

DAP: Use gambling tax for non-Malay purposes

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The DAP has reiterated its call for the government to place tax revenue from gambling in a separate account, and use the proceeds for welfare, education and cultural activities benefitting predominantly non-Muslims.

According to its Seremban MP, Anthony Loke (left), this will "kill two birds with one stone" by easing Muslim concerns about non-halal revenue and assist the non-Malay community especially in the area of vernacular education.

Citing a written reply in Parliament he received last October, he said that from 2008 to 2012, punters contributed RM6.3 billion in sin taxes from Special Draws alone.

"The tax revenue (from Special Draws) is used for sports, welfare, social, cultural and health programmes which benefit the people and the nation," the written reply from Finance Minister Najib Abdul Razak read.

Loke stressed that the RM6.3 billion did not come from the gambling operators, but from punters who contribute a percentage of their bets in tax.

This also does not include tax revenue from slot machines and the casino in Genting Highlands.

From 2010 to 2012, taxes from slot machines amounted to RM233.33 million. Currently, up to 159 societies and companies hold licences to operate slot machines.

Loke said that some countries without significant Muslim population have separate accounts for sin taxes, such as Macau and Hong Kong, who transparently account for such revenue through a separate gambling authority.

"It is not just about Muslims or non-Muslims. It's high time we utilise revenue from gambling for society and to indicate that a lot of money is thrown into gambling," he said.

No additional special draw licences

He added that transparently accounting for gambling tax revenue can also encourage those who partake in illegal betting to move to legal betting.

"Industry players indicate that illegal betting industry is even larger," he claimed.

Loke said that although Malaysia has allowed number forecast, or lottery, operators since the 1950s, it does not have a policy to deal with gambling addiction.

As such, he urged the government to cancel any additional licences for Special Draws this year, and to not allow an additional day for a draw.

At present, the six lottery operators - the largest being Sports Toto (M) Sdn Bhd - hold draws on Wednesdays, Saturdays and Sundays.

"I urge Prime Minister and Finance Minister Najib (left) to cancel all additional permits for Special Draws to prove the government is not reliant on gambling to raise tax revenue," he said.

Loke said that not allowing an additional draw day will cost the government about RM150 million in lost revenue but the social cost is much higher.

"These are funds coming from individuals. If what the government gets its only 5 to 10 percent of the bets, the money actually spent on gambling is even higher.

"The government must consider not just the revenue part, but also the social cost," he said.

He said that this can be done even as Putrajaya embarks on austerity measures as the industry has contributed billions over the years and will continue to provide hundreds of millions of ringgit this year without additional permits.

He added that this was not an extreme move to curb gambling, as those who choose to gamble can still do so during the three draw days.

Pakatan Rakyat MPs have previously raised this issue in Parliament, while the DAP has consistently sought for the separation of sin tax revenue from the consolidated fund.

The issue of halal government revenue had previously been raised by now Kepala Batas MP Reezal Naina Merican (right), who claimed the welfare aid provided to senior citizens by the DAP-led Penang government was non-halal as it was derived from turf club takings.

The Penang government has denied the claim.

MCA member and prominent tycoon Liew Kee Sin had also recently called for 20 percent of sin tax revenue to go towards vernacular education.

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