

Prepaid tax meddling indicates shaky government, says DAP, PAS
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KUALA LUMPUR, Sept 14 — The Najib administration's interference in the prepaid service tax controversy is a sign that the government is weak, Pakatan Rakyat (PR) parties DAP and PAS, said today.

Leaders from the two parties said they also expected the prepaid service tax to be reimposed after the next general election.

DAP national vice-chairman M. Kulasegaran alleged in a statement here that Monday's postponement of the levy was merely out of fear of a voter backlash when polls are called.

"I believe the government was well aware of the telcos' (telecommunications companies) plan earlier but only decided to call for deferment after seeing the massive unfavourable public objection against the planned move," he said.

The Ipoh Barat MP said the Barisan Nasional (BN) government had become weak because of fears that it could fall in the next elections.

"With new public surveys showing a decline of Najib's popularity to 59 per cent, the probability of an election this year has decreased. February or March next year is now a much speculated new date," said Kulasegaran.

He said BN leaders were fully aware that implementing such an unpopular tax would likely cost the pact more votes.

"Now, BN leaders and polls strategists cannot and dare not rule out the possibility of a BN fall from power in the next general election," Kulasegaran said.

"So it is a question of timing only. Politically, now is not the best time. So likely that if BN wins big in the coming general election, the rates will be imposed on the users," he added.

Information, Communications and Culture Minister Datuk Seri Dr Rais Yatim announced on Monday that local telecommunications companies had agreed to put off the service tax, initially to begin tomorrow, following days of intense pressure from both sides of the political divide.

But the senior minister added that the decision was still pending consultation with the Malaysian Communications and Multimedia Commission (MCMC), inviting speculation from PR lawmakers that the measure would be introduced after the polls.

At a press conference earlier today, PAS vice-president Datuk Mahfuz Omar predicted the same and added that the firms should continue absorbing the costs.

The tax was announced last week in a joint statement by telecommunications companies who insisted that it was not a new tax as they have been absorbing the costs since it was first introduced in 1998.

The Pokok Sena MP pointed out that imposing such levies on prepaid users goes against the "spirit of service tax", saying that service must first be rendered before the consumer is taxed.

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