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**THE PERCEPTION TOWARDS THE READINESS OF GOODS &
SERVICES TAX (GST) RE-IMPLEMENTATION IN MALAYSIA: A
PRELIMINARY STUDY IN KLANG VALLEY**



**Thesis Submitted to
Tunku Puteri Intan Safinaz School of Accountancy
Universiti Utara Malaysia,
in Fulfilment of the Requirement for the Master Of Sciences
(International Accounting)**



Kolej Perniagaan
(College of Business)
Universiti Utara Malaysia

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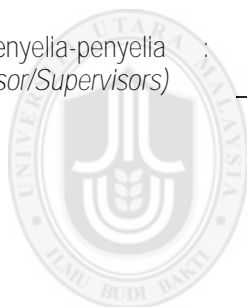
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Abstrak

Tujuan kajian ini adalah untuk mengkaji persepsi rakyat Malaysia terhadap pelaksanaan semula Cukai dan Perkhidmatan (CBP). Rangka kerja teori dibangunkan berdasarkan Teori Galagat Terancang. Objektif kajian ini adalah untuk menentukan hubungan antara sikap, norma subjektif dan kawalan gelagat ditanggap dan pengetahuan terhadap kesediaan menerima pelaksanaan semula GST. Borang soal selidik telah diedarkan untuk mengumpul data di Lembah Klang, Malaysia. Sebanyak seratus dua puluh enam (126) data dikumpulkan daripada responden di Lembah Klang melalui persampelan rawak. Analisis kebolehpercayaan, analisis deskriptif dan analisis regresi berganda telah dijalankan ke atas data yang diperolehi. Hasil kajian menunjukkan kawalan gelagat ditanggap dan pengetahuan mempunyai hubungan signifikansi terhadap kesediaan pelaksanaan semula GST. Manakala, hubungan sikap dan norma subjektif terhadap kesediaan pelaksanaan semula GST adalah tidak signifikansi. Hasil kajian turut menunjukkan bahawa pembolehubah tak bersandar dapat menggambarkan 70.7% variasi terhadap pelaksanaan semula GST.

Kata kunci: *Sikap, Norma subjektif, Kawalan gelagat ditanggap, Pengetahuan, Cukai Barang & Perkhidmatan (CBP)*



Abstract

The purpose of this study to examine the perception of Malaysian towards the re-implementation of Goods and Services Tax (GST). A theoretical framework was developed based on Theory of planned behaviour (TPB). The objective of this study were to determine the relationship between attitudes, subjective norms, perceived behavioural control and knowledge towards the readiness of GST re-implementation. Questionnaires were distributed to collect the data in Klang Valley, Malaysia. A total of one hundred twenty-six (126) data collected from Klang Valley respondents via random sampling. The reliability analysis, descriptive analysis and multiple regression analysis were conducted using the collected data. The findings demonstrate that perceived behavioural control and knowledge were significantly towards the readiness of GST re-implementation. Meanwhile, the attitudes and subjective norms showed that insignificantly towards the readiness of GST re-implementation. The findings also showed that independent variables were able to explain 70.7% of the variance towards the readiness of GST re-implementation.

Keywords: Attitudes, Subjective norms, Perceived behavioural control, Knowledge, Goods and Services Tax (GST)



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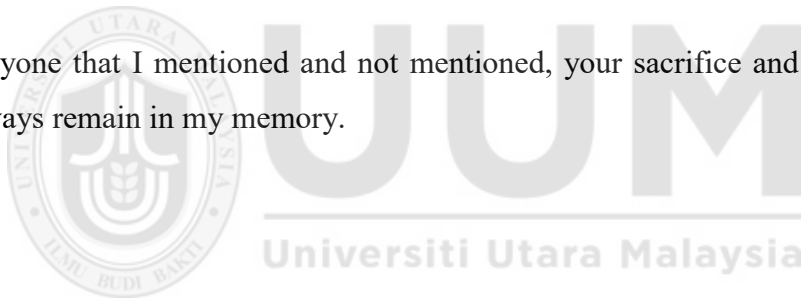


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List of Abbreviations

GST	Goods and Services Tax
GDP	Gross Domestic Product
RMCD	Royal Malaysian Customs Department
SPSS	Statistical Package for the Social Science
SST	Sales and Services Tax
VAT	Value-added Tax



CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Goods and Services Tax (GST) commonly known as value added tax (VAT) is a type of consumption or expenditure tax. Before the implementation of the GST, Sales and Service Tax (SST) was Malaysia's indirect tax system. The Minister of Finance stated in the 2014 Budget Speech that the government of Malaysia was prepared to implement the GST. Thus, Goods and Services Tax Act 2014 took effect on 1 April 2015 and replacing the SST. Royal Malaysia Customs Department (RMCD) was appointed to manage the GST legislations (Chen & Md Taib, 2016).

