

Perkasa supports DAP proposal on sin tax

MalaysiaKini.com

Jan 10, 2014

They may often be at loggerheads but when it comes to sin taxes, Malay rights NGO Perkasa and DAP seem to be on the same page.

Responding to a proposal by DAP's Seremban MP Anthony Loke to separate sin tax proceeds from the government's consolidated account, Perkasa chief Ibrahim Ali said he has called for this "a long time ago".

"I agree and have suggested this a long time ago. This is a suggestion that will surely get the support from all Muslims," the former Independent Pasir Mas MP said when contacted.

Umno's Kepala Batas MP Reezal Naina Merican (left), who was vocal about the suspected use of Turf Club funds for welfare in Penang in 2010, however, is less clear.

While he said he "personally supports it", he also said that this matter should be dealt with by the National Fatwa Council as it pertains to Islamic rulings (hukum).

Muddying the waters further, he also equated sin taxes with jizyah, a form of tax collected by early Islamic governments from non-Muslims.

"We have debated this issue before and it really boils down to hukum, but in the Prophet's time, jizyah were collected from the Jews and zakat collected from Muslims.

"It could be that the jizyah from the Jews came from activities which were not Islamic.

"In essence, we may want to separate the sin taxes revenue because it came from non-halal sources, but when it comes to state administration, there are some fatwa which say it is permissible so I would refer to the National Fatwa Council for guidance," he said.

Reezal, who urged senior citizens to return the aid from the state in the Turf Club debacle, added that he was then only pressuring the state to disclose the sources of funding, and not questioning whether it was halal or haram.

"Besides, that was funds directly from the Turf Club, and not taxes from gambling activities which is indirect," he said.

Jizyah is per-capita levied tax on non-Muslim citizens of an Islamic state and in return the state safeguards freedom of religion, communal autonomy, safety from aggression and exemption from military service as well as the zakat, a tax paid by Muslims.

95 percent of Muslims will agree

However, Reezal's rationale was contended by PAS central committee member Dzulkefly Ahmad, who said that equating sin taxes to jizyah is a "non-analogous analogy".

"The jizyah is an antiquated concept which is no longer relevant. Making such analogies are dangerous as if we legalise the proceeds of a forbidden act, do we then legalise the act?" he asked.

Dzulkefly (right), who has background in Islamic finance, said sin tax proceeds should be separated from the consolidated account and can easily be done in the same way Islamic banks separate their earnings from conventional finance.

"In Islamic banking, there is a way to 'purify' the revenue, by separating the revenue from conventional finance.

"So for sin taxes, we know that we get about RM6 billion from lotteries (from 2008 to 2012) so we take this same amount out from the consolidated account to be used for certain things only," he said.

He added that the average Muslim citizen, especially those in the civil service, would want to ensure that the money they feed their wife and children with comes from halal sources.

"I can tell you now that if you do a poll, 95 percent of Muslim citizens would agree to separating it. The only problem is, would the government be able to fund its expenses without sin taxes?" he asked.

A polarised nation?

Dzulkefly, however, accepted that for some, the idea of separating tax proceeds on religious lines could further divide a nation which is today already strained by

religious issues.

“When a country is living such a polarised existence, divided by faith, then how do we share this nation and treat everyone equally?”

“We are at a cross road, and this is something the leadership needs to really think about,” he said.

Loke (left) had proposed that sin tax proceeds be separated to “kill two birds with one stone”– ease concerns by Muslims over halal revenue and fund activities predominantly benefitting non-Muslims, like vernacular education and cultural education.

This is not the first time DAP made this proposal, which it seems to share with MCA, who in 2010 sought for tax proceeds from legalised bettings be channeled to a special account for non-Malay purposes.

The government in 2010 said that it will channel non-halal sources of revenue to a separate account, but a written reply to Loke in Oct 31, 2013 said that tax revenue from Special Draw lottery from January to June 2013 was used for “sports, welfare, social, cultural and health programmes”.

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