



LAWS OF MALAYSIA

REPRINT

Act 181

REVENUE GROWTH GRANTS ACT 1977

Incorporating all amendments up to 1 January 2006

PUBLISHED BY
THE COMMISSIONER OF LAW REVISION, MALAYSIA
UNDER THE AUTHORITY OF THE REVISION OF LAWS ACT 1968
IN COLLABORATION WITH
PERCETAKAN NASIONAL MALAYSIA BHD
2006

REVENUE GROWTH GRANTS ACT 1977

Date of Royal Assent 2 March 1977

Date of publication in the *Gazette* 10 March 1977

PREVIOUS REPRINT

First Reprint 2002

LAWS OF MALAYSIA**Act 181****REVENUE GROWTH GRANTS ACT 1977**

ARRANGEMENT OF SECTIONS

Section

1. Short title and commencement
2. Grants to States
3. *(Deleted)*
4. Apportionment amongst States equally and on population basis
- 4A. Apportionment amongst States whose per capita gross domestic product is below national average
5. Allocation after audit
6. Purpose of grants
7. Grants charged on Federal Consolidated Fund

LAWS OF MALAYSIA**Act 181****REVENUE GROWTH GRANTS ACT 1977**

An Act to provide revenue growth grants to the State Governments on the basis of the growth of federal revenue in order to give financial assistance to the State Governments for specific purposes.

[1 January 1975]

WHEREAS by Clause (3) of Article 109 of the Federal Constitution it is provided that Parliament may by law make grants for specific purposes to any of the States on such terms and conditions as may be provided by such law;

NOW, THEREFORE BE IT ENACTED by the Yang di-Pertuan Agong with the advice and consent of the Dewan Negara and Dewan Rakyat in Parliament assembled, and by the authority of the same, as follows:

Short title and commencement

1. This Act may be cited as the Revenue Growth Grants Act 1977 and shall be deemed to have come into force on the 1 January 1975.

Grants to States

2. Whenever there is a growth in the revenue of the Federation in any financial year as compared to the preceding financial year the Minister shall for the following financial year allocate for the purposes of making grants under sections 4 and 4A an amount not exceeding one hundred and fifty million ringgit to be apportioned as follows—

(a) a portion of the amount not exceeding fifty million ringgit for the purposes of section 4;

- (b) the remainder portion not exceeding one hundred million ringgit for the purposes of section 4A:

Provided that the limit of one hundred and fifty million ringgit, fifty million ringgit in paragraph (a) and one hundred million ringgit in paragraph (b) may be reviewed and varied by the Minister.

3. (*Deleted by Act A475*).

Apportionment amongst States equally and on population basis

4. The sum of money allocated under paragraph 2(a) shall be apportioned as grants amongst the States as follows—

- (a) one half of the sum shall be apportioned equally amongst the thirteen States; and
- (b) the remaining half shall be apportioned proportionately amongst the States, on the basis of the population of each State as determined at the last census taken before the preceding financial year, at two shares per head for the first five hundred thousand, one share per head for the next five hundred thousand and a half share per head for the remainder of each State's population.

Apportionment amongst States whose per capita gross domestic product is below national average

4A. The sum of money allocated under paragraph 2(b) shall be apportioned as grants amongst States whose per capita gross domestic product is below the national average of the per capita gross domestic product. The per capita gross domestic product of the Federation and all the States of the Federation shall be determined by the Federation. The grant to be given to each eligible State shall be in proportion to the percentage which the difference between the national average and the eligible State's per capita gross domestic product bears to the sum of all the differences between the national average and each eligible State's per capita gross domestic product.

Allocation after audit

5. The sums specified in paragraphs 2(a) and (b) for allocation under a financial year shall be allocated only after the accounts of all revenue received by the Federation for the preceding financial year have been closed and audited.

Purpose of grants

6. The grants made to a State under section 4 shall be utilized to generally supplement its revenue and the grant made to a State under section 4A shall be utilized for any or all of the following specific development purposes—

- (a) water supply;
- (b) public housing;
- (c) industrial estate development;
- (d) minor works; and
- (e) such other development projects as may be determined from time to time by the National Finance Council established under Article 108 of the Federal Constitution.

Grants charged on Federal Consolidated Fund

7. The grants made to the States under sections 4 and 4A shall be charged on the Federal Consolidated Fund.

LAWS OF MALAYSIA**Act 181****REVENUE GROWTH GRANTS ACT 1977**

LIST OF AMENDMENTS

Amending law	Short title	In force from
Act A475	Revenue Growth Grants (Amendment) Act 1980	01-01-1978; except section 2 and section 7 in relation to paragraph 2(<i>b</i>) and section 6 of the principal Act; 01-01-1980
P.U. (B) 430/83	Notification of Review and Variation of Limits of Grants under Section 2	01-01-1983

LAWS OF MALAYSIA**Act 181****REVENUE GROWTH GRANTS ACT 1977**

LIST OF SECTIONS AMENDED

Section	Amending authority	In force from
2	P.U. (B) 430/1983 Act A475	01-01-1983 01-01-1980
3	Act A475	01-01-1978
4	Act A475	01-01-1978
4A	Act A475	01-01-1978
5	Act A475	01-01-1978
6	Act A475	01-01-1980
7	Act A475	01-01-1978
