



**Tuesday September 5, 2006**  
**RM11bil in arrears yet to be collected**

**PETALING JAYA:** The Inland Revenue Board (IRB) has yet to collect RM11.12bil in arrears at the end of last year, said the 2005 Auditor-General's Report.

Defaulters owing RM7.84bil are liable for civil action. The report said despite the existence of sufficient laws, they were still not properly used to institute civil action on defaulters, thus delaying collection even further. The report said 12,823 cases of overdue taxes amounting to RM2.61bil were awaiting judgment while 5,187 cases amounting to RM5.24bil had already been decided. Of the decided cases, payment of the arrears had yet to be made.

The factors for the non-payment include delays in the registration of summonses in court, failure to serve appointment letters on taxpayers, delays in serving the bankruptcy notice and delays in filing the creditor's petition in court. To overcome the problems, the IRB should improve its monitoring of the civil actions and set up a committee to identify the problems, and give suggestions on how to overcome them.

The report also recommended that the IRB prepare a proper set of guidelines on taxation for stock-broking firms. It found that many of the firms did not submit the necessary information on stamp duties or tax exemptions they had applied for. It said seven of 20 stock-broking firms had paid stamp duties amounting to RM170.82mil for 2002 to March 2005. The statements, however, were not supported with the necessary information to allow the IRB to ascertain the accuracy of the duties collected.

Six of 10 stock-broking firms that applied for claims on management fees totalling RM27.42mil for tax calculations also did not submit the necessary documents to authenticate the expenses.