

Cola income is tax exempt

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Main purpose is to help civil servants

THE cost of living allowance (Cola) paid to civil servants from January this year is exempt from income tax, according to Second Finance Minister Tan Sri Nor Mohamed Yakkop.

He said this was in accordance with the primary objective of providing Cola, which is to ease the financial burden of civil servants in the wake of the rising cost of living, particularly in big towns.

"The cost of living allowance received by civil servants will be exempt from income tax beginning year of assessment 2006," he said in winding up

debate on the Budget.

The House passed the bill yesterday.

The Cola, announced by Prime Minister Datuk Seri Abdullah Ahmad Badawi when he tabled Budget 2006 in Parliament, is payable monthly to civil servants and ranges from RM50 to RM150 depending on location.

Meanwhile, Health Minister Datuk Seri Dr Chua Soi Lek said his ministry was drafting a legislation which, among other things, sought to ensure that human organs do not become objects for commercial transactions.

He said the move was in line

with that adopted by most countries which discouraged human organ donation for profit.

"The Health Ministry also discourages organ donation for profit, and we only encourage organ donations among family members," he said when winding up debate on the Budget.

"That is only after it has been ensured that the donor and his family members understood the risks and implications."

Dr Chua said Malaysia, like most other countries, also discouraged live organ donations, except if the donors' death was inevitable.

He added: "In Malaysia, I

admit, it's difficult to get Muslim donors because of religious concerns. Most donors in the country are non-Muslims."

On health tourism, he said confidence in the country's medical practice had brought about encouraging growth in the industry.

So far, 35 private hospitals have marketed their health tourism products, and last year the industry received more than 230,000 foreign patients and generated RM150.9mil in revenue, Dr Chua said. — Bernama