

Stop feigning ignorance over prepaid phone tax, PAS tells Najib
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KUALA LUMPUR, Sept 13 — PAS has told Datuk Seri Najib Razak to stop pleading ignorance over the six per cent service tax imposed on prepaid mobile users, saying the telcos were just implementing the Budget 2011 tabled last year.

The service tax of five per cent was imposed since 1998 to all mobile phone service providers but Najib, who is Finance Minister, raised the tax to six per cent in the Budget proposals for this year.

“The telcos only implemented the budget presented by Najib for 2011. When they start to implement it, Najib blames the telcos, to portray himself as a caring leader ahead of the general election,” said Dr Dzulkefly Ahmad (picture), who heads PAS’s Research Centre.

The telcos had been absorbing the tax to grow the mobile phone service which now has nearly 28 million subscribers but agreed to pass on the tax effective September 15. However, the companies have decided to defer the tax again following a public outcry and a government request.

Najib had urged the companies to review the decision, which he said had nothing to do with the government.

PAS’s vice-president Mahfuz Omar, who leads anti-price hike movement Protes BN, said the telcos were only shifting the burden of the government-imposed tax to consumers.

He said not only the Telcos should stop charging consumers, the government must also abolish the tax.

In a statement yesterday, the telcos said they have agreed to defer implementing the service tax for purchases of prepaid reloads, starter and SIM packs upon requests from Najib and Minister of Information, Communications and Culture Datuk Seri Rais Yatim.

“The telecommunications companies have historically absorbed the levy on behalf of the customers, contributing around RM6 billion to the government. At present, it is the only service where tax is subsidised by the companies, and not paid by the customers.

“The Ministry of Information, Communications and Culture and Malaysian Communications and Multimedia Commission (SKMM), in view of the industry’s concession, have agreed to take up the matter to necessary levels for an amicable resolution, with relief to all parties,” they said in a joint statement.

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