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## Exempt power, water bills from 2pc SST hike, says Wee

PETALING JAYA: The government should exempt electricity and water bills from the scheduled sales and service tax (SST) increase from 6pc to 8pc, Ayer Hitam MP Wee Ka Siong said.

The MCA president asked why there was a need to increase the tax rate for electricity and water, while exempting other necessities like food and beverages, and telecommunications.

“Telecommunications is a basic monthly utility. The same goes for electricity and water. Why is the SST rate not kept at 6pc for electricity and water charges as well?”

“The government needs to be consistent,” he said in a Facebook post.

Last month, the government approved a request from Tenaga Nasional Bhd to continue with the imbalance cost pass-through (ICPT) mechanism from Jan 1 to June 30, while simultaneously removing the 2 sen/kWh rebate for households that consume between 60kWh and 1,500kWh of electricity a month.

ICPT is a calculation to adjust rates based on the cost of fuel generated to produce electricity.

Wee said these changes have already increased household bills, leading to higher collection from the service tax on electricity.

He said increasing SST to 8pc on utility bills will place further burden on consumers.

Wee said the commercial and manufacturing sectors are badly affected, claiming that their electricity tariffs have not dropped despite plummeting fuel costs earlier this month.