

**TREASURY MEMORANDUM ON THE
FEDERAL GOVERNMENT REVENUE
ESTIMATES FOR 2019**

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1. This Memorandum explains the revenue estimates of the Federal Government for 2019 and the revised estimates for 2018. The Memorandum is prepared in accordance with Article 99 of the Federal Constitution.
2. The Federal Government revenue for 2019 is estimated at RM261.8 billion. Detailed actual collection for 2017 as well as revised estimates for 2018 and revenue estimates for 2019 are in section Summary and Details of Federal Government Revenue Estimate.

Classification of Revenue

3. The Federal Government revenue is classified into four main categories, namely Tax Revenue, Non-Tax Revenue, Non-Revenue Receipts and Revenue from Federal Territories.
4. **Tax Revenue** is classified into Direct Tax Revenue and Indirect Tax Revenue. Direct Tax Revenue are as follows:
 - a. Income tax (individual¹, companies, petroleum, withholding, cooperative, and others); and
 - b. Other direct tax (stamp duty, real property gains tax (RPGT), Labuan business activity tax, and others).
5. **Indirect Tax Revenue** includes:
 - a. Export duty;
 - b. Import duty;
 - c. Excise duties;
 - d. Sales Tax and Service Tax (SST); and
 - e. Others.
6. **Non-Tax Revenue** consists of:
 - a. licences and permits including all charges imposed on the granting of rights to individuals, corporations, businesses and other enterprises, among others are in the form of petroleum royalty and motor vehicle licences for purpose of control or regulation;
 - b. service fees which include receipts from services rendered by the Federal Government to the public;
 - c. proceeds from sales of goods including receipts from the sales of Government's physical assets such as land, building and office equipment as well as the sale of miscellaneous goods;

¹ Consists of salary and non-salary

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- d. rentals including rentals on land, building, vehicle, machinery and miscellaneous equipment;
 - e. interest and return on investment which include proceed from divestment, dividends from shares, interest income and profit payment on financing granted by the Federal Government;
 - f. fines and penalties including out-of-court settlement fees and forfeitures;
 - g. contributions and compensations received locally and from abroad; and
 - h. oil and gas exploration income from Malaysia – Thailand Joint Authority (MTJA).
7. **Non-Revenue Receipts** include:
- a. refund of expenditures which include payments from previous years, refund of salaries arising from resignations, refund of training expenses, refund of trust funds and unclaimed monies; and
 - b. which include transfer of funds between ministries or departments for services rendered between government agencies and reimbursements of the government's contributions under the Employees Provident Fund scheme.
8. **Revenue from Federal Territories** consists of tax and non-tax revenue including receipts from licences and permits, land premiums and quit rent, sales of assets, rentals, service fees and entertainment duties.

Treasury
Ministry of Finance
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