

Employers request for tax restructuring

PETALING JAYA: Higher business costs have employers calling for a corporate and individual tax restructuring in its Budget 2013 request to the Government.

One reason for the higher business budget is due to the Employees Provident Fund's (EPF) decision wanting employers to contribute 13% from 12% to workers earning less than RM5,000 a month, said Malaysian Employers Federation (MEF) executive director Shamsuddin Bardan.

He added that this factor, com-

bined with the minimum wage to be implemented next year, would definitely have an impact on employers.

"So, we would like a corporate tax restructuring. At 25% currently, Malaysia is not seen to be as competitive as Hong Kong or Singapore, whose taxes are 16% to 17%.

"We are expecting the tax to be restructured to a lower figure, as much as lower than 20%. However, this can be done in stages on a yearly basis," he said.

Shamsuddin said individual

income tax, currently at 26%, should also be restructured to retain talent and attract new ones.

He pointed out that some expatriates working in the Iskandar Malaysia region were imposed 15% income tax.

Shamsuddin said the Government should also provide full tax relief to private sector employees based on how much they contributed to the EPF, instead of limiting it to RM6,000.

He said the Government should also give full tax relief to the

retrenched based on the benefits given, instead of limiting it to RM10,000.

"We would also like to see a change in the way taxpayers are penalised when they are late in filing their tax returns.

"It is very unfair to penalise them 10% of their full taxable income," he said.

Shamsuddin said MEF also expected Budget 2013 to include increased allocation for skills training and certification to increase the pool of skilled workers, currently at 28%.