The main objective of implementing GST is to strengthen the competency of Malaysia's tax system due to the drawback of the current SST taxation system. Furthermore, GST is also one of the strategies included in the Economic Transformation Programme (ETP) to promote economic growth (Goh et al., 2017). GST typically viewed as an efficient tax system that allow input tax refund that eliminate the cascading effect of SST that double tax the consumers without refund (Wong & Eng, 2018). The GST served to increase tax revenue collection in order to decrease the country's fiscal deficit (Goh et al., 2017). Therefore, GST not only increase the revenue, it also help eliminate the cascading effect and combat the tax evasion that shadowing the country. Thus, the implement of GST system was claimed to enhance a country's competitiveness (Othman et al., 2017).

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APPENDIX A

Appendix A: Research Questionnaire



Dear Respondent / Responden yang dihormati,

A SURVEY ON PERCEPTION TOWARDS THE READINESS OF GOODS & SERVICES TAX (GST) RE-IMPLEMENTATION IN KLANG VALLEY

KAJIAN MENGENAI PERSEPSI TERHADAP KESEDIAAN PELAKSANAAN SEMULA CUKAI BARANG & PERKHIDMATAN (CBP) DI LEMBAH KLANG

I am a Master student at the above-named university and currently doing a master research on the perception towards the readiness of GST re-implementation among taxpayers in Klang Valley. I am now in the process of collecting data for the research.

Saya adalah pelajar Sarjana di universiti seperti yang dinyatakan di atas dan saya sedang menjalankan kajian berkaitan persepsi terhadap persediaan pelaksanaan semula CBP di kalangan pembayar cukai di Lembah Klang. Pada masa ini, saya sedang dalam proses mengumpul data untuk tujuan kajian ini.

Thank you in advance for your time to answer this questionnaire. Please be assured that your response will only be used for academic purpose and your identity will be kept STRICTLY CONFIDENTIAL.

Terima kasih kerana meluangkan masa untuk menjawab kajiselidik ini. Untuk makluman, maklumbalas anda hanya digunakan untuk tujuan akademik dan identiti anda adalah DIRAHSIAKAN.

Thank you very much for your time and cooperation.
Terima kasih atas kerjasama dan masa yang diluangkan.

Yours sincerely,

Jenny Ng

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Please tick (✓) ONE answer only for every question.
Sila tandakan (✓) SATU jawapan bagi setiap soalan.

SECTION A – PERSONAL DETAILS
SEKSYEN A – MAKLUMAT PERIBADI

1. Gender / Jantina

<input type="checkbox"/>	Male / <i>Lelaki</i>
<input type="checkbox"/>	Female / <i>Perempuan</i>

2. Age / Umur

<input type="checkbox"/>	Under 20 years old / <i>Bawah 20 tahun</i>
<input type="checkbox"/>	21 - 30 years old / <i>21 - 30 tahun</i>
<input type="checkbox"/>	31 - 40 years old / <i>31 - 40 tahun</i>
<input type="checkbox"/>	41 - 50 years old / <i>41 - 50 tahun</i>
<input type="checkbox"/>	51 - 60 years old / <i>51 - 60 tahun</i>
<input type="checkbox"/>	61 years old and above / <i>61 tahun dan ke atas</i>

3. Employment / *Pekerjaan*

<input type="checkbox"/>	- Non-employment / <i>Tidak bekerja</i>
<input type="checkbox"/>	Employment / <i>Bekerja</i>
<input type="checkbox"/>	- Public sector / <i>Sektor awam</i>
<input type="checkbox"/>	- Private sector / <i>Sektor swasta</i>
<input type="checkbox"/>	- Self-employment / <i>Bekerja sendiri</i>
<input type="checkbox"/>	- Others / <i>Lain-lain</i>

4. Place of stay / *Tempat tinggal*

<input type="checkbox"/>	Klang valley / <i>Lembah Klang</i>
<input type="checkbox"/>	Other state / <i>Negeri lain</i>

Please circle the appropriate answer.
Sila bulatkan jawapan yang sesuai.

