

Nazri: Tourism tax comes into effect July 1, not Aug 1

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Even without the Yang di-Pertuan Agong's signature, the bill will be automatically gazetted after 30 days, says minister.

KUALA LUMPUR: The implementation of tourism tax (TTx) will come into effect much earlier than Aug 1, the date previously announced by the Customs Department.

Tourism and Culture Minister Nazri Aziz said the tax will be collected from July 1, the same day that operators of accommodation premises are required to register their businesses.

"No, it hasn't been postponed (to Aug 1). We expect the tax to be implemented by July 1. Registration will also begin that same day.

"So the premises that are under our registration database will have to collect the tax from July 1," he told a press conference here today.

The Customs Department on Tuesday published a circular that the tax will be collected from Aug 1.

However, a June 7 report by Sin Chew Daily said this was retracted the next day because the bill had yet to be signed by Yang di-Pertuan Agong Sultan Muhammad V and hence hasn't been gazetted.

But Nazri said Malaysia's standard operating procedure, when it came to law-making, only required the Agong's signature as a formality.

"Parliament is the supreme body in the formation of a law. So, once the bill has been passed by Parliament, it will be automatically gazetted after 30 days.

"If the Agong doesn't sign it (the gazetting of the bill), it will be automatically gazetted.

"I know. I'm the minister," he said.

TTx, once implemented, will see local and international tourists paying a levy to operators of accommodation premises.

The tax rate is fixed and charged on a per-room, per-night basis.

The tax for non-rated hotels will be RM2.50, while the tax for two-star ones is RM5, three-star RM10, four-star RM15 and five-star RM20.

Nazri had earlier said, that after the TTx bill was passed, revenue from the hotel tax would be RM654.62 million if there was a 60% overall occupancy rate of the 11 million “room nights” in the country.

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