

IRB pushing for taxpayers' voluntary compliance

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by HABHAJAN SINGH

THE Inland Revenue Board (IRB), which has just launched the third wave of what it calls the *Ops Gegar Bersejau*, is expecting more taxpayers to come forward to settle their taxes or to discuss resolution of their tax related issues

The previous two nationwide campaigns have yielded positive results, with many taxpayers stepping forward to do so.

"We've had many business owners who walked into our offices as soon as they were made aware of their tax obligations.

"Some came to open their tax files, while others came to settle whatever taxes were due," IRB director for intelligence and profiling Hajam Lajah Alam told *The Malaysian Reserve* in an interview.

The latest campaign, launched in Penang on Aug 15, aims to increase public awareness on their tax obligation and to encourage voluntary compliance, ultimately leading to a higher tax revenue contribution to the national coffers.

Last year, direct taxes collected was estimated at RM114.02 billion, down from the RM121.24 billion in 2015 and RM133.7 billion in 2014.

Ops Gegar One was held between April 10-14, while the *Ops Gegar Two* was between June 13-16. In both the earlier operations, the files of 5,526 tax payers were audited.

Among others, the operations involve visits to business premises, imposing travel restrictions on taxpayers who have not settled their dues, hand delivering legal notices to those who have yet to pay their taxes and conducting tax audits and investigations.



The Pulp coffee boutique in Kuala Lumpur. The IRB's operation will focus on food industry chain like restaurants, catering, cafeterias, food processing and food business-related activities



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The site visits would also include operators of snooker centres, entertainment outlets, massage parlours and hawkers.

In the latest campaign, 1,479 officers from 37 IRB branches nationwide are expected to conduct visits, audit and investigation on

7,829 taxpayers nationwide.

In a *Bernama* report, IRB deputy CEO (compliance) Abdul Manap Dim said the operation will focus on food industry chain like restaurants, catering, cafeterias, food processing and food business-related activities.

During the visits, the IRB would interview owners of business premises, gather business information and check whether the business had been registered with the board.

The operation would involve three activities: Business census tour, tax audit and tax investigation.

"After that, a thorough audit review on companies and individuals carrying food-related business will be carried out and they may face additional assessment and penalty if found to have made a wrong assessment," he told reporters in Penang after the launch, according to the *Bernama* report.

It goes without saying that increasing the amount of tax collected in developing countries is crucial for development. Tax revenue has a wide array of benefits, including spurring infrastructure, strengthening the social contract and encouraging good governance.