

Rehda Wants Gst Be Implemented Gradually
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PETALING JAYA, March 10 (Bernama) -- The Real Estate and Housing Developers' Association Malaysia (REHDA) has proposed that the goods and services tax (GST) be implemented gradually as it will have an adverse impact on the affordability of housing to the people.

Its Finance and Investment Committee Chairman, Datuk Ng Seing Liong, said the six per cent GST, which would be implemented from April 1, 2015, was quite high and the consumers would be burderned by it.

"The developers' margins will also be lower with the GST," he said at a media briefing on 'GST -- Impact on the Housing Industry' here Monday.

Ng said REHDA has submitted its proposals on the GST to the government and was awaiting the response.

"REHDA has requested the Finance Ministry give serious consideration to the proposals as the implementation of GST in its current form will cause financial hardship, adding to the costs of development resulting in overall increase in house prices and will be eventually passed on to the buyers," Ng said.

He said one of them was that REHDA wanted the government to extend the zero-rated goods and services to major cost components of property development projects like steel bars, iron, cement, concrete and aggregate sand or consider provisions for some relief to the suppliers to help them deal with cash flow issue.

"The suppliers may end up passing the costs in the form of higher prices," he said.

The industry also wanted the stamp duty on transfers of real property be maintained at the current maximum three per cent instead of the proposed four, he said.

Ng said the imposition of GST would add another layer of cost as there were already multiple 'taxes' imposed such as real property gains tax, Construction Industry Development Board levy and service tax.

Another proposal, he said, was to allow developers adopt a fixed allocation -- either built-up, land area (acreage) or any method (segregation between residential and commercial property development) -- in claiming residual input tax credits as this would help ease the administrative burden when claiming residual input tax.

For sale purchase agreements of land entered prior to appointed date of April 2015, payments received of invoices issue prior to the appointed date where the supply of land is made available after appointed date will not attract GST, he said.

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