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AFTER more than a decade, Kuala Lumpur City Hall (DBKL) will be partially lifting the cap on assessment tax introduced during the last valuation exercise.

Mayor Datuk Seri Maimunah Mohd Sharif (pic) said the move, which was currently awaiting Federal Government approval, aimed to boost the city's revenue.

Addressing speculation about the impending hike in assessment taxes, she stressed that DBKL was not conducting a new valuation exercise.

"We are merely lifting the cap previously placed on these taxes.

"This means the assessment tax may increase, but it will not be based on a fresh property val-

# 'KL assessment tax cap will be lifted'

## Move will help generate additional revenue to improve services in the city, says mayor

uation," she said.

"The hike is part of a plan to phase out the capping mechanism introduced in 2014, aligning property taxes with actual market values to generate additional revenue for the city."

For example, Maimunah explained, "If the assessment tax for a residential property was originally RM100 annually which increased to RM200 after the 2014 valuation, the property owner would only pay RM110 due to the cap."

This meant that DBKL had offered the person a RM90 discount, which would be gradually

reduced in stages.

"Lifting the cap could yield an additional RM80mil in annual revenue, which would help DBKL enhance its services for the city," added Maimunah.

The last review of DBKL's assessment rates took place in 2013, marking the first adjustment in 21 years.

In 2014, then Federal Territories minister Datuk Seri Tengku Adnan Tengku Mansor announced a cap on assessment tax increases, limiting it to 10% for residential properties and 25% for commercial premises.

To ease the transition,

Maimunah said the removal of the capping mechanism would be implemented in phases to prevent undue financial strain on property owners.

The cap will be increased from 10% to 20% for residential properties; the cap for commercial premises will be announced later after the Federal Government has made its decision.

"A new property valuation in Kuala Lumpur is also overdue, as the last exercise was done more than 10 years ago," she said.

"By law, a new valuation exercise can take place every five years, but we cannot proceed



until the cap has been fully lifted.

"Once this is addressed, we'll move forward with the next valuation exercise, which will likely occur after 2026."

*StarMetro* had on Dec 13, 2024, reported that Minister in the Prime Minister's Department (Federal Territories) Dr Zalihah Mustafa acknowledged DBKL's need to increase revenue as the city had been running a deficit in recent years.

She revealed that DBKL was reviewing all types of tax revenue, including quit rent.