

ATTN: TAX REFORM

My suggestions are as follows:

- Increase Profit Tax by a narrow margin, say, 0.5%

- As far as Goods and Services Tax is concerned, it should be implemented by stages. In the first stage, the tax should be imposed on luxury goods and deluxe services which are absolutely non-essential in terms of livelihood. Examples for the former include the transactions involving alcoholic drinks and cosmetic products whereas cases for the latter comprise services received during singing in karaoke lounge and taking sauna bath. How the next phase of GST is carried out subject to the conditions after implementation in the first phase.

- Introduce a new tax called Environmental Protection Tax. The targets for this tax are composed of any acts causing environmentally damaged effect. Typical examples consist of renovation of residential flats (excluding relocation of residence and new construction flats), making use of non-environmental friendly fuel, such as diesel, in motor vehicle and the utilization of coals for the generation of electricity.

To levy GST effectively, cash payment in those transactions should be discouraged. Instead, favour, such as 0.5% exemption, should be offered for payment by electronic means such as Credit Cards, EPS (Easy Pay System) and so on. This will make every transaction traceable.

(Anonymous)