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# Flat-rate plan for farmers

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Scheme to help them cut costs when GST takes effect

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**PUTRAJAYA:** Farmers with incomes not exceeding RM500,000 per year will be eligible for a flat-rate scheme to help them reduce production costs when the Goods and Services Tax (GST) comes into effect next year.

The scheme entitles qualified farmers to impose a 2% additional charge on buyers registered under the GST scheme.

This 2% margin gained by farmers need not be returned to the Government while buyers who are charged on the flat rate scheme may claim the charges as an input tax.

"This is a voluntary scheme for farmers whose income does not exceed RM500,000 per annum and the applicants need only submit their (tax) returns once a year," said Deputy Finance Minister Datuk Chua Tee Yong after meeting representatives from various agricultural associations here yesterday.

"The 2% that they (farmers) gain may be used to reduce their production costs such as to buy chemicals and pesticides.

"Farmers have so far responded positively to this scheme as this initiative is aimed at reducing their costs," he said.

Only qualified farmers recognised by the 16 departments or authorities listed under the flat-rate scheme are entitled to register for the scheme.

**The 2% that they (farmers) gain may be used to reduce their production costs.**

— DATUK CHUA TEE YONG

These include the Agricultural Department, the Fisheries Department, the Veterinary Services Department, the Malaysian Fisheries Development Board, the Malaysian Palm Oil Board, the Malaysian Rubber Board, the Malaysian Cocoa Board and the National Kenaf and Tobacco Board.

To qualify for the flat-rate scheme, farmers are required to register with the Customs Department either online or via forms available on its website.

Farmers are encouraged to complete the registration by this year ahead of the implementation of the GST on April 1.

"For zero-rated items such as vegetables, it (GST) should not impact consumer prices unless there are other factors that we cannot control such as supply and demand," said Chua.

GST is a consumption tax which will be introduced at a rate of 6% to replace the sales and service tax.



**Warm reception:** Chua says farmers have so far responded positively to the scheme.