

Gov't revenue lower if not for GST

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Government revenue would have been lower by RM21 billion in 2016 if not for the Goods and Services Tax (GST).

Prime Minister Najib Abdul Razak said if the Sales and Services Tax (SST) has been retained, the collection for the year is estimated at RM18 billion compared with GST revenue of RM39 billion.

Also the Finance Minister, he said this when tabling the Budget 2016 in the Dewan Rakyat today.

He said if this was the case, the fiscal deficit would have increased to 4.8 percent and not the 3.1 percent targeted for 2016.

"The government would have then been forced to borrow, including to pay civil servants salaries, the nations credit rating would be downgraded and all borrowings costs, including personal, business and housing loans would definitely be higher," he added.

The GST was implemented on April 1 this year at the rate of six percent to replace the SST of 10 percent.

The tax regime has to date been implemented in more than 160 countries.

- Bernama

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