

'SST collection will surpass GST in future'

COLLECTION from the Sales and Services Tax (SST) will surpass the amount collected from the abolished Goods and Services Tax (GST) in the next few years, the Dewan Rakyat was told.

Prime Minister Tun Dr Mahathir Mohamad said while the government expected a shortfall of more than RM20 billion this year under SST, which was almost half of GST's annual collection of RM44 billion, he assured that this was normal for any newly introduced taxes.

"This (shortfall) was not due to mistakes in the implementation of SST. When new taxes are implemented, collection from those taxes will see a shortfall in the beginning. This is due to adjustments that need to be made.

"I'm confident that in a few years, collection from SST will be higher than GST," he said in re-

sponse to a question by Datuk Seri Ismail Mohamed Said (Barisan Nasional-Kuala Krau) on the expected shortfall under SST and policies and plans to address this.

Dr Mahathir said GST collection was higher as consumers and businesses were charged multiple times, which caused issues.

"In comparison, SST had been implemented for so many years (before GST was introduced in 2015) and there were never any problems. That was why we decided to revert to SST.

"Thank you for the offer, but the country will be destroyed if we accept you as a consultant," he said in response to an offer for free consultation from former deputy finance minister Datuk Seri Ahmad Maslan (BN-Pontian) should the government revert to GST.

Dr Mahathir said GST, which was introduced by the former BN

government, had burdened the people and taxpayers, particularly due to delays in refunds.

On proposals to reintroduce GST, he said a thorough study was needed, particularly on the impact of rising prices on consumers, inflation and additional costs of compliance on businesses due to the need to change computer systems and retrain staff, apart from filing for tax refunds.

He said changes to the tax system should not be made frequently as it would impact investors' confidence.

"The government is improving the SST system."

Deputy Finance Minister Datuk Amiruddin Hamzah had said SST was projected to collect RM22 billion this year, half of what GST collected every year, prompting calls for the government to review the new tax system.