

FEDERAL CONSTITUTION

TENTH SCHEDULE

[Articles 109, 112C, 161C(3)]

Grant and Sources of Revenue Assigned to States

PART I

CAPITATION GRANT

1. (1) The capitation grant payable to each State in respect of a financial year shall be at the following rates:

- (a) for the first 100,000 persons at the rate of RM72.00 per person;
- (b) for the next 500,000 persons at the rate of RM10.20 per person;
- (c) for the next 500,000 persons at the rate of RM10.80 per person;
- (d) for the remainder at the rate of RM11.40 per person,

and shall be based on the annual population projections of the State as determined by the Federal Government and calculated as of the last population census:

Provided that if the last census was taken one year before the beginning of the financial year, the grant for that particular year shall be based on the population as determined by that population census.

(2) *(Repealed)*.

PART II
STATE ROAD GRANT

2. The State road grant payable to each of the States of Malaya in respect of a financial year shall be calculated by multiplying –
- (a) the average cost to a State of maintaining a mile of State road at the minimum standard determined for State roads in those States by the Federal Government after consultation with the National Finance Council; by
 - (b) so much of the mileage of State roads in the State as qualifies for grant.
3. For the purpose of section 2 –
- (a) the mileage of State roads in a State shall be taken to be that mileage as on the thirty-first day of December of the preceding financial year, and the average cost mentioned in paragraph (a) of that section shall be taken to be the average cost in that State calculated in the preceding financial year; and
 - (b) the maintenance of State roads means the preservation, upkeep and restoration of State roads, roadside furniture, bridges, viaducts or culverts forming part thereof or connected therewith as nearly as possible in their original condition as constructed or as subsequently improved.
4. A length of State road if it is actually maintained by the Public Works Department of the State at or above the minimum standard mentioned in section 2 (a) and a length of any road within the limit of a local authority if such road is certified by the Public Works Department of the State as coming within the qualifying standard and maintained at or above the minimum standard as mentioned in section 2 (a) qualify for grant.
5. In this Part of this Schedule, “State road” means any public road other than a federal road, and any other road than a federal road to which the public has access.
6. (1) The State road grant payable to Sabah or Sarawak shall, in each of the years 1964 and 1965, be payable at the rate of RM4,500 a mile in respect of a mileage in Sabah of

1,151 miles and in Sarawak of such amount as may be agreed between the Federal and State Governments.

(2) Thereafter sections 2 to 5 shall apply to the State road grant so payable with the following modifications –

- (a) the minimum standard mentioned in section 2 (a) shall be the minimum standard determined for State roads in the State; and
- (b) any length of road maintained a local authority at the expense of the State shall be treated as maintained by the Public Works Department of the State.

PART III SOURCES OF REVENUE ASSIGNED TO STATES

1. Revenue from toddy shops.
2. Revenue from lands, mines and forests.
3. Revenue from licences other than those connected with water supplies and services, mechanically propelled vehicles, electrical installations and registration of businesses.
4. Entertainments duty.
5. Fees in courts other than federal courts.
6. Fees and receipts in respect of specific services rendered by departments of State Governments.
7. Revenue of town boards, town councils, rural boards, local councils and similar local authorities other than –
 - (a) municipalities established under any Municipal Ordinance;

- (b) those town boards, town councils, rural boards, local councils and similar local authorities which have power under written law to retain their revenues and control the spending thereof.
8. Receipts in respect raw water.
 9. Rents on State property.
 10. Interest on State balances.
 11. Receipts from land sales and sales of State property.
 12. Fines and forfeitures in courts other than federal courts.
 13. Zakat, Fitrah and Baitulmal and similar Islamic religious revenue.
 14. Treasure trove.

PART IV
SPECIAL GRANTS TO STATES OF
SABAH AND SARAWAK

1. (1) In the case of Sarawak a grant of RM5,800,000 in each year.

(2) In the case of Sarawak, a grant of which the amount in 1964 and each of the four following years shall be respectively RM3½m., RM7m., RM11½m., RM16m. and RM21m., and in later years shall be fixed on a review under Article 112D.
2. (1) In the case of Sabah, a grant of an amount equal in each year to two-fifths of the amount by which the net revenue derived by the Federation from Sabah exceeds the net revenue which would have been so derived in the year 1963 if –

(a) the Malaysia Act had been in operation in that year as in the year 1964; and

(b) the net revenue for the year 1963 were calculated without regard to any alteration of any tax or fee made on or after Malaysia Day, ("net revenue" meaning for this purpose the revenue which accrues to the Federation, less the amounts received by the State in respect of assignments of the revenue).

(2) In the case of Sabah, for any year before 1968 in which the State road grant is less than RM5,179,500, a supplement to that grant of an amount equal to the deficiency.

3. In either case, for any year before 1974 and, if at the beginning of 1974 the Legislature of the State has power to make laws with respect to the carriage of passengers and goods by land or to mechanically propelled road vehicles, then during the continuance of that power, a grant equal to the cost to the State in the year of the State road transport department.

PART V
ADDITIONAL SOURCES OF REVENUE ASSIGNED TO STATES
OF SABAH AND SAWARAK

1. Import duty and excise duty on petroleum products.
2. Export duty on timber and other forest produce.
3. So long as the royalty levied by the State on any mineral chargeable with export duty other than tin (but including mineral oils) does not amount to 10 per cent *ad valorem* calculated as for export duty, export duty on that mineral or such part of the export duty as makes the total of royalty and duty on exported mineral up to 10 per cent *ad valorem* so calculated.
4. In the case of Sabah, so long as medicine and health remains an item in the Concurrent List and expenses in respect of that item are borne by the State, 30 per cent of all customs revenue other than that in respect of the duties mentioned in sections 1, 2 and 3.
5. For any year before 1974 and, if at the beginning of 1974 the Legislature of the State has power to make laws with respect to the carriage of passengers and goods by land or with

respect to mechanically propelled road vehicles or licences connected with those vehicles, then during the continuance of that power, fees from such licences.

6. For any year before 1974, and if at the beginning of 1974 the Legislature of the State has power to make laws with respect to the registration of mechanically propelled vehicles, then during the continuance of that power, fees from the registration of such vehicles.
7. State sales taxes.
8. Fees and dues from ports and harbours other than federal ports and harbours.
9. Receipts in respect of water supplies and services, including water rates.
10. Revenue from licences connected with water supplies and services.