

**CUSTOMS SALES TAX COMPLIANCE:
MANUFACTURER'S PERSPECTIVE**

By

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ABSTRAK (BAHASA MELAYU)

Kajian ini dijalankan untuk mengenalpasti hubungan antara pematuhan cukai jualan tempatan dan gelagat di kalangan pengilang di Wilayah Persekutuan Kuala Lumpur. Gelagat pengilang menjadi pembolehubah bebas, manakala pematuhan cukai jualan tempatan sebagai pembolehubah bersandar. Gelagat pengilang diukur berdasarkan pengetahuan pengilang terhadap cukai, persepsi adil terhadap sistem cukai, kerumitan sistem cukai dan persepsi pembayar cukai terhadap undang-undang cukai dan penguatkuasaannya. Pematuhan cukai jualan tempatan diukur berdasarkan kemampuan mereka mendaftar sebagai pemegang lesen mengikut Cukai Jualan 1972. Sejumlah 169 responden daripada 178 jumlah populasi pengilang telah mengambil bahagian dalam kajian ini. Data dikutip melalui pengedaran borang selidik yang direkabentuk untuk mengukur gelagat pengilang dengan menggunakan sesuatu soalan dengan menggunakan lima skala likert poin bermula dengan satu mata (sangat tak setuju) hingga lima mata (sangat setuju). Empat hipotesis diuji didalam kajian ini. Data dianalisa dengan menggunakan perisian SPSS keatas kekerapan, min, mod, median, sisihan piawai dan kolerasi antara pembolehubah-pembolehubah. Keputusan kajian menunjukkan empat pembolehubah bebas mempunyai hubungan negatif keatas pendaftaran sebagai pemegang lesen cukai jualan tempatan.

ABSTRACT

This study was conducted to explore the relationship between local sales tax compliance and manufacturer behavior among the manufacturer in Wilayah Persekutuan Kuala Lumpur. Manufacturer behavior and local sales tax compliance were treated as independent and dependent variables respectively. Manufacturer behavior measured with respect to manufacturer tax knowledge, fair perception in tax system, tax system complexity and taxpayer perception on tax law and enforcement. Local sales tax compliance was measured with reference to enable them to register as licensee in Sales Tax Act 1972. A total of 169 respondents from the population of 178 manufacturer participated in this study. Data was collected through the distribution of questionnaires, which was designed to measure the manufacturers' behavior with a statement on a five likert scale point, ranging from one (strongly disagree) to five (strongly agree). Four hypotheses were tested for this study. Data was analyzed using the SPSS software to obtain the frequencies, means, median, standard deviation and correlations between variables. The results show that four independent variables have negative relationship with register as local sales tax licensee.

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LIST OF ABBREVIATIONS

RMCD	=	Royal Malaysian Customs Department
IRB	=	Inland Revenue Board
WPKL	=	Wilayah Persekutuan Kuala Lumpur
SPSS	=	Statistical Package Social Science
SD	=	Standard Deviation
Sdn. Bhd.	=	Limited Company
Bhd.	=	Unlimited Company

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CHAPTER ONE

INTRODUCTION

1.0 An Overview

Tax administration system had actually existed in Malaysia during Malacca Sultanate in year 1402. In this era, maritime and harbor laws existed as a tax establishment involving foreigner and local traders. During this period, the Chief of the Exchequer was responsible for all tax matters. The Government Monopolies operated and controlled all the tax activities under the portfolio of the Harbor Master. This body was authorized to grant import licenses and sell certain goods such as opium, tobacco, cigarettes and matches. At that same time, excise duty was imposed on goods such as rice-wine (samsu), toddy and locally made opium. Whilst import tax was imposed on opium imported from China, tobacco, cigarettes, liquor and firecrackers (Royal Malaysian Customs History: <http://www.customs.gov.my>, 2009).

Since then, taxation systems in Malaysia has grown rapidly and can be categorized as direct taxes and indirect taxes. The responsibility of administering indirect taxation in Malaysia lies with the Royal Malaysian Customs Department (RMCD), which includes local sales tax and as well as import sales tax, service tax, customs duty, import and export duties and vehicle levy. On the other hand, Inland Revenue Board (IRB) controls direct taxes, which include income tax (individual and business), cooperation income tax and petroleum income tax. Table 1.1, suggests that Malaysian Federal Government's revised estimate revenues for 2008 is

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