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Tax-exempt

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GST waiver for basic goods and services

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KUALA LUMPUR: Malaysians need not worry about paying goods and services tax (GST) on certain basic necessities and services under the new tax regime targeted for implementation in the middle of next year.

The Government has decided that 40

basic goods and services will be exempted from the GST, said Finance Minister (II) Datuk Seri Ahmad Husni Mohamad Hanadzlah.

They included basic foodstuff, residential accommodation, education, health services, public transportation and domestic water and electricity supply to a certain limit.

"The Malaysian GST model is being

carefully formulated, taking into consideration the interest of the population at large, especially those of the lower income group," he said when opening the *National Conference On GST: Roadmap to Malaysia's New Taxation System* yesterday.

GST is a consumption tax on import-

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GST to boost country's fiscal footing

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ed goods and on supplies of goods and services in the country.

It was earlier reported that certain goods such as rice, sugar, salt, flour, eggs, meat and chicken as well as the first 200 units of electricity and 35 cubic metres of water utilised could be exempted from the tax.

Ahmad Husni said more than 140 countries had successfully implemented GST. Among Asean countries, only Brunei, Malaysia and Myanmar had not implemented it.

"If 143 countries have done it, why not us?" he said, adding that a number of countries having lower purchasing power than Malaysia such as Venezuela, Kazakhstan, Brazil and Sudan had implemented GST.

"The introduction of GST is to ensure that Malaysia's fiscal footing is on firmer ground as we embark on our quest to be a high-income economy within the next decade."

He added that GST, too, had in-built cross-checking features and this would enhance tax compliance.

"It is a self-policing mechanism that facilitates its administration and makes it difficult for anyone to avoid or evade this tax," he said.

Ahmad Husni said with the higher tax compliance, the Government could generate additional revenue that would go back to the people through socio-economic development such as the provision of better infrastructure, education, welfare and health services.