

Tax status still unresolved

TAR UMT students vulnerable to higher costs

KUALA LUMPUR: Tunku Abdul Rahman University of Management and Technology (TAR UMT) is still awaiting a clear decision on its tax-exempt status, which is set to expire on Dec 31.

MCA president Datuk Seri Dr Wee Ka Siong said the Inland Revenue Board (LHDN) has yet to approve an extension, warning that thousands of students could be affected if the university is required to pay tax.

Dr Wee said he had raised the issue with Prime Minister Datuk Seri Anwar Ibrahim.

“When the issue surfaced last year, I requested that the Prime Minister and Finance Minister, Datuk Seri Anwar Ibrahim, intervene. The remedy he announced has still not been implemented after 14 months; the matter remains unresolved,” he said at the 30th MCA central delegates yesterday.

Apart from TAR UMT, the other not-for-profit university established by MCA is Universiti Tunku Abdul Rahman (UTAR).

Dr Wee cautioned that if both MCA-linked universities lose their tax-exempt status, each could face up to RM20mil in annual tax payments.

“Based on a cost per student of RM8,000 per year, this amount would affect the education of up to 5,000 students. This would undoubtedly cause great harm to our community’s education.”

He explained that both institutions were granted permanent tax-exempt status under the previous Barisan Nasional government, a commitment that had stood for more than half a century.

“Our universities’ permanent tax-exempt status was a contract made with the government over 50 years ago, and we have operated on that basis for decades.

“Barisan’s six decades in government never breached it. Today’s government has over-



Crowded hall: More than 1,200 delegates in attendance at the general assembly at Wisma MCA in Kuala Lumpur.

turned that decision. How can we accept this?” he asked.

Dr Wee also stressed that scholarships and bursaries at both universities are awarded purely based on merit and financial need and are open to all races.

He added that their combined annual intake of Chinese students alone exceeds that of more than 20 public universities.

“Over the decades, these two institutions have educated more than 400,000 graduates for the nation. Both universities have shared the national responsibility of educating our youth.

“We have never asked the government for any gesture of appreciation; we only ask for tax-exempt status and policy support so they can continue to nurture professionals who will contribute back to society, which ultimately benefits the nation.

“Mr Prime Minister, should these two universities be treated this way?” he asked.

The dispute began when UTAR received an RM83mil bill in outstanding taxes and penalties last year, which was ultimately cancelled.

However, a letter from the

Treasury clarified that the not-for-profit university is required to begin paying taxes starting with the assessment year 2024.

The letter also stipulated that from January 2025, UTAR and the UTAR Education Foundation must operate as separate entities, each maintaining its own audited accounts.

Dr Wee disagrees, arguing that UTAR is wholly owned by the foundation under the Private Higher Educational Institutions Act 1996, which allows non-profit universities to be set up through companies limited by guarantee.