ABSTRACT

Since the 70s, the focus of the Malaysian government on sustainable development is to improve the economic well-being of its society. In September 2015, Malaysia reaffirmed this commitment with the other United Nations countries by implementing the 2030 Agenda for 17 Sustainable Development Goals (SDGs), focusing on the bottom 40% of households (B40). Unfortunately, the implementation of Goods and Services Tax (GST) on 1st April 2015, followed by Sales and Services Tax (SST) 2.0 on 1st September 2018 impacted all income groups especially B40. The public especially B40 claimed that indirect tax is regressive and burdensome (MIER, 2018). Hence, the present study aims to identify the existence of SST 2.0’s tax burden assessing through the relationship between elements of guiding principles of good tax policy.

Keywords: Sales and Service Tax, enforcement, regressive, tax burden, fairness.