



FACTORS DETERMINE TAX REVENUE IN MALAYSIA

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ABSTRACT

The Malaysia government in recent has engaged in determine the factors of tax revenue to stimulate and boost the revenue profile of the government. Therefore, this paper attempts to investigate the most relevant macroeconomic variable that can serve as an anchor variable for achieving the objective by using secondary data. The paper uses regression model and long run equation model using Ordinary Lest Square method. Quantitative research method was employed on time series data set for the years 1999 to 2016. The finding reveals that in regression model inflation has the most significant negatively impact, while in long run model FDI shows most positively and significant toward tax revenue in Malaysia.

Keywords: Tax Revenue, Macroeconomic Variables, Dummy Variable, Long Run Equation Model, Malaysia.