

'No SST on residential units'

Nga: Exemption is dependent on land title, property's intended use

PETALING JAYA: Residential properties sold under the Housing Development Act (HDA) are exempted from the Sales and Services Tax (SST), says Housing and Local Government Minister Nga Kor Ming (*pic*).

He said the exemption is determined based on either the land title or the intended use of the property.

"This means all residential units, including serviced apartments on commercial titles, are

exempted from SST as long as they are intended for residential use and fall under the HDA," Nga said in a statement yesterday.

The clarification follows Nga's consultation with Finance Minister II Datuk Seri Amir Hamzah Azizan amid concerns raised by industry stakeholders over the revised SST framework.



To address the issue of cascading taxes, Nga said a business-to-business exemption has been implemented to ensure service tax is applied only once along the supply chain.

According to the Finance Ministry, essential construction materials such as cement, aggregates and sand

remain subjected to a 0% sales tax.

Of the 400 tariff codes related to building materials, only eight, covering items such as vats, laminated glass and netting, have seen an increase in sales tax.

This accounts for just 2% of the total codes.

Contractors may also separate material and service charges in their billing, ensuring service tax applies only to the construction services provided.

Nga stressed that his ministry

will continue working closely with the Finance Ministry and key stakeholders to ensure the fair implementation of tax policies, safeguard home buyers' interests and support a stable and sustainable housing sector.

"In line with the Madani aspirations, the ministry remains committed to preserving housing affordability and protecting the interests of home buyers under the revised SST framework," he added.