

# **CHAPTER 11**

## **THE IMPACT OF GOODS AND SERVICES TAX (GST) ON LOW INCOME EARNERS IN KAMPUNG SABAK, KELANTAN**

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### **INTRODUCTION**

While GST is seen as a tax system that is fair and beneficial to the people in Malaysia, however, some consider the implementation of the GST is not relevant taken by the government. There are some parties who agree and there are also some who do not, stating that the implementation of this tax will further burden the people. This shows that Malaysians were still in the ambiguity about the implementation of the GST and failed to understand the justification of implementation of the new tax. There are also people who do not even know that the GST is able to eliminate the double taxation which causes the price of goods to be higher. Therefore, any kind of such reactions will impact their own processes implementation of GST at a later date. This statement is supported by the findings of the studies conducted by Abdullah et al. (2013). The enforcement of the GST since 1 April 2015 ago got reactions from all walks of life. The GST is said to be able to help Malaysia improve economic status but at the same time, it has become a burden to the people, especially to the low-income earners. In the previous study, the researcher studied about the GST and its general effect towards the economy of the country that implements the GST. The implementation of GST has a strong connection with the impact towards the low-income earner in Malaysia. Generally, researchers realise that