

'Legal issues' if only Johor exempted from GST

MalaysiaKini.com

May 10, 2015

There may be legal problems if Johor is the only state granted exemption from the Goods and Services Tax (GST) for its government services, constitutional expert Abdul Aziz Bari said.

This is because under the federal constitution, all states in the federation must be treated equally, he said.

"The (Johor) state has said that it may ask for exemption from the Housing and Local Government Ministry.

"One could presume that other states under Umno-BN will also apply and get it.

"This will create constitutional anomaly as the Constitution provides right to equality: failure to give the same to Pakatan states will provide good reason for a challenge in court," he said in a statement today.

Johor government said it is mulling requesting GST exemption from Putrajaya for government services following the Johor sultan's stance that such services should be GST free.

In the interim, it will absorb the GST cost for government services which will run up to around RM3.19 million a year.

Abdul Aziz said that the interim measure should also be brought to the state assembly as it involved taxpayers' funds.

"As the proposal put up by Johor has given rise to some legal issues the Attorney-General's Chambers should clarify the matter," he said.

The Johor government had made the announcement yesterday after Sultan Ibrahim Ismail Iskandar criticised the imposition of GST on government services, stressing that these are basic responsibilities to the rakyat.

In his speech to the Johor state assembly on Thursday, the monarch also asked that the Johor government seek an exemption from Putrajaya.

Penang Chief Minister Lim Guan Eng today said his state government had written to Prime Minister Najib Abdul Razak to request for an exemption but had yet to receive a response.

DAP has also urged Johor to team up with other states to pressure Putrajaya to exempt government services from GST.

Copyright © 1999-2012 Mkini Dotcom Sdn. Bhd
Source : <http://www.malysiakini.com/news/297835>