

Dewan Negara Passes 2014 Goods and Services Tax Bill

Bernama

5 May, 2014

KUALA LUMPUR, May 5 (Bernama) -- The Senate passed the 2014 Goods and Services Tax (GST) Bill today after being debated by 31 senators.

The legislation was aimed at streamlining the taxation system to be more efficient and ensure the country's future through better revenue collection.

Earlier, when winding up the debate, Deputy Finance Minister Datuk Ahmad Maslan said the GST must be implemented as the government found the current tax collection system not effective, especially in the development of the country's economy.

"We admit the current taxation system is quite weak and the government needs a new taxation system which is more effective for the country...and that is why we are introducing the GST.

"Does the opposition in protesting against the implementation of the GST wish to continue with the weak system when we have a more effective and transparent system which could reduce our dependence on petroleum tax," he said.

He said even though the introduction of GST could cause a 1.8 per cent rise in the Consumer Price Index, the people need not worry as it would be a temporary effect before the normal process sets in on the new taxation system.

Ahmad said GST would be imposed on 689 goods in which only 73 items will experience price hike, 287 items would see a price drop and price of 329 items will remain the same while 255 other goods are being reviewed.

To avoid traders who may arbitrarily raise prices, the government would be issuing a shoppers guide containing 1,000 types of goods, three months before GST was implemented, he said.

The difference between Sales and Service Tax 1975 (SST) was that it was a single tier tax while GST was staggered with tax imposed at various stages from production to distribution, he added.

GST will be introduced in April 2015 at 6 per cent to replace the SST of 16 per cent.

The Dewan Rakyat will resume tomorrow.

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