

INDIVIDUAL TAX COMPUTATION

2017



Year of Assessment 2016



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INDIVIDUAL TAX COMPUTATION

- Under the Self-Assessment System, an individual is required to compute his own tax

EXAMPLE: SINGLE INDIVIDUAL

Mr Faizal works in XYZ Sdn Bhd. His income for 2016:

1 EMPLOYMENT INCOME	RM	RM
Salary		108,000
Bonus		4,500
Commission		9,000
Monthly Tax Deduction (MTD)		11,000
2 RENTAL INCOME	RM	RM
Rental received		7,200
Expenses:		
Assessment		320
*Penalty for late payment of assessment		32
Bank Loan (Including interest RM2,136)		10,620
Repair of roof		500
Mr Faizal claims the following expenses:		
EPF	6,435	
Medical insurance premium	2,640	
Approved donation	1,000	
Books and magazines	560	
Zakat	1,575	

TAX COMPUTATION FOR MR FAIZAL	RM	RM	RM
1 EMPLOYMENT			
Salary		108,000	
Bonus		4,500	
Commission		9,000	
Gross employment income		121,500	
2 RENTAL INCOME			
Gross Rental		7,200	
Less : Assessment	320		
Loan interest	2,136		
Repair of roof	500	2,956	
Adjusted rental income		4,244	
<i>*Disallowable expenses</i>			
3 Employment Income			
Gross employment income		121,500	
Rental		4,244	
Aggregate Income		125,744	
Less : Donation		1,000	
TOTAL INCOME			124,744
Less : Individual & dependent relatives		9,000	
Books and magazines		560	
EPF (restricted)		6,000	
Medical insurance premium		2,640	
			18,200
CHARGEABLE INCOME			106,544

MR FAIZAL'S TAX LIABILITY	RM
Tax on first RM100,000	11,900.00
Tax on the balance RM6,544 @ 24%	1,570.56
TAX CHARGED	13,470.56
Less : Zakat	1,575.00
TAX PAYABLE	11,895.56
Less : Monthly Tax Deduction (MTD)	11,000.00
BALANCE OF TAX PAYABLE	895.56

EXAMPLE: MARRIED INDIVIDUAL

Mr Zaidi and his wife are both employed by OPQ Sdn Bhd and their income for 2016 are as follows:

	MR ZAIDI (RM)	WIFE (RM)
Salary	67,200	52,000
Monthly Tax Deduction (MTD)	1,000	150

Additional information:

- Mr Zaidi is part time reporter and received a salary of RM30,000 in 2016
- Mr Zaidi and his wife have three (3) unmarried children:
 - First child studying in local university
 - Second child studying abroad in a university outside of Malaysia
 - Third child is a disabled individual and are still schooling
- Mr Zaidi's wife claims relief for the third child

(b) Mr Zaidi and his wife claimed the following expenses:

	MR ZAIDI (RM)	WIFE (RM)
EPF	10,032	4,620
Parents medical expenses	5,320	0
Full medical check up	520	450
Sports equipment	770	0
Life insurance premium	2,480	1,260
Education insurance premium	2,400	0
Education fees	7,500	0
Zakat	4,000	0

TAX COMPUTATION FOR MR ZAIDI AND HIS WIFE (SEPARATE ASSESSMENT)

MR ZAIDI	RM
Employment	67,200
Income as a part time reporter	30,000
TOTAL INCOME	97,200
Less : Individual and dependent relatives	9,000
Parents medical bill (restricted)	5,000
Full medical check-up (restricted)	500
Sports equipment (restricted)	300
Children (8,000 x 2)	16,000
EPF & life insurance (restricted)	6,000
Education fees	7,000
Education insurance premium	2,400
CHARGEABLE INCOME	51,000

MR ZAIDI'S TAX LIABILITY	RM
Tax on first RM50,000	2,400.00
Tax on next RM1,000 @ 16%	160.00
TAX CHARGED	2,560.00
Less : Zakat (restricted)	2,560.00
TAX PAYABLE	0.00
Less : Monthly Tax Deduction (MTD)	1,000.00
TAX REPAYMENT	1,000.00

MR ZAIDI'S WIFE	RM
Employment	52,000
TOTAL INCOME	52,000
Less : Individual and dependent relatives	9,000
Full medical check-up	450
Disabled child (6,000 x 1)	6,000
EPF & life insurance premium	5,880
CHARGEABLE INCOME	30,670

MR ZAIDI'S WIFE TAX LIABILITY	RM
Tax on first RM20,000	150.00
Tax on next RM10,670 @ 5%	533.50
TAX CHARGED	683.50
Less : Rebate	400.00
TAX PAYABLE	283.50
Less : Monthly Tax Deduction (MTD)	150.00
BALANCE OF TAX PAYABLE	133.50

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