



# LAWS OF MALAYSIA

---

ONLINE VERSION OF UPDATED  
TEXT OF REPRINT

---

**Act 181**

## **REVENUE GROWTH GRANTS ACT 1977**

*As at 1 December 2011*

## REVENUE GROWTH GRANTS ACT 1977

Date of Royal Assent	...	...	...	2 March 1977
Date of publication in the <i>Gazette</i>	...	...	...	10 March 1977
Latest amendment made by Act A1326 which came into operation on	...	...	...	29 December 2007

### *PREVIOUS REPRINTS*

<i>First Reprint</i>	...	...	...	2002
<i>Second Reprint</i>	...	...	...	2006

**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
- 4B. Apportionment amongst States in accordance with the percentage of gross domestic product
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. (1) 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, 4A and 4B an amount not exceeding two 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) a portion of the amount not exceeding one hundred million ringgit for the purposes of section 4A; and
- (c) the remainder portion not exceeding one hundred million ringgit for the purposes of section 4B.

(2) Notwithstanding subsection (1), the limit of two hundred and fifty million ringgit, fifty million ringgit in paragraph (a), one hundred million ringgit in paragraph (b) and one hundred million ringgit in paragraph (c) 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.

**Apportionment amongst States in accordance with the percentage of gross domestic product**

**4B.** The sum of money allocated under paragraph 2(c) shall be apportioned as grants amongst States in accordance with the percentage of gross domestic product of each State. The gross domestic product of the Federation and all States of the Federation shall be determined by the Federation.

**Allocation after audit**

**5.** The sums specified in paragraphs 2(a), (b) and (c) 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 and 4B 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, 4A and 4B 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 A1326	Revenue Growth Grants (Amendment) Act 2007	29-12-2007
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	Act A475	01-01-1980
	P.U. (B) 430/1983	01-01-1983
	Act A1326	29-12-2007
3	Act A475	01-01-1978
4	Act A475	01-01-1978
4A	Act A475	01-01-1978
4B	Act A1326	29-12-2007
5	Act A475	01-01-1978
	Act A1326	29-12-2007
6	Act A475	01-01-1978
	Act A1326	29-12-2007
7	Act A475	01-01-1978

---