

# Possible tax hike for KL next year

Minister: Review by DBKL needed to cover rising costs

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KUALA Lumpur may follow Selangor's lead in increasing assessment taxes next year.

However, any change would be implemented in phases, likely starting with industrial tax rates, according to Minister in the Prime Minister's Department (Federal Territories) Dr Zaliha Mustafa.

She said discussions on the matter began in early July, emphasising the need to revisit taxation to address rising costs and boost revenue.

"We are reviewing all types of taxes, not just assessment taxes but also quit rent, and have been collaborating with the finance departments of various agencies to study the matter comprehensively," she said.

Dr Zaliha said Kuala Lumpur

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City Hall (DBKL) had been running a deficit in recent years, necessitating efforts to increase revenue.

"We are conducting studies to propose suitable rates that will not burden the *rakyat*," she said.

When asked about a time line, Dr Zaliha said she couldn't yet say but emphasised that the hike was inevitable.

"Next year, if it happens, it will be done in phases.

"We cannot rely solely on the Federal Government for funding.

"For instance, road repair costs exceeded RM100mil, while the Federal Government's contri-



Dr Zaliha looking at a slide on the achievements of the Federal Territories Sports Council. Beside her is Federal Territories Department director-general Datuk Noridah Abdul Rahim.

bution under Marris (Malaysian Road Records Information System) is only RM36mil."

Dr Zaliha also highlighted rising costs in other areas including waste management and public housing maintenance.

"We have received requests from landfill operators to increase tipping fees due to rising costs.

"Public housing maintenance is also becoming more expensive, with lift upgrades and other needs.

"We must consider all aspects before increasing revenue, but the rates will not necessarily be

uniform," she said.

She was speaking to *StarMetro* on the sidelines of a programme at DBKL headquarters yesterday to mark her first year as Minister in charge of Federal Territories.

DBKL last announced a review of assessment rates at the end of 2013 – the first in 21 years.

In June 2014, then Federal Territories minister Datuk Seri Tengku Adnan Mansor announced that the hike would be capped at 10% for residential properties and 25% for commercial premises.

Selangor government recently

approved a 25% increase in assessment rates across all local councils, effective Jan 1, 2025, citing the need to update outdated property valuations and improve local government services.

The state government explained that the revaluation exercise and subsequent increase were necessary as property charges had remained unchanged for 20 to 40 years.

In Malaysia, local authorities are permitted to review and revise assessment rates every five years, as stipulated under Local Government Act 1976.