



اَوْنُوْرَسِيْتِي تِيْكْنُوْلُوْجِي مَارَا  
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**THE MULTIPLE TAXES DILLEMA: THE MASSIVE  
MASSACRE TOWARDS THE TOURISM INDUSTRY?**

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## AUTHOR DECLARATION

I declare that the work in this thesis/dissertation 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 acknowledge as referenced work. This thesis has not been submitted in any other academic institution or non academic institution for any degree or qualification.

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## THE MULTIPLE TAXES DILEMMA: THE MASSIVE MASSACRE TOWARDS THE TOURISM INDUSTRY?

### 1.0 INTRODUCTION

Tourism is a fast-growing industry, and is a key to a country's economy. The number of tourist is growing from year to years. Tourism is one of the sectors that are growing at a fast rate in the world today. Tourism is one of the most developed industries in the world. Tourism makes major contributions to the economy. Tourism is a source of wage for the nation's financial plan, yet anyway it is extremely sensitive to tax. In Malaysia, tourism sector is currently the sixth largest contributor to the national economy. As Malaysia Prime Minister Datuk Seri Najib Razak (2015) said that tourism industry has made a significant contribution to the country's economy since the introduction of the National Transformation Program (NTP), the country's tourism sector is currently the sixth largest contributor to the national economy with a total contribution of RM161 billion or 14.9% of Gross Domestic Product (GDP) in 2014 (BH Online, 2014). It earns foreign exchange to several countries in the world. The tourism industry is a highly competitive business which requires the participation of the government, the public and non-government sector to ensure its success.

To augments the extent of tourism, characterizing it as the arrangement of exercises performed by individuals who travel and remain in places outside their typical condition for not more than one back to back year, for relaxation, business and different purposes (The European Commission 2002). Tourism has been one of the fastest growing industries globally and is expected 3.3% annual growth for the next two decades. According to UNWTO (2015), tourism creates one in every 11 jobs, and accounts for 10% share of all global GDP. Cardes-Garcia et al. (2015) state that tourism's phenomenal growth continues to attract the attention of national as well as local governments, since they see this sector as an avenue through which to meet their aims of enhancing public funds and creating stronger fiscal systems.

Up to the researcher's knowledge, taxes are imposed in almost every country of the world, primarily to raise revenue for government expenditures, although they serve other purposes as well. Tourism is so sensitive to taxes, because taxes will have a great impact on prices, but tourism cannot be exempt from them since it is a significant source of revenue for the budget. Local or national government should, a part of the tax incomes to use with a specific end goal to increase and enhance the tourism infrastructure. There are many type of taxes in Malaysia that local people and tourist need to know and aware such as service tax, Goods and Services Tax (GST), Tourism Tax (TTx), Melaka heritage tax, Langkawi tourism promotion fee, Penang local government fee and others when they travel around Malaysia country.