

Pakatan says will not cooperate on GST
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KUALA LUMPUR, March 28 — Pakatan Rakyat (PR) will not cooperate with Barisan Nasional (BN) on its plan to implement the controversial goods and services tax (GST), Datuk Seri Anwar Ibrahim insisted today, dismissing a suggestion by Pemandu CEO Datuk Seri Idris Jala.

Anwar (picture) disagreed with Jala's reasoning that introducing the GST would help spread the tax burden more evenly among Malaysians, pointing out that those currently who do not qualify to pay taxes are considered by PR as the country's "poor".

As such, the Opposition Leader said that until the general incomes of Malaysians are increased, PR would continue to oppose the controversial GST.

"Our stand is, the people who don't pay taxes are generally under the poor category.

"So that's why Pakatan is against the move... but the only way is to defeat BN in the general elections," he told a press conference in Parliament today.

Jala said yesterday that the country's two rival political coalitions should cooperate on tax reforms once the political temperature has simmered down after the upcoming general elections.

The Pemandu CEO had said that only 1.7 million Malaysians or six per cent of the population currently pay taxes and GST, which was postponed in 2010 apparently to head off political backlash, was the best way to spread the tax burden more evenly.

"We do need the fiscal space (provided by the GST)," Idris Jala told attendees at a certified public accountants conference here.

"Hopefully, after the election, both parties will settle down and we can agree on GST," he said.

Jala, who is also a minister in the Prime Minister's Department, said that with GST, income tax and corporate tax could be lowered which would make Malaysia more competitive.

He noted that at a rate of four per cent GST, the government would realise an additional RM6.3 billion in revenue and at seven per cent GST, which is the rate in neighbouring Singapore, the government could collect an additional RM25.7 billion.

The GST Bill was tabled for reading in Parliament in December 2009 but its second reading, originally planned for March 2010, was postponed due to fierce political resistance.

It was originally expected to have been implemented by the middle of 2011.

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