



UNIVERSITI TEKNOLOGI MARA

**THE IMPACT OF TAXATION ON ECONOMY
IN MALAYSIA**

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AUTHOR'S DECLARATION

I declare that the work in this final year project paper was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the results of my own work, unless otherwise indicated or acknowledged as referenced work. This thesis has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Undergraduate, Universiti Teknologi MARA, regulating the conduct of my study and research.

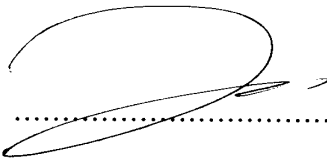
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ABSTRACT

Taxation in developed countries is a high-level strategic instrument. It makes it possible to support the provision of public goods, such as infrastructure, education, health and justice, which are vital to development. Taxation, however, also affects individual savings, employment and education decisions, manufacturing, rural development, investment and business innovation; as well as the option of savings instruments and assets by investors. The purpose of this paper is to find how does the taxation impact on economy in Malaysia. This studies is intended to analyze and reveals the influence of tax, trade openness and capital on economic growth which is GDP. The data that has been use in this paper is collected from Malaysia. The paper use time series from 2000 until 2019. The data was analysed to determine the relationships between dependent variables and independent variables using the Multiple Regression Method. By using regression analysis, descriptive analysis, and correlation, we can use it to know the strength of impact between both GDP and trade, tax, and capital.

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