Treasury Memorandum on the Federal Government Revenue Estimates for 2027

TREASURY MEMORANDUM ON THE FEDERAL GOVERNMENT REVENUE ESTIMATES FOR 2027

1. This Memorandum explains the revenue estimates of the Federal Government for 2027 and the revised estimates for 2026. The Memorandum is prepared in accordance with Article 99 of the Federal Constitution.

2. The Federal Government revenue for 2027 is estimated at RM380.8 billion. Detailed actual collection for 2025 as well as revised estimates for 2026 and revenue estimates for 2027 are in section Summary and Details of Federal Government Revenue Estimates.

Classification of Revenue

3. The Federal Government revenue is classified into four main categories, namely Tax Revenue, Non-Tax Revenue, Non-Revenue Receipts and Revenue from Federal Territories.

4. **Tax Revenue** is classified into Direct Tax Revenue and Indirect Tax Revenue. Direct Tax Revenue are as follows:

   a. Income tax (individual[1], companies, petroleum, withholding, cooperative and others); and

   b. Other direct tax (stamp duty, real property gains tax (RPGT), Labuan Offshore Business Activity Tax and others).

5. Indirect Tax Revenue includes:

   a. Export Duty;

   b. Import Duty;

   c. Excise Duties;

   d. Sales Tax and Service Tax (SST);

   e. Tourism Tax; and

   f. others.

6. **Non-Tax Revenue** consists of:

   a. Licences, Registration Fees and Permits including all charges imposed on the granting of rights to individuals, corporations, businesses and other enterprises, among others petroleum royalty and motor vehicle licences for the purpose of control or regulation;

   b. Service Fees which include receipts from services rendered by the Federal Government to the public;

   c. Proceeds from Sales of Goods including receipts from the sales of Government's physical assets such as land, building and office equipment as well as the sale of miscellaneous goods;

[1] Consists of salary and non-salary.

d. Rentals including rentals on land, building, vehicle, machinery and miscellaneous equipment;

e. Interest and Return on Investment which include proceed from divestment, dividends from shares, interest income and profit payment on financing granted by the Federal Government;

f. Fines and Penalties including out-of-court settlement fees and forfeitures;

g. Contributions and Compensation from Overseas and Local Contributions; and

h. Income from Exploration of Oil and Gas Malaysia – Thailand Joint Authority (MTJA).

7. **Non-Revenue Receipts** consists of:

a. Refund of Expenditures which include payments from previous years, refund of salaries arising from resignations, refund of training expenses, refund of trust funds and unclaimed monies; and

b. Receipts from Government Agencies which include transfer of funds between ministries or departments for services rendered between government agencies and reimbursements of the government's contributions under the Employees Provident Fund scheme as well as contributions from government agencies, Federal Statutory Bodies or government-owned entities.

8. **Revenue from Federal Territories** consists of tax and non-tax revenue including receipts from licences and permits, land premiums and quit rent, sales of assets, rentals, service fees and entertainment duties.

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