

Seek legal advice over tax exemption cancellations, charitable bodies told

SIBU: Sarawak United People's Party (SUPP) Dudong branch chairman Wong Ching Yong has urged charitable bodies at risk of getting their tax exemption status cancelled to consult tax accountants and lawyers specialising in taxation.

In giving this advice, he revealed that several charitable bodies in Sarawak have had their tax exemption status cancelled by the Inland Revenue Board (IRB), and expressed concern that many did not appeal the decision in court.

Citing a recent case, he highlighted how the National Kidney Foundation (NKF) successfully challenged IRB's decision to withdraw its tax exemption status under Section 44(6) of the Income Tax Act 1967 (ITA) through a judicial review in the High Court.

"In Sarawak, I have been

made aware of several charitable bodies whose tax exemption status was cancelled by IRB. It's regrettable that these organisations did not appeal to the High Court.

"Based on the favourable outcome in the NKF case, I strongly encourage other charitable bodies facing similar challenges to seek legal advice. Do not give up or surrender your right to a judicial review," he said this when met after the SUPP Dudong and SUPP Sibu Jaya's 'Kopitiam Talk' at a coffeeshop here yesterday.

According to Wong, charities in Malaysia are operated by people who are professional, honest individuals of high standing in the society.

"I personally have had good experience with the Board of Trustees of the Kidney Foundation in Sibu.

"However, I was informed that the foundation's tax exemption status was cancelled some years ago.

"This is detrimental to any charities, as tax exemptions are very attractive for donors, who enjoy tax benefits on their donations to charity.

"The IRB policy of even cancelling the tax exemption status of charitable bodies indicates that the government's coffers are very low. Once again, it is high time to bring back the Goods and Services Tax (GST) to broaden Malaysia's tax base," he said.

During the programme, SUPP Dudong-SUPP Sibu Jaya mobile service teams reached out to individuals having any livelihood issues or community concerns.

Also present was SUPP Sibu Jaya chairman Kong Sing Ping.



Wong greets the customers at a coffeeshop during the SUPP Dudong-SUPP Sibu Jaya's 'Kopitiam Talk'. — Photos by Peter Boon