

A BILL

intituled

An Act to amend the Sales Tax Act 1972.

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BE IT ENACTED by the Duli Yang Maha Mulia Seri Paduka Baginda Yang di-Pertuan Agong with the advice and consent of the Dewan Negara and Dewan Rakyat in Parliament assembled, and by the authority of the same, as follows:

1. This Act may be cited as the Sales Tax (Amendment) Act 1990. Short title.

2. Section 7 of the Bahasa Malaysia text of the Sales Tax Act 1972, which in this Act is referred to as the "principal Act", is amended by substituting for paragraph (b) of subsection (1) the following; Amendment of section 7. Act 64.

"(b) berkenaan dengan barang-barang yang dijual selainnya oleh seorang kena cukai, harga barang-barang itu mungkin dijual jika ianya dijual mengikut kelaziman perniagaan kepada seseorang yang tidak bergantung kepada orang kena cukai itu;"

3. Section 3 of the principal Act is amended by inserting, immediately after the words "by or under this Act" in subsection (2), the words ", other than those conferred by subsection (5) of section 15". Amendment of section 3.

4. Section 8 of the principal Act is amended by inserting, immediately after the words "sales tax", the words ", or any person or class of persons from payment of the whole or any part of the sales tax,". Amendment of section 8.

Substitution
of section 17.

5. The principal Act is amended by substituting for section 17 the following;

"Invoices. 17. (1) Every taxable person who sells any taxable goods shall issue an invoice in the national language or in English to the purchaser in respect of the transaction, and shall state thereon the amount of sales tax payable separately to the prices for which the goods are sold.

(2) No invoice showing an amount which purports to be sales tax shall be issued on the sale of any goods—

(a) which are not taxable goods; or

(b) by a person who is not a taxable person.

(3) The amount of sales tax payable shall be recoverable by the taxable person from the purchaser in addition to the price and any other amount due by the purchaser in respect of the goods."

Amendment
of section 30.

6. Section 30 of the principal Act is amended by inserting, immediately after subsection (1), the following new subsections (1A),(1B)and(1c);

"(1A) The Director General may allow the sales tax or other moneys or deficiency, or the refund referred to in subsection (1) to be paid by instalments in such amounts and on such dates as he may determine; and, subject to subsection (1B), where the amount of sales tax is allowed to be paid by instalment under this subsection, paragraph (b) of section 24 shall not be applicable to such amount as from the date of the allowance.

(1B) If there is a default in payment of any one instalment under subsection (1A) on its due date for payment of the balance of amount payable then the whole outstanding balance shall become due and payable on that date and shall, without any further notice being served on the person liable to pay the amount due, be increased by a sum equal to ten per cent of that balance and that sum shall be recoverable as if were due and payable under this Act.

(1C) Nothing in subsections (1A) and (1B) shall prejudice the exercise of the rights and power under this section by the Director General to seize or sell any goods belonging to the person liable to pay such sales tax or other moneys for recovery of the amount payable under subsections (1) and (1B) or any outstanding balance thereof."

7. The principal Act is amended by substituting for section 32 the following: Substitution
of section 32.

"Return of sales tax or penalty overpaid or erroneously paid. 32. It shall be lawful for the Director General, if it is proved to his satisfaction that any money has been overpaid or erroneously paid as sales tax or penalty under this Act, to order the refund of the money so overpaid or erroneously paid:

Provided that no such refund shall be allowed unless a claim in respect thereof is made in the prescribed form within one year after the overpayment or erroneous payment was made."

8. Section 69 of the principal Act is amended by deleting the word "then" in subsection (1). Amendment
of section 69.

9. Section 70 of the principal Act is amended by inserting, immediately after the words "sales tax that" in subsection (1), the words "is or". Amendment
of section 70.

EXPLANATORY STATEMENT

This Bill seeks to amend the Sales Tax Act 1972 (hereinafter referred to as "the Act").

2. *Clause 2* seeks to amend section 7 (1) (b) of the Act in the Bahasa Malaysia text to eliminate any ambiguity arising from the wordings in that section regarding the sale of goods to a person dependent on a taxable person.

3. *Clause 3* seeks to amend section 3 (2) of the Act to give the power to the Director General personally to determine disputes regarding goods subject to sales tax.

4. *Clause 4* seeks to amend section 8 of the Act to give the Minister also the power to exempt by order any person or class of persons from payment of sales tax. The present provisions only exempt goods but not any person or class of persons.

5. *Clause 5* seeks to amend section 17 of the Act to improve the control of taxable sales transaction and hence reduce the amount of evasion and avoidance by requiring the seller to issue invoice to the purchaser.
6. *Clause 6* seeks to amend section 30 of the Act to enable the Director General to allow payment of any amount due by instalments.
7. *Clause 7* seeks to amend section 32 of the Act to give the power to the Director General to order refund of sales tax or any penalty which is overpaid or erroneously paid.
8. *Clause 8* seeks to amend section 69 (1) of the Act to delete the word "then" to remove any ambiguity.
9. *Clause 9* seeks to align subsections (1) and (2) of section 70 of the Act to remove any ambiguity that may arise.

FINANCIAL IMPLICATIONS

This Bill will not involve the Government in any extra financial expenditure.
[PN. (U²)1510.]