

**No GST on commercial unit rentals under RM500,000 a year, says Najib – Bernama
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The Goods and Services Tax (GST) will not be imposed on rentals of commercial units below RM500,000 a year, says Datuk Seri Najib Razak.

The prime minister said the government had also decided that supply services for all stratified residential houses would be GST-exempt.

He said under subsection 18(2) of the Goods and Services Act 2014, services for owners of low-cost and medium-cost stratified houses are GST-exempt.

"The exemption has been extended to cover all categories of stratified houses, meaning any fees imposed by management bodies and joint management bodies (JMBs) on maintenance and management including sinking fee contributions are exempted from the GST," he said in his written reply to Ng Wei Aik (DAP-Tanjong) today.

Ng had wanted to know whether the GST would be imposed on maintenance and management fees and sinking fund contributions.

Najib, who is also Finance Minister, said the GST will apply if JMBs or management bodies make taxable supplies such as rentals on commercial units exceeding RM500,000 a year.

On November 28 last year, several property-related agencies submitted a petition calling for zero tax for maintenance charges, sinking fund contributions and all related contributions or charges payable.

On January 5 this year, the Finance Ministry agreed to extend GST exemption from low- and medium-cost properties to all stratified residential properties.

Meanwhile, Deputy Finance Minister Datuk Chua Tee Yong said false input tax credit claims would be one of the challenges for the GST, which will be implemented on April 1.

Such false claims are often faced by countries like Singapore that have introduced the GST, he told reporters after meeting representatives from the Royal Customs Department and used car and motorcycle dealer associations in Putrajaya today.

Chua said other challenges in the GST implementation include errors made by companies in their GST-compliant software and tax assessments.

"That is why the government is urging companies to register before the GST implementation to enable them to qualify for the advisory period," he said.

On the call to postpone the GST implementation, Chua said the government had fully prepared for the implementation since October 2013, adding the new tax regime had been successfully implemented in 169 countries.

Chua said used vehicle prices will go down with the approval of the Margin Scheme by the government following appeals from some 4,000 association members and used motorcycle traders.

The scheme prevents double taxation on the used goods, he said. – Bernama, March 17, 2015.

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