

Penang councils to absorb GST annually, says Guan Eng
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The Penang state government has given assurance that the two local councils in the state will absorb the goods and services tax (GST) annually, to spare ratepayers from forking out more for using council services.

Chief Minister Lim Guan Eng said the Penang Island City Council (MBPP) and Seberang Prai Municipal Council (MPSP) would bear the annual sum of RM21.5 million to pay the GST.

He said bearing the burden was necessary to show solidarity with other states that are willing to take the drastic step to demonstrate strong opposition against the 6% GST.

"MBPP and MPSP will have to pay directly RM14.4 million and RM5 million as output tax for carrying out public works and development projects. This RM19.4 million in output tax will be paid direct to the Customs Department.

"Both MBPP and MPSP will have to collect from the public RM1.23 million and RM863,000 for using government services as input tax for GST, which will then also be remitted to the Customs Department.

"It is this RM2.1 million input tax that the councils are absorbing," he said today.

Lim, however, said because of the RM19.4 million output tax, there would be less money to be spent on the people by the local councils.

Apart from Penang, the Johor government and its local councils were also ordered by the Sultan of Johor to absorb GST.

The Terengganu government is also doing the same, but only for one year.

Lim said with Johor and Terengganu also absorbing the tax, alongside Penang that had openly opposed the implementation of the tax from the start, the appeal to the federal government to exempt state projects and council services from the tax should be stronger now.

He also hit out at Penang Barisan Nasional chairman Teng Chang Yeow, who had claimed that the state government's operating budget is not subjected to GST.

He said both Johor and Terengganu had proven his bluff when the two states declared that they too were absorbing GST.

"Teng has now tried to cover his first lie with another lie by stating that I do not know that Penang operating budget of RM100.25 million such as salaries and pension payments were actually tax-exempted.

"The Penang government's operating budget 2015 is RM887.24 million, not RM100.25 million. Further, the operating budget does not only include salaries and pension payments that are not subjected to GST. It includes administration costs and supplies, which are subjected to GST," he said.

Lim said he no longer wanted to entertain Teng, who was not addressing issues faced by the people, such as how GST had forced traditional businesses like sundry shops, hardware shops and traditional Chinese medicine shop to close down.

"There was even a businessman in Teluk Intan, who attempted suicide because of GST. Can Teng answer why he supports GST instead of opposing it?"

"What has he done to lessen the burden of the people, which is caused by the GST?"
- May 12, 2015.

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