AUTHOR: No author available SECTION: NATION AUDIENCE : 175,986 PAGE: 8
PRINTED SIZE: 241.00cm² REGION: KL MARKET: Malaysia PHOTO: Full Color ASR: MYR 12,212
WORDS: 403 ITEM ID: DP0121321888

09 JUL, 2026

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The Star, Malaysia

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'Rising utility costs and taxes a burden on consumers'

PETALING JAYA: The 8% Sales and Service Tax (SST) on electricity bills must be suspended or abolished by Putrajaya, says Datuk Seri Dr Wee Ka Siong (*pic*).

The MCA president also said the government must come clean on a purported RM10.6bil additional tax claim against Tenaga Nasional Bhd (TNB).

According to Dr Wee, electricity rates had risen for eight consecutive months after the Automatic Fuel Adjustment (AFA) mechanism flipped from a rebate to a surcharge, leaving households and businesses paying more for roughly the same usage.

"The AFA used to help bring people's bills down. Today, it has become an extra charge that pushes bills up," he said in a TikTok video yesterday.

Dr Wee said the burden on consumers was compounded by the 8% SST imposed on certain electricity bills since March 2024, as the tax grows in tandem with the bill.

"If your bill is RM200, the 8% SST is RM16. If the bill rises to RM400, the SST becomes RM32. For a trader with a RM1,000 bill, the SST alone is RM80.

"When electricity rates go up, the tax goes up too. The rakyat and traders are hit twice," he said, warning that the extra costs would eventually spill over into the price of goods and services.

Dr Wee also called on Putrajaya to explain an adjustment of RM10.6bil in TNB's 2025 financial statements relating to an additional tax claim, including whether it was true, why such a sum was imposed on the national utility, and whether it was a reason bills kept climbing.

"Don't quietly collect taxes from TNB and then leave the rakyat to bear it through higher electricity bills," he said.

He noted that TNB is owned by institutions such as the Employees Provident Fund, Permodalan Nasional Bhd, Tabung Haji and Retirement Fund Incorporated (KWAP).

"If TNB is squeezed, it is ultimately the rakyat who are affected," he said.

Dr Wee warned that relentless increases in energy costs would hurt households, businesses and industries, and could blunt the competitiveness of Johor just as investments, factories and jobs are pouring into the state.

With Johoreans going to the polls on Saturday, he urged voters to send Putrajaya a clear message through the ballot box about bills that keep rising month after month.

"Johoreans are already burdened enough. Enough is enough," he added.