

Guan Eng: Johor sultan exposed BN's lie on GST

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BN's attempt to convince voters during the Permatang Pauh by-election that government services is not subjected to the Goods and Services Tax (GST) was exposed after the Johor Sultan expressed unhappiness about it, said Penang Chief Minister Lim Guan Eng.

Lim was referring to Penang BN chairperson Teng Chang Yeow who during that campaign accused the chief minister of misleading the public when he said the GST would also cover government services.

In a statement today, he held that Teng and BN were shown to be clearly lying, now that the Johor sultan had expressed his displeasure that the public or the state government has to pay GST for government services and works provided to the public.

Johor Sultan Ibrahim Ismail Iskandar in his opening speech at the state assembly had said GST being imposed on government services "did not make sense" as it is a basic responsibility to the rakyat.

The monarch had asked the Johor government to seek an exemption from Putrajaya to exclude the local and state government from having to impose GST for its services.

Lim (photo) said the Penang government had likewise written to Prime Minister Najib Abdul Razak for an exemption as local governments as well as the state government were not business entities.

"Unfortunately there is no reply from the prime minister," he said.

Lim had said local authorities and state agencies are being forced to fork out a total of RM48 million, of which RM46.3 million is GST and the remaining is RM1.7 million for administrative costs, following the introduction of the tax by Putrajaya.

"By trying to win the Permatang Pauh by-election with such dirty tactics, it is clear that BN and Umno have not only lost in the by-election but also lost their honour and dignity," he said.

PKR's Wan Azizah Wan Ismail defeated BN's Suhaimi Sabudin in the by-election with an 8,841-vote majority.

In a related development, the New Straits Times reported that the Johor government will absorb the GST imposed on government services such as rental for local council facilities and license fees.

Johor Housing and Local Government Committee chairman Datuk Abdul Latif Bandi said this will come up to RM3 million per year for the 16 local councils in the state.

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