

THE HIGHLIGHTS

Where the spending and relief go

OUTLOOK

NST-2/9/2006

RM159.4 billion allocated

RM112.9 billion operating expenditure (up 11.6%)

RM46.5 billion development expenditure (up 31%)

Federal revenue: up 11.8% to **RM134.8 billion**



TOURISM

RM149 million for Visit Malaysia Year 2007



Income tax exemption for tour operators providing tour packages with at least 500 inbound tourists or 1,200 local tourists annually (extended for five years until 2011)

Income tax exemption to employees for local leave passage provided by employers, which currently, is only given for fares, to be extended to include expenses on accommodation and meals.



SECURITY/DEFENCE

RM4.9 billion to enhance capacity/role of police to increase public confidence and ensure best security

Additional 2,000 police patrol cars deployed

Police drivers increased by 3,000 while allowance for motorcycle spare parts for patrolling policemen increased from **RM80 to RM120**



AGRICULTURE

RM3.6 billion to increase productivity and efficiency in marketing, production and expansion

RM40 million to implement Beef Valley in Gemas, Negri Sembilan

RM92 million for aquaculture industry, including Ornamental Fish Cluster Projects in Penang, Kedah and Perlis and as Freshwater Fishery Research Centre, Negri Sembilan.

CORPORATE

10-year tax exemption for venture capital companies investing at least 50 per cent of investment funds in seed capital

Tax deduction for zakat paid by cooperatives & trust bodies up to 2.5 per cent of aggregate income

Tax guidelines simplified/Legal ambiguities clarified to ensure compliance with tax laws

CONSTRUCTION/HOUSING

RM101 million to implement 67 housing projects/facilities for teachers

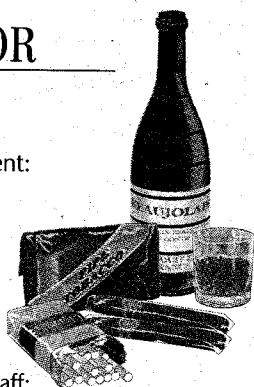
RM450 million to construct/upgrade polytechnics & community colleges

CIGARETTES AND LIQUOR

Cigarettes: Duty up by one sen per stick

Liquor with alcohol content of over 40 per cent: specific excise duty up by

RM5 per litre



CIVIL SERVANTS

Civil service fixed allowance for supporting staff: up between **RM30 & RM50**

Civil servants earning up to **RM750** monthly: Two months bonus

Those earning more than **RM750** monthly: One month bonus

(Subject to **RM1,500** minimum)

EDUCATION

Tax relief on book purchase increased to **RM1,000** annually

RM500 computer purchase rebate upgraded to **RM3,000** tax relief once in three years

Examination fees for UPSR, PMR, SPM & STPM abolished

RM6.7 billion (primary), **RM6.2 billion** (secondary), **RM10.4 billion** (higher education) and **RM10.1 billion** (Training programmes)

Chinese taught as full subject in 150 national schools/Tamil taught in 70 national schools

Students scoring 10 1As in SPM or equivalent from poor families to get college scholarships

RM214 million in training programmes under Mara, Advanced Skills Training Institutes, Giat Mara programme & UniKL

