THE NUMBER OF LICENSEES FOR THE YEAR 2001 AND 2002

SERVICES	2001	%	2002	%
Hotels	948	6.46	955	4.90
Restaurants, Bars, Snack Bars, Coffee house located in Hotel having more than 25 rooms	190	1.29	193	0.99
Restaurants, Bars, Snack Bars, Coffee house located in Hotel having 25 rooms or less	50	0.34	37	0.19
Restaurants located outside Hotel	1626	11.08	2364	12.12
Night club, dance hall and cabaret	140	0.95	148	0.76
Health centre or massage parlour	189	1.29	233	1.19
First class Public House	1451	9.89	1625	8.33
First class Beer House	145	0.99	106	0.54
Private Clubs	188	1.28	207	1.06
Private Hospitals	104	0.71	115	0.59
Registered Insurance companies	185	1.26	168	0.86
Telecommunication services	70	0.48	78	0.40
Charge cards or credit cards services	14	0.09	29	0.15
Forwarding agents	1665	11.35	1869	9.58
Motor vehicles parking services	231	1.57	229	1.17
Courier services	54	0.37	62	0.32
Motor vehicles service centres	764	5.21	1229	6.30
Private agencies	276	1.88	314	1.61
Employment agencies	129	0.88	180	0.92
Registered Public Accountants	585	3.99	963	4.94
Registered Advocate and Solicitors	1264	8.61	1926	9.88
Registered Engineers	573	3.91	700	3.59
Registered Architects	485	3.31	646	3.31
Registered Surveyors, Valuers, Appraisers, Estate Agents	602	4.10	796	4.08
Consultancies	1390	9.47	1992	10.21
Private Veterinary Clinics	3	0.02	4	0.02
Hire car services	41	0.28	45	0.23
Management services	908	6.19	1749	8.97
Advertising agencies	364	2.48	470	2.41
Golf Course operators	40	0.27	69	0.35
TOTAL	**14,674**	**100.0**	**19,501**	**100.0**

THE NUMBER OF LICENSEES ACCORDING TO THE STATE IN MALAYSIA

State	2001	%	2002	%	% of changes
Wilayah Persekutuan	5,924	40.37	8,161	41.85	37.76
Johor	1,924	13.11	2,440	12.51	26.82
Pulau Pinang	1,275	8.69	1,586	8.13	24.39
Selangor	1,091	7.43	1,545	7.92	41.61
Sabah	980	6.68	1,254	6.43	27.96
Sarawak	854	5.82	1,087	5.57	27.28
Perak	845	5.76	1,052	5.39	24.50
Pahang	454	3.09	552	2.83	21.59
Melaka	347	2.37	477	2.45	37.46
Negeri Sembilan	347	2.37	464	2.38	33.72
Kedah	281	1.92	371	1.90	32.03
Kelantan	119	0.8	229	1.17	92.44
Terengganu	186	1.27	229	1.17	23.12
Perlis	47	0.32	54	0.28	14.89
Total	14,674	100	19,501	100	32.89

Mazni Abdullah

Faculty of Business and Accountancy

University of Malaya

50603 Kuala Lumpur. 15 th March 2003

Dear Sir / Madam,

SURVEY ON THE AWARENESS AND PERCEPTIONS ON SERVICE TAX BY SERVICE PROVIDERS IN MALAYSIA

I am currently pursuing my postgraduate degree (MBA Accountancy) in University of Malaya. As a partial fulfilment towards completion of the course, I am required to do a research project.

It is hoped that you can spend some time to fill in the attached questionnaire as it is vital for the success of my research. All information given will be treated confidentially and will be used for the research purpose only. Attached, please find the self addressed stamped envelope.

Your valuable time and kind attention is greatly appreciated.

Thank you.

Yours sincerely,

MAZNI ABDULLAH

SECTION A: BACKGROUND OF THE COMPANY

(Please complete the following background information to help us compare the results of this study to other studies)

1. Type of the business

    (a) Telecommunication

    (b) Registered Public Accountant

    (c) Registered Advocate and Solicitors

    (d) Restaurant

    (e) Consultancy

    (f) Others (please specify)..

2. Number of employees in the organization

    (a) Less than 10 person   (b) Between 10 to 20 person

    (c) Between 20 to 50 person   (d) Between 50 to 100 person

    (e) More than 100 person

3. Annual Sales Turnover

    (a) Less than RM 100,000

    (b) Between RM 100,000 and RM 150,000

    (c) Between RM 150,000 and RM 300,000

    (d) Between RM 300,000 and RM 500,000

    (e) RM 500,000 and above

SECTION B: FACTORS THAT CONTRIBUTE TO TAX NON-COMPLIANCE

6. Below are some of the important **factors that influence taxpayers to EVADE** their service tax. Using a scale 1 to 5, please tick in the box, in order of relative importance of the following factors.

1= Not at all important   2= Not so important   3=Neutral

4= Fairly important   5= Very important

	NON-COMPLIANCE FACTORS	1	2	3	4	5
1	Probability of being detected is low					
2	Other businesses also do it					
3	Complexity of tax laws– (incomplete, improper or conflicting application of tax laws)					
4	The taxes were too high compared to the benefits and services received from the government					
5	Lack of education and information about service tax among service providers					

7. Do you have any experienced being audited by the Customs authorities?

(a) Yes   (b) No

8. Are you aware of any campaign conducted by the Customs authorities to encourage compliance?

(a) Yes   (b) No

9. Do you think you get enough information or assistance from the Customs authorities?

(a) Yes   (b) No

SECTION C: POSSIBLE STRATEGIES TO ENFORCE COMPLIANCE

10. Below are some of the strategies to enforce compliance in service tax. Using a scale 1 to 5, please tick in the box, in order of relative importance of the following strategies.

1= Strongly Disagree   **2= Disagree**   **3=Neutral**

4= Agree   **5= Strongly Agree**

	STRATEGIES	1	2	3	4	5
1	Increase audit probability					
2	Impose higher penalties and sanctions					
3	Positive approach by the Customs authorities (e.g. polite treatment, respectful, timely response)					
4	Enough education and services are given to service providers by relevant authorities					

Any comment regarding the service tax:

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~The views expressed in the completed questionnaire will be treated in the strictest confidence. ~ Thank you for your kind co-operation.