

Government Mulls Tax Exemption for RON95, Diesel – Ahmad Maslan

Bernama

June 12, 2014

KUALA LUMPUR, June 12 (Bernama) -- The government is mulling over the possibility to exempt the people from paying fuel taxes on RON95 and diesel when the Goods and Services Tax (GST) is implemented in April next year.

Deputy Finance Minister Datuk Seri Ahmad Maslan said this was because right now, RON95 and diesel were exempted from sales tax at the rate of 58.62 sen per litre and 40 sen per litre, respectively.

He said the subsidy and exemption of sales tax on the two commodities meant quite a large liability for the government.

"However, the government has yet to decide whether or not to impose GST on petrol and diesel.

"We want to see how much we can save from this effort before taking another subsidy rationalisation move," he said when winding up debates on Supplementary Bill 2014 at the committee level at the Dewan Rakyat here today.

GST will be implemented from April 1 next year at the rate of six per cent to replace the Sales and Services Tax which has the rate of up to 16 per cent.

Ahmad said right now the price of RON95 petrol was RM2.10 per litre with 71 sen government subsidy, while the price of diesel was RM2 after being subsidised by 74 sen.

During the winding up, Rafizi Ramli (Pandan-PKR) interjected and urged the government to inform the people in advance on any possible price hikes due to the implementation of GST, and not to let the people and business community to be shocked by the news.

To that, Ahmad said the government would issue shopper's guide booklets, which will contain the list of 1,000 consumer products, three months before the implementation of the new taxation system next year.

He said the issuance of the booklets was aimed at preventing consumers from being cheated by traders who would be tempted to raise the price of the products at their whims and fancy.

"GST is introduced with the aim to increase the country's revenue in a transparent, effective and efficient manners to improve the nation's competitiveness at the international level," he added.

-- BERNAMA

Copyright © 2014 BERNAMA

Source: <http://www.bernama.com/bernama/v7/newsindex.php?id=1045808>