

## SYNOPSIS

In this exercise, an attempt has been made to examine the tax structure of what was formerly the Federation of Malaya, and since 1964, the system that has been operating in Malaysia. The introduction is largely concerned with the question of federalism and the financial arrangements existing in the different components of Malaysia.

In Chapter II, attention has been devoted largely to income taxation in Malaysia. The rate structure of income tax has been appraised and the importance of income tax is also discussed briefly. This Chapter also examines the other components of inland revenue.

Chapter III, on customs revenue, has been devoted largely to certain aspects of customs duties. It deals with the influence of rubber and tin in export duties revenue and similarly with the major items of import duties. This chapter also discusses the relative importance of import and export duties in total revenue. Finally it attempts to bring out the fluctuating nature of customs revenue arising out of price movements in the international market.

Excise and licences as we shall see in Chapter IV are of lesser importance than in land revenue and customs duties receipts. But unlike in customs revenue, this chapter indicates the stable nature of these sources. It also will show the increasing revenue collected from excises and licences. Chapter V was included to show that apart from tax revenue, quite a considerable proportion of central government revenue accrues from non-tax sources.

In the "Conclusion" an attempt is made to bring out some of the important conclusions drawn in the earlier chapters. It also includes the Joint-Fund share that accrued to the central government. It also takes note of some essential objectives on which our tax structure may be based.

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