

INTRODUCING GOODS AND SERVICES TAX (GST) TO CONSUMERS IN MALAYSIA

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ABSTRACT

In this paper, researcher analyzed the prospect of introducing Goods and Services Tax to consumers in Malaysia, by asking the basic question; what would you (as a consumer) think if the present sales tax and service tax is replaced by GST? Hence, frequency table is utilized to determine the effectiveness of GST system. Frequency table is then used to assess the acceptance level of GST among the respondents. Cross tabulations and Chi-Square is utilized to decide the factors that affect the extent of acceptance regarding the proposed GST. T-test is to determine whether the relationship is significant or not. Besides, frequency table is used to assess the suitability of practicing GST in Malaysia. Cross tabulations and Chi-Square is utilized to identify the factors that affect the level of suitability. Then, t-test is being used to determine whether the relationship is significant or not. As a result, most respondents believe GST system is efficient and effective to replace sales tax and service tax. However, it does not receive widely acceptance from the consumer. It is mainly due the factor – total income per household. Respondents believe GST system is average suitable to practice in Malaysia. It is most suitable to be practiced after three years time or whenever the economy is recover. Level of suitability is determined by how likely the consumers agree that practicing GST system is a wise decision.