

FREQUENTLY ASKED QUESTION

1. **Q : What is the treatment for the parking services that are being charged by the provider or operator?**

A : Parking service that are being charged by the provider or operator are subject to service tax.

2. **Q : Who is the parking space provider that needs to be registered under Service Tax Act?**

A : Any person who operates or provides parking spaces for motor vehicle with the threshold exceeding RM500,000.

3. **Q : If the services performed does not reach the prescribed threshold, can I apply for voluntary registration?**

A : Yes. You may apply for voluntary registration to Director General.

4. **Q : Does the rental of parking spaces at commercial or residential property subject to service tax?**

A : Yes. The rental of parking spaces at commercial or residential property is subject to service tax.

5. **Q : What is the service tax treatment for the sales of parking spaces at a commercial or residential property?**

A : The sale of parking spaces at a commercial or residential property is not subject to service tax.

6. **Q : Does the parking services for bus, lorry or any other related vehicle subject to service tax?**

A : Bus, lorry and other related vehicle are categorised as motor vehicle. Therefore, the provision for such parking services are subject to service tax.

7. **Q : What is the treatment of parking service that use Touch N' Go payment?**

A : The treatment of parking service that use Touch N' Go payment is subject to service tax.

8. **Q : What is the treatment of parking service that use auto-pay method?**

A : The treatment of parking service that use auto-pay method is subject to service tax.

9. **Q : Does the parking service provide by Local Authority subject to service tax?**

A : Yes, parking service provided by the Local Authority is subject to service tax.

10. **Q : In relation to question 11, does it means that Local Authority need to be registered under Service Tax Act?**

A : Yes. Any Local Authority or Statutory Body that operates or provides parking space service need to be registered under Service Tax Act if the service being charged and the threshold exceeds the prescribe threshold.

11. **Q : Company PY has been given rights to operate and maintain the parking spaces by Local Authority (LA). Company PY charged LA for the operation and maintenance of the parking spaces. Company PY also responsible for collecting parking space charges to the consumer. What is the service tax treatment for this scenario?**

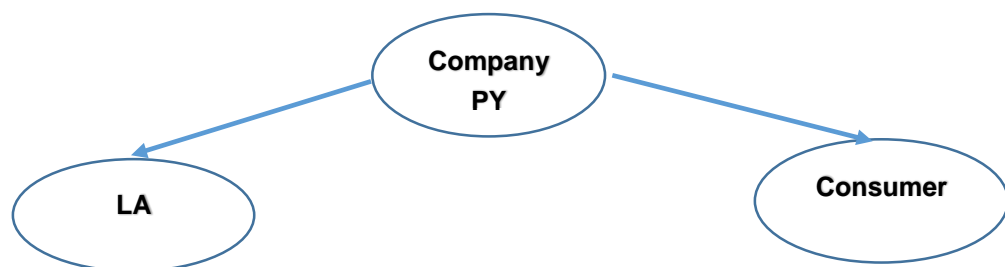


Illustration 1

A : The charge imposed by Company PY to LA is not subject to service tax. Company PY is liable to impose service tax on the provision of parking to the consumer.

12. **Q : The sales of food and beverage by MummyZ Ikan Bakar is RM700,000 in a year. However, MummyZ Ikan Bakar also provide parking spaces and the yearly sales is RM400,000. Does MummyZ Ikan Bakar require to be registered under Service Tax Act?**

A : Yes. MummyZ Ikan Bakar is required to be registered under Group B of Service Tax Regulations 2018 since the threshold already exceeds the prescribed threshold.

13. **Q : In relation to question 14, if there are no charges being imposed on the parking spaces, does MummyZ Ikan Bakar required to be registered under service tax?**

A : No. MummyZ Ikan Bakar is not required to be registered under service tax.

14. **Q : MHK Resources is a company that operates parking spaces. The yearly threshold is RM400,000 and at the same time MHK Resources also has sales of food and beverage. The provision of food and beverage is RM150,000. Does MHK Resources require to be registered under service tax?**

A : No, since the threshold does not exceed the prescribed threshold.

15. **Q : A company has rented its parking space from January 2018 until December 2018. The payment for the whole period was made in February 2018. What is the tax treatment for this transaction?**

A : Since the payment already been made in February 2018 where GST still being effective, 6% GST shall be imposed.