

Pakatan: BN hiding the implementation of GST
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KUALA LUMPUR, Oct 2 — Pakatan Rakyat (PR) lawmakers today accused the ruling Barisan Nasional (BN) of misleading the public by hiding the implementation of the Goods and Services Tax (GST) in Budget 2013.

Lembah Pantai MP Nurul Izzah Anwar, Bukit Bendera MP Liew Chin Tong, and Kuala Selangor MP Dr Dzulkefly Ahmad, in a joint statement, accused Finance Minister Datuk Seri Najib Razak of embedding “coded signals to the financial sector of the imminent implementation of the GST”.

“On the one hand, (Najib) desires to assure the financial sector that the federal government has the means to continue to finance wastages and corruption without having to reform the crony-infested economic structure,” they claimed.

“On the other hand, he is fully aware that imposing a new and blanket consumption tax on a relatively poor population is a path full of challenges,” they added.

The PR leaders pointed out that paragraph 80 of Budget 2013 reads: “Apart from the transition from bulk subsidies to targeted subsidies, a review of Malaysia’s taxation system will be continued to ensure the taxation system better reflects the household’s financial position.”

The added paragraph 145 clearly showed that the one percentage point tax cut is part of the GST package and would essentially mean whatever an individual gains from the cut would have to be paid back through the GST eventually.

“Just last April, when queried in Parliament on the link between GST and TUKAR (the Small Retailer Transformation Programme), the deputy minister of domestic trade, co-operatives and consumerism blatantly issued a denial, stating ‘TUKAR programme has nothing to do with GST’,” they said.

The three PR MPs pointed out this was despite the ministry’s website stating the objectives of TUKAR include preparing retailers for the implementation of GST.

“Such double-speak borders on lying and is a clear case of misleading Parliament and hence the people it represents,” the PR leaders said, adding the coalition was opposed to the implementation of GST until certain conditions are met.

“Without addressing systemic corruption and cronyism, the government has no moral right to impose any new tax, whether it is GST or something else,” they said.

“The immediate imperative of the next government is not to tax the squeezed middle class and the poor more, but to grow their income and disposable income so to ensure dignified lives for them and also for them to have more cash in hand to contribute as consumers to drive the domestic economy,” they added.

The opposition leaders said BN must be aware that 60 per cent of households live with a monthly income of less than RM3,000 and imposing GST would tax this group more than what BR1M (government financial assistance) gives them.

“The argument that several hundred items consumed by the poor would be exempted from GST does not hold water because as the implementation of BR1M shows that the squeezed middle and the poor together made up 60 percent of the population,” they said.

“The government must be sincere in its articulation of economic policies, in particular taxation policies.

“It is highly irresponsible to hide its intention to implement GST behind coded words.”

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