

## **Pakatan proposes more taxes on the rich**

**MalaysiaKini.com**

**Oct 9, 2014**

Pakatan Rakyat today proposed substitutes to the controversial goods and services tax (GST), ahead of the unveiling of the government's Budget 2015 tomorrow.

Presenting its alternative budget today, the Pakatan budget committee said the coalition was looking at introducing a Capital Gains Tax (CGT) as well as an Inheritance Tax.

The committee said that these taxes are preferable to the GST as they are progressive in nature, meaning that the wealthy will bear a higher burden of tax, as a proportion to their income.

DAP's Serdang MP Ong Kian Ming, who is part of the committee, said this is in contrast to the GST, which will be imposed across the board and hit the low-income groups the hardest.

"The government often says that GST is good because more than 100 countries (have implemented it), but more than 100 countries also have CGT," Ong told a briefing at the Parliament building today.

Billions gained, still

The CGT is imposed on financial gains made in transactions such as the sales of stocks, companies or property, while inheritance tax is imposed on transfer of wealth to one's relatives.

Ong said that to date, Malaysia only has one CGT in the form of the real property gains tax, which is imposed on the transaction of property held for less than five years.

The inheritance tax is imposed on the transfer of wealth to one's kin and would only come into effect for transfer of assets worth more than RM5 million.

Other members of the Pakatan budget committee are PKR's Pandan MP Rafizi Ramli and Kelana Jaya MP Wong Chen, as well as PAS research centre executive director Dzulkefly Ahmad.

Wong Chen (right) said the CGT is expected to bring in RM3 billion in revenue.

While the inheritance tax is more "volatile" to pinpoint a figure, he said its estimated worth would still be in the billions.

"Many of our tycoons are already in their 70s or 80s.... sooner or later, they have to die;

they are not immortal so we should prepare (to tax them)," he quipped.

Rafizi added that the inheritance tax is aimed at people with "obscene and exorbitant" wealth.

He said the alternative taxes would not be able to cover the full RM8 billion that the GST would generate under BN's plan but the shortfall can be made up by plugging leakages and introducing open tender.

Dzulkefly said Pakatan's proposal would also focus on rural development under the "village revolution" scheme, which would see the creation of job opportunities and more organised land management for these communities.

Slash funds for 'brainwashing' bodies

The alternative budget was today announced by opposition leader Anwar Ibrahim, together with DAP's Gelang Patah MP Lim Kit Siang and PAS' Pokok Sena MP Mahfuz Omar.

Prior to the briefing by the Pakatan budget committee, Anwar, in his speech, said this year's sixth alternative budget breaks away from past practices.

Instead of offering remedies to address weaknesses in BN's budget, it promotes Pakatan's own policies, which he said is already well-known.

Anwar also said if Pakatan was in power, it would move to slash funding for several agencies under the Prime Minister's Department (PMD).

"The Prime Minister's department's discretionary budget exceeds RM9 billion annually.

"In contrast to Australia's prime minister's department allocation, Malaysia's is five times higher," he said.

In the alternative budget, the Department of Special Affairs (Jasa) and the National Civics Bureau (BTN) – two bodies which Pakatan described as "brainwashing" bodies under the PMD – would be abolished, saving a total of RM84 million.

Funding cuts would also be imposed on other PMD agencies, including the Performance Management Delivery Unit (Pemandu), Talentcorp, and Malaysia Nuclear Energy, as well as a review of the RM668 million National Service Programme (above).