

UNIVERSITI TEKNOLOGI MARA
FACULTY ADMINISTRATIVE SCIENCE AND POLICY STUDY



**PUBLIC KNOWLEDGE TOWARDS IMPLEMENTATION OF
GST IN KOTA SAMARAHAN**

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ABSTRACT

Goods and Service Tax (GST) is mechanism financial taxation systems that want to be adopt in our taxation system nowadays by our government early April 2015. For the last few years, we still using Sale and Service Tax (SST) which is taxation system that been practice from early independent. Due to that, Datuk Seri Najib Tun Abdul Razak as our Prime Minister, has introduce GST which he believe it will become catalyzer of an effective mechanism toward nation development. The study examines the public knowledge towards the implementation of GST at Kota Samarahan. It has involved publics around Kota Samarahan area which consist of various backgrounds in term of race, religion, education and age. This study involved a random sample of 398 respondents which come from many layers of public. Based on our study, it shows that most of the respondents still do not aware about the implementation of GST as they only know about the words of GST but does not know on the meaning and the purpose or impact when this kind of policy being implemented soon. It also shows that, sources of information which related to newspaper, television, radio and internet does not help them in making them understand about GST. It is due to this policy does not implemented yet which they still not feel the impact of this policy. Besides, some of them believe that the implementation of GST will cause price hiking which involved with all items although government has announced that there are certain products especially crucial products and service will not being imposed with GST. The study also shows that the level of understanding and readiness of public is only at medium level. It has urged the publicity of this policy must be more grand and aggressive which involve with non-government and government itself to promote this policy more details to public. It is very important as it will ensure that public will concern about the purpose of government in implementing this policy which they still need more time in preparing their knowledge before this policy being implemented.

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Abstract

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IMPLIMENTATION OF GST AMONG PUBLIC IN KOTA SAMARAHAN

CHAPTER 1

INTRODUCTION

1.1 Background of the Study

Goods and Service Tax (GST) is mechanism financial taxation systems that want to be adopt in our taxation system nowadays by our government early April 2015. Now and ongoing we still using Sale and Service Tax (SST) which is taxation system that been practice from early independent. Base on it, under premiership Datuk Seri Najib our Prime Minister; he would like to introduce GST as an effective mechanism toward nation development.

Personal income taxes to be cut by 1 to 3 percentage points after GST introduce. Corporate income taxes to be cut by 1 to 2 points base on Bank Negara Malaysia & Department of Statistics Malaysia (2013). By that is was held a reduction toward

For starting Malaysia is set to introduce the GST at 6% starting 1st April 2015, announced prime minister Datuk Seri Najib as he revealed the Budget 2014. By this on all system of taxation is been rebuild to suit our new taxation system that replace SST. Malaysia has not run a structural budget surplus since the Asian Financial Crisis hit in 1997. Federal government debt as a percentage of Gross Domestic Product (GDP) currently sits at 55.4 % (BNM, 2013). Our country have face new phase which our debt is in risk position. By that on our monetary financial could generate revenue by utilize an effective collection method toward consumption expenditure.

The government's recent 20 cents cut to the fuel subsidy and increasing speculation of a GST framework to be included in the upcoming budget can be seen as evidence that they are trying

CHAPTER 2

LITERATURE REVIEW & CONCEPTUAL FRAMEWORK

2.1 Introduction

The purpose of this chapter is to present that how this research going on, as well as to introduce the literature review applied. In this chapter, it will focus on the conceptual framework. It is explained about how well the study will be carried out in conceptual framework which relates to this research.

2.2 Theory of Awareness

Awareness can be defined as to know what sort of people in the same field are doing or to know what is important to me or filter out what is not important to me. Besides, it is also something that being keeping and remind us about something without actually trying actively to search that information and it also can have impact on the individual method of operation as it trigger reflection (W.Reinhardt, 2011). It is also positively influences social interactions among communities and most of interviewer stressed that element of awareness is required in making any study. Besides, there are several forms of awareness. First, it deals with cultural awareness. It means that, it refers to a person's knowledge and perception about foreign cultures, values, beliefs and perceptions. It is crucial when one people from different culture talk to another people from different culture. Besides, awareness of those differences become inclining important as most of the environment involve with multi-cultural and multi-disciplinary (S. Quappe,2005). Moreover, it deals with social awareness. It can be describes things that people become conscious in a social context and deal with information about alertness people, gestures, and facial expression of people which exposed the people interest on what topic. It