SECTION B – READINESS TOWARDS THE GST RE-IMPLEMENTATION
SEKSYEN B – KESEDIAAN TERHADAP PELAKSANAAN SEMULA CBP

Strongly Disagree / Sangat Tidak Setuju	Disagree / Tidak Setuju	Neutral / Neutral	Agree / Bersetuju	Strongly Agree/ Sangat Bersetuju
1	2	3	4	5

1.	<p>I feel that Malaysia should re-implement GST.</p> <p><i>Saya merasakan Malaysia perlu melaksanakan semula CBP.</i></p>	1	2	3	4	5
2.	<p>I am committed to comply with the GST re-implementation.</p> <p><i>Saya komited untuk mematuhi pelaksanaan semula CBP.</i></p>	1	2	3	4	5
3.	<p>I feel motivated to comply with the GST re-implementation.</p> <p><i>Saya berasa motivasi untuk mematuhi pelaksanaan semula CBP.</i></p>	1	2	3	4	5
4.	<p>I am confident that I can support the GST re-implementation.</p> <p><i>Saya yakin saya boleh menyokong pelaksanaan semula CBP.</i></p>	1	2	3	4	5
5.	<p>I am confident that I can deal with the issues arising from the GST re-implementation.</p> <p><i>Saya yakin bahawa saya boleh menangani isu-isu yang timbul daripada pelaksanaan semula CBP.</i></p>	1	2	3	4	5

SECTION C – ATTITUDES TOWARDS THE GST RE-IMPLEMENTATION
SEKSYEN C – SIKAP TERHADAP PELAKSANAAN SEMULA CBP

Strongly Disagree / Sangat Tidak Setuju	Disagree / Tidak Setuju	Neutral / Neutral	Agree / Bersetuju	Strongly Agree/ Sangat Bersetuju
1	2	3	4	5

1.	If Malaysia re-implement GST, I would be favour that SST replace with GST. <i>Sekiranya Malaysia melaksanakan semula GST, saya lebih suka SST diganti dengan CBP.</i>	1	2	3	4	5
2.	If Malaysia re-implement GST, I would feel pleased to pay GST. <i>Jika Malaysia melaksanakan semula GST, saya berasa gembira untuk membayar CBP.</i>	1	2	3	4	5
3.	If Malaysia re-implement GST, I would be feel upset to pay GST. <i>Jika Malaysia melaksanakan semula CBP, saya akan berasa sedih untuk membayar CBP.</i>	1	2	3	4	5
4.	If Malaysia re-implement GST, I believe that is my responsibility to pay GST. <i>Jika Malaysia melaksanakan semula CBP, saya percaya adalah tanggungjawab saya untuk membayar CBP.</i>	1	2	3	4	5
5.	If Malaysia re-implement GST, I am not ready to pay the additional GST tax. <i>Jika Malaysia melaksanakan semula CBP, saya tidak bersedia untuk membayar cukai tambahan CBP.</i>	1	2	3	4	5

SECTION D – SUBJECTIVE NORMS TOWARDS THE GST RE-IMPLEMENTATION
SEKSYEN D – NORMA SUBJEKTIF TERHADAP PELAKSANAAN SEMULA CBP

Strongly Disagree / Sangat Tidak Setuju	Disagree / Tidak Setuju	Neutral / Neutral	Agree / Bersetuju	Strongly Agree/ Sangat Bersetuju
1	2	3	4	5

1.	Most people who are important to me think that GST help the country collect additional revenue. <i>Kebanyakan orang yang penting bagi saya berpendapat CBP membantu negara mengutip hasil tambahan.</i>	1	2	3	4	5
2.	Most of the people who are important to me think that GST is a new system that need to pay additional tax. <i>Kebanyakan orang penting bagi saya berpendapat bahawa CBP adalah sistem baharu untuk membayar cukai tambahan.</i>	1	2	3	4	5
3.	Most people who are important to me think that GST increases the goods and services price. <i>Kebanyakan orang yang penting bagi saya berpendapat bahawa CBP menaikkan harga barang dan perkhidmatan.</i>	1	2	3	4	5
4.	Most people who are important to me think that GST is a burden to Malaysian. <i>Kebanyakan orang yang penting bagi saya berpendapat bahawa CBP adalah beban kepada rakyat Malaysia.</i>	1	2	3	4	5
5.	Most people who are important to me, not yet ready for the GST re-implementation. <i>Kebanyakan orang yang penting bagi saya belum bersedia untuk pelaksanaan semula CBP.</i>	1	2	3	4	5

