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**STUDY ON MIDDLE INCOME EARNERS PERCEPTION,  
READINESS, ACCEPTANCE AND PURCHASING BEHAVIOUR  
TOWARDS GOODS AND SERVICES TAX (GST) IMPLIMENTATION:  
CASE OF MAYBANK AND CIMB BANK IN KEDAH AND PERLIS**



**NURJANNAH BINTI MOHD IDRIS**

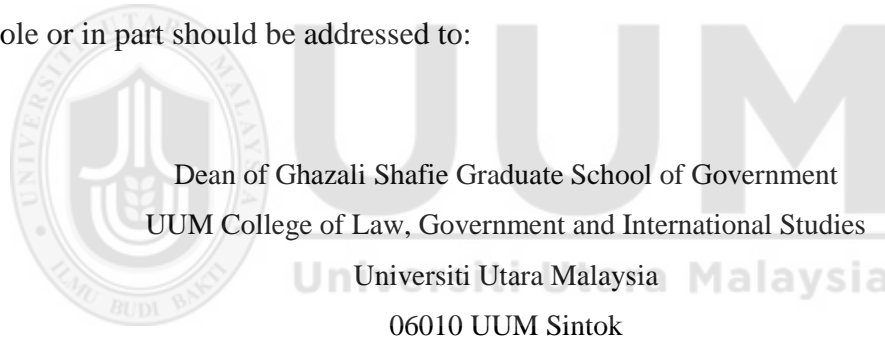
**UUM**  
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**MASTER OF PUBLIC MANAGEMENT  
UNIVERSITI UTARA MALAYSIA  
JULY 2015**

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## ABSTRAK

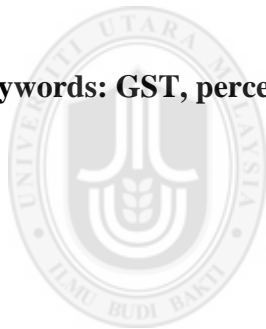
Cukai merupakan sumber terbesar kerajaan dan Cukai Barang dan Perkhidmatan (GST) adalah sebahagian daripadanya. GST sangat signifikan bukan sahaja kepada peningkatan hasil kerajaan, malah disifatkan menyumbang kepada pertumbuhan ekonomi negara. Di Malaysia, kerajaan telah melaksanakan GST pada tahun 2015. Sejak pengumuman pelaksanaannya dibuat, kegusaran para pengguna terhadap beban cukai GST mula terdengar. Pengguna khususnya golongan yang berpendapatan sederhana dan ke bawah bimbang tentang kenaikan harga barang keperluan harian dan tidak dapat mengelak kesan yang dicipta oleh GST memandangkan asas liputan cukainya meluas. Di dorong oleh kegusaran pengguna khususnya golongan berpendapatan sederhana, kajian ini bertanggungjawab untuk menganalisis persepsi, persediaan dan penerimaan serta gelagat perbelanjaan mereka selepas pelaksanaan GST. Bagi maksud tersebut, golongan berpendapatan sederhana yang bekerja di Maybank dan CIMB di Alor Setar dan Perlis dipilih sebagai responden. Hasil kajian mendapati bahawa golongan berpendapatan sederhana masih tidak dapat menerima pelaksanaan GST dan gelagat perbelanjaan golongan ini semakin berkurangan disebabkan kuasa beli yang semakin menurun. Pendedahan dari dapatan kajian ini diharapkan membentuk pemahaman umum tentang penerimaan GST dalam kalangan pengguna. Kajian ini juga meletakkan harapan agar pihak kerajaan merangka strategi baru yang efektif dalam meringankan beban golongan berpendapatan sederhana supaya lestari meneruskan kelangsungan hidup dalam keadaan ekonomi yang kian mencabar.

**Kata kunci:** GST, persepsi, persediaan, penerimaan, gelagat pembelian.

## ABSTRACT

One of the main sources for government revenue is tax and Goods and Services Tax (GST) is a part of it. GST is very significance to the government revenue and it also contributes to the economic growth. In Malaysia, the government has implemented the GST in 2015. Since the announcement of GST implementation, the consumers start to worry about the taxes burden that they have to face. Consumers especially those in the middle income and below are concerned about price increases on basic needs and they cannot avoid the impact of GST because the coverage of the taxes are huge. Hence, this study is responsible to analyze middle income earners consumer perceptions, readiness, acceptance of GST and their purchasing behaviour after the GST implementation. Thus, middle income earners who work at Maybank and CIMB bank in Alor Setar and Perlis were chooses as the respondents for this study. The finding shows that the middle income earners still cannot accept the GST implementation and their consumptions behaviour were significantly changes due to the declining of purchasing power. This study was expected to form a general understanding regarding consumer's acceptance on GST. It also hopes that the government can make new strategies in order to reduce the burden faced by middle income earners so that they can survive in today challenging economic situation.

**Keywords: GST, perception, readiness, acceptance, purchasing behaviour.**



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## ACKNOWLEDGEMENT

All praise due to Allah, allowed me to complete this project paper. This project has given me so much experience in enhancing knowledge. I learned a lot in process of making this research and I know it can be useful for me in the future.

First and foremost, I am indebted to my supervisor, Madam Zuriana Haji Zahrin. Her constant encouragement and interest in the project, and her willingness to give her time freely, ensured that there was always light at the end of the tunnel. Thank you.

I also owe much to my friends who have helped me a lot in writing this project paper. To Mazatul Nadiah and Nurul Nadia Ashikin, your patience with me beyond belief, especially when teach me about SPSS and when I have problem with it. I would also like to thank you for lend me your ear and never stop encourage me until I finish this course.

For my family especially my father and my mother also my siblings, thank you for helping me to survive all the stress from the first day I start doing my research and not let me give up. Thank you for your never ended support, understanding, patience, encouragement and for pushing me further than I thought I could reach.

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# CHAPTER 1

## INTRODUCTION

### 1.1 Background of the Study

Goods and Services Tax (GST) is a consumption tax based on the value-added concept. It means that all Malaysian will be taxed based on their spending behavior despite of income. This is different from income tax which is only applied after a certain income is exceeded. The idea of GST was invented in Malaysia in 1989. However, in 2005 for the first time GST was formally announced in Budget 2005 for implementation in 2007 but deferred in February 2006. After that, the first reading of the GST bill was tabled in Parliament in 2009 for implementation in 2011, but was withdrawn in 2010. Then, a revised GST bill was tabled in Parliament on 31 March 2014 for a first reading. During Budget 2014 presentation, GST has formally announced for implementation on 1 April 2015 at rate 6 percent.

GST is a broad-based indirect and multi-stage consumption tax levied on goods and services that made or produced in and imported into Malaysia but not exported out of Malaysia. GST is levied on the value of the supply of goods and services, or value-added by each entity at each stage of the supply chain from manufacturers or suppliers at the production stage, wholesalers at the wholesale stage, retailers or providers at the distribution stage, up to end-consumers, except items on a specific list of exempted and zero-rated goods and services.

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