary because the economic situation has since changed.

He pointed out that the government has allocated RM22 million for a 'Panel Kajian Semula Cukai (GST)' (Tax Review Panel (GST)) under the 2010 national budget.

Another RM13 million was allocated in 2011, RM11 million in 2012, and finally RM5 million in 2013 budgets. The total comes to RM51 million.

Upon checking, Malaysiakini found the said allocations in the four budget proposals were part of the Ministry of Finance's one-off capital expenditure, except that it was simply named 'Panel Kajian Semula Cukai', without specifying that it was for studying the GST.

Liew also said he suspects that another item in the 2013 budget worth RM50 million and named 'Perluasan Dasar Cukai' (Tax Policy Expansion) is related to the GST.

"The parliamentary reply from Husni saying that the GST study was conducted only in 2009 is untrue," he said, urging the government to disclose whether this is an attempt to cover up the government's intention whether to execute GST or not.

"If the government wants to implement GST, a parliamentary select committee encompassing MPs from both BN and Pakatan needs to be formed to study the views of Malaysians," he said.

Unrealistic claims

Liew, who is also the DAP political education chief, said GST's implementation would essentially impose a tax on those who are previously not taxable, namely persons earning less than RM3,000 a month, or 60 percent of the population.

azlanClaims that low-income group would not be affected because essential goods would be exempted from GST is 'unrealistic', he said, because they would still incur the tax when purchasing other goods and services.

Besides adding to their financial burden and reducing their disposable income, Liew said GST would have an adverse impact on the economy by reducing domestic consumption.

"This is because while our exports are declining, domestic expenditure and consumption is very important to stimulate economic growth.

"If the government insists on implementing GST, it means the government would not only add to the sufferings of the low-income group, but it would also be a burden to the government because it has a negative impact on the national economy," he said.

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