SECTION E – PERCEIVED BEHAVIOURAL CONTROL TOWARDS THE GST RE-IMPLEMENTATION

SEKSYEN E – KAWALAN GELAGAT DITANGGAP TERHADAP PELAKSANAAN SEMULA CBP

Strongly Disagree / Sangat Tidak Setuju	Disagree / Tidak Setuju	Neutral / Neutral	Agree / Bersetuju	Strongly Agree/ Sangat Bersetuju
1	2	3	4	5

1.	It is hard for me to accept the re-implement of GST, due to negative perception of previous GST. <i>Sukar untuk saya menerima pelaksanaan semula CBP disebabkan persepsi negatif terhadap CBP sebelum ini.</i>	1	2	3	4	5
2.	It is hard for me to accept the re-implement of GST, due to limited knowledge on GST. <i>Sukar untuk saya menerima pelaksanaan semula CBP disebabkan pengetahuan terhadap terhadap CBP.</i>	1	2	3	4	5
3.	It is hard for me to accept the re-implement of GST because it increases the price of goods and services. <i>Sukar untuk saya menerima pelaksanaan semula CBP kerana ia meningkatkan harga barangan dan perkhidmatan.</i>	1	2	3	4	5
4.	The re-implement of GST burden my daily spending as I need to pay additional GST tax. <i>Perlaksanaan semula CBP membebankan perbelanjaan harian saya kerana saya perlu membayar cukai tambahan CBP.</i>	1	2	3	4	5
5.	Due to limited knowledge about GST, it is hard for me to support the GST re-implementation. <i>Disebabkan pengetahuan yang terhadap tentang CBP, oleh itu, adalah sukar untuk saya menyokong pelaksanaan semula CBP.</i>	1	2	3	4	5

SECTION F – KNOWLEDGE TOWARDS THE GST RE-IMPLEMENTATION
SEKSYEN F – PENGETAHUAN TERHADAP PELAKSANAAN SEMULA CBP

Strongly Disagree / Sangat Tidak Setuju	Disagree / Tidak Setuju	Neutral / Neutral	Agree / Bersetuju	Strongly Agree/ Sangat Bersetuju
1	2	3	4	5

1.	I know GST is the best tax system adopted by many countries. <i>Saya tahu CBP adalah system cukai terbaik yang diterima pakai oleh banyak negara.</i>	1	2	3	4	5
2.	I know GST eliminate the cascading effect of SST. <i>Saya tahu CBP menghapuskan kesan cukai dua kali SST.</i>	1	2	3	4	5
3.	I know GST aims to improve the tax system more efficient. <i>Saya tahu CBP bertujuan menambah baik system cukai dengan lebih cekap.</i>	1	2	3	4	5
4.	I know GST will generate and increase country revenue. <i>Saya tahu CBP akan menjana dan meningkatkan pendapatan negara.</i>	1	2	3	4	5
5.	I know GST will not burden people. <i>Saya tahu CBP tidak akan membebankan rakyat.</i>	1	2	3	4	5
6.	I know GST protects the interests of low income earners. <i>Saya tahu CBP melindungi kepentingan golongan berpendapatan rendah.</i>	1	2	3	4	5
7.	I know GST will result in higher prices for goods and services. <i>Saya tahu CBP akan menyebabkan harga barangan dan perkhidmatan lebih tinggi.</i>	1	2	3	4	5

Please tick (✓) ONE answer that represent your overall readiness towards the re-implementation of GST in Malaysia.

Sila tandakan (✓) SATU jawapan yang mewakili tahap kesediaan anda terhadap pelaksanaan semula GST di Malaysia.

