

ABSTRACT

Malaysian Government wanted to replace the Sales and Service Tax with Goods and Service Tax (GST). The first reading of the GST Bill was tabled in Parliament in December 2009 but the second reading planned in March 2010 was postponed till now. The government would only introduce once everyone understand and familiar with the tax. This study is aimed to explore the perception of tax agents towards the proposed GST. This study is a cross sectional where data was collected only once. Four (4) variables were used to measure the GST perceptions. Questionnaire was used to capture the data. A survey was carried out to acquire the data from 1,200 tax agent throughout Malaysia. Only 157 responded where two questionnaires were unusable giving a 13% (155) response rate. Data were analyzed using descriptive statistics on the demographic variables and four constructs. Test of reliability and validity were also done on the four variables. The result indicated that tax agents in Malaysia have good perception towards the Government intention to introduce GST. All the items in the four constructs except one have mean score of above 3.00. Both the cronbach alpha value and KMO value have more than 0.800 for all the four constructs. Respondents also indicated that the most prominent probable area of difficulties in GST was the understanding or knowledge of GST. The findings suggest that the attitude, awareness, understanding and preparedness of tax agents are positive towards the implementation of GST in Malaysia. This study provides important and valuable inputs for the Government to implement strategic plan to enhance the level of understanding to taxpayers so that GST can be introduced without obstacles.

Keyword: Attitude, Awareness, Understanding, Preparedness, GST