Section 46A is deleted by Act 683 of 2007 s 13, has effect for the year of assessment 2006 and subsequent years of assessment. The section previously read:

"46A. (1) Subject to this section, in the case of an individual who is a resident for the basis year for the relevant year, there shall be allowed for that relevant year personal deduction in respect of interest expended in that basis year by the individual to finance the purchase of a residential property:

Provided that -

(a) the residential property is the first residential property purchased by the individual to be occupied as his place of residence;

(b) the residential property had been purchased from a housing developer or statutory body or co-operative society;

(c) the purchase price of the residential property is not less than RM100,000.00 and not more than RM180,000.00; and
the Sale and Purchase Agreement for the purchase had been executed on or after 1 June 2003 but not later than 31 May 2004.

(2) The amount of deduction to be made under subsection (1) shall be a maximum of -

(a) RM5,000 for the year of assessment 2003;
(b) RM3,000 for the year of assessment 2003;
(c) RM2,000 for the year of assessment 2005.

(3) Where -

(a) two or more individuals are each entitled to claim deduction for the relevant year under this section for interest expended in respect of the same residential property; and
(b) the total amount or interest expended by those individuals in the basis year for that relevant year exceed the amount of deduction allowable for that relevant year under subsection (2),

there shall be allowed to each of those individuals for that relevant year an amount to be determined in accordance with the following formula:

\[
\frac{A \times B}{C}
\]

where A is the total amount of deduction allowed under subsection (2) for that relevant year;
B is the total interest expended in the basis year for that relevant year by that individual; and
C is the total interest expended in the basis year for that relevant year by all such individuals.

(4) For the purposes of subsection (1), any amount expended by the wife or the husband in the relevant year, where -

(a) subsection 45(2) applies, shall be deemed to have been expended by the husband of the wife who elects or by the wife or the husband who elects, as the case may be; or
(b) the wife or the husband has no total income, shall be deemed to have been expended by the husband of that wife or the wife of that husband, as the case may be:

Provided that where paragraph 45(2)(b) applies or the husband has no total income, any amount expended by the husband shall be deemed to have been expended by the wife who has been allowed a deduction under section 45A.

(5) For the purposes of this section -

“co-operative society” means a co-operative society registered or deemed to be registered under the Co-operative Societies Act 1993 [Act 502];

“first residential property” includes a second residential property purchased by the individual following the disposal of a low cost property by him;

“housing developer” means a housing developer licensed under the Housing Development (Control and Licensing) Act 1966 [Act 118];

“low cost property” means the only residential property owned by the individual and that property had been held by the individual for not less than five years and purchased by him for not more than RM42,000.00;

“relevant year” means the year of assessment 2003, 2004 or 2005;

“residential property” means a completed house, condominium unit, apartment or flat which had been built as a dwelling house;

“statutory body” means a body incorporated by a State or Federal law.”.

History