SECTION G – OVERALL READINESS LEVEL
SEKSYEN G – TAHAP KESEDIAAN KESELURUHAN

Overall readiness level / Tahap kesediaan keseluruhan

<input type="checkbox"/>	0%	Not ready at all / <i>Belum bersedia sepenuhnya</i>
<input type="checkbox"/>	1% - 25%	Slightly ready / <i>Sedikit bersedia</i>
<input type="checkbox"/>	26% - 50%	Moderately ready / <i>Sederhana bersedia</i>
<input type="checkbox"/>	51% - 75%	Ready / <i>Bersedia</i>
<input type="checkbox"/>	Above 75%	Fully ready / <i>Bersedia sepenuhnya</i>



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THANK YOU FOR TAKING YOUR PRECIOUS TIME TO ANSWER THE
QUESTIONNAIRE *ra Malaysia*

TERIMA KASIH KERANA MELUANGKAN MASA BERHARGA ANDA UNTUK
MENJAWAB KAJISELIDIK

APPENDIX B

RELIABILITY ANALYSIS (n = 126)

Dependent Variable: **Readiness**

Reliability Statistics	
Cronbach's Alpha	N of Items
.978	5

Independent Variable: **Attitudes**

Reliability Statistics	
Cronbach's Alpha	N of Items
.939	5

Independent Variable: **Subjective Norms**

Reliability Statistics	
Cronbach's Alpha	N of Items
.887	5

Independent Variable: **Perceived Behavioural Control (PBC)**

Reliability Statistics	
Cronbach's Alpha	N of Items
.947	5

Independent Variable: **Knowledge**

Reliability Statistics	
Cronbach's Alpha	N of Items
.849	7

DESCRIPTIVE STATISTICS (n = 126)

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
	Statistic	Statistic	Statistic	Statistic	Statistic
R	126	1.00	5.00	3.1286	1.36034
A	126	1.00	5.00	3.2810	1.09462
SN	126	1.00	5.00	2.9810	1.08913
PBC	126	1.00	5.00	2.7000	1.10815
K	126	1.00	5.00	3.4388	.88159
Valid N (listwise)	126				

NORMALITY ANALYSIS (n = 126)

Statistics						
		R	A	SN	PBC	K
N	Valid	126	126	126	126	126
	Missing	0	0	0	0	0
Skewness		-.166	-.474	-.286	.150	-.512
Std. Error of Skewness		.216	.216	.216	.216	.216
Kurtosis		-1.192	-.228	-.790	-.839	.400
Std. Error of Kurtosis		.428	.428	.428	.428	.428

CORRELATION ANALYSIS (n = 126)

Correlations						
		R	A	SN	PBC	K
Pearson Correlation	R	1.000	.596	.629	.739	.760
	A	.596	1.000	.515	.587	.539
	SN	.629	.515	1.000	.697	.541
	PBC	.739	.587	.697	1.000	.627
	K	.760	.539	.541	.627	1.000
Sig. (1-tailed)	R	.	<.001	<.001	<.001	<.001
	A	.000	.	.000	.000	.000
	SN	.000	.000	.	.000	.000
	PBC	.000	.000	.000	.	.000
	K	.000	.000	.000	.000	.

N	R	126	126	126	126	126
	A	126	126	126	126	126
	SN	126	126	126	126	126
	PBC	126	126	126	126	126
	K	126	126	126	126	126

MULTIPLE REGRESSION ANALYSIS (n = 126)

Variables Entered/Removed ^a			
Model	Variables Entered	Variables Removed	Method
1	K, A, SN, PBC ^b	.	Enter
a. Dependent Variable: Readiness			
b. All requested variables entered.			

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.841 ^a	.707	.697	.74830	.707	73.025	4	121	<.001
a. Predictors: (Constant), Attitudes, Subjective Norms, Perceived Behavioural Control, Knowledge									

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	163.562	4	40.891	73.025	<.001 ^b
	Residual	67.755	121	.560		
	Total	231.317	125			
a. Dependent Variable: Readiness						
b. Predictors: (Constant), Attitudes, Subjective Norms, Perceived Behavioural Control, Knowledge						

Coefficients ^a										
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics	
	B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
Constant	-1.131	.285		-3.975	<.001					
A	.144	.079	.115	1.811	.073	.596	.162	.089	.595	1.680
SN	.137	.088	.110	1.553	.123	.629	.140	.076	.487	2.053
PBC	.395	.096	.322	4.122	<.001	.739	.351	.203	.397	2.519
K	.673	.102	.436	6.577	<.001	.760	.513	.324	.550	1.817

a. Dependent Variable: Readiness



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