

New Strait Times - Removing GST Will Harm The Country, Says Barisan's Strategic Team

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Removing GST will harm the country, says Barisan's strategic team

PETALING JAYA: Removing the Goods and Services Tax (GST), or reducing its rate to zero as proposed by Opposition leaders will harm Malaysia, said the Barisan Nasional strategic communications team.

"With all the money foregone as part of the tax reforms and the fall in petroleum revenues, abolishing GST or reducing the GST rate to zero is unrealistic and will hurt Malaysia," it said.

In a statement yesterday, it said the Opposition coalition was aware that the Government had lost RM35bil in petroleum revenues

last year from the drop in global oil prices and RM20bil more every year from abolishing sales and service taxes.

It said the Government would have to bear losses of tens of billions of ringgit every year from reduced corporate tax and personal income tax together with increases in BR1M payments.

"Pakatan knows this – so their reluctance to completely abolish GST," it said.

The statement was in response to comments by DAP secretary-general Lim Guan Eng on Wednesday that Pakatan Harapan

would set the GST rate at zero if they were to win in the next general election.

The Penang Chief Minister had said that changing the GST rate to zero was the same as abolishing it.

However, the statement from the Barisan Nasional strategic communications team said that it did not mean the same thing.

"The Government and businesses will continue to bear the unnecessary administrative expenses of GST-compliance but will not benefit any party. It will become a big negative," it said.

The statement added that

Pakatan Harapan gave the impression that GST was an additional new tax that burdened Malaysians.

"They do not acknowledge that with the introduction of GST, two taxes have been abolished, another two taxes have been reduced and BR1M has been substantially increased," it said.

These included the Sales Tax and Service Tax which were abolished, and the reduction of the corporate income tax to 24% from 26% in 2008 as well as the reduction in personal income tax from 28% to 24% in 2008.

With all the money foregone as part of the tax reforms and the fall in petroleum revenues, abolishing GST or reducing the GST rate to zero is unrealistic and will hurt Malaysia.

Barisan Nasional strategic team