



**Universiti Teknologi MARA,
Johor Branch, Segamat Campus.**

**THE FACTORS THAT DETERMINE
GOVERNMENT TAX REVENUE:
A CASE IN MALAYSIA**

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of the requirements for the degree of

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AUTHOR'S DECLARATION

I declare that the work in this thesis was carried out in accordance with the regulations of Universiti Teknologi MARA Johor. 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 Johor, regulating the conduct of my study and research.


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ABSTRACT

Tax is one of the most important fiscal policies for the states and its economy. The developed countries aim of the fiscal policy is to achieve the economic stability. The purpose of this study is to determine the factors that will reduce or increase tax revenue collected by government. The macroeconomic variables that I have taken in consideration in this study are Gross Domestic Product (GDP), inflation rate, unemployment rate, exports and imports of goods and services. This study is using secondary data that is collected from year 2006 to 2015 over ten year period of time. The data that have been collected are obtained from the World Bank, Global Economy and Ministry of Finance. A simple hypothesis is formulated in the null form which states that there is no significant relationship between government tax revenue and macroeconomic variables in Malaysia. This study uses statistical analysis to find out the relationship between all the variables that I have chosen as explanatory ones. Through the uses of logarithmic function we will see how flexible the GDP of Malaysian country related to income from taxes. This paper concludes that Malaysian government should increase government expenditure for the development.

Keywords: gross domestic product, inflation rate, unemployment rate, exports and imports of goods and services.

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