



# **B 2018 EXPLANATORY NOTES**

## **Resident Individual Who Carries On Business**

### **ADDITIONS / AMENDMENTS**

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This Explanatory Notes is provided to assist an individual who is **resident in Malaysia** in accordance with the provision of section 7 of Income Tax Act 1967 (ITA 1967) or **deemed to be resident** under subsection 7(1B) of the same Act, in completing the Form B for Year of Assessment 2018. Please read this with care so that the return form and declarations made therein for Year of Assessment 2018 are true, complete and correct.

In the case of a married individual who elects for joint assessment either in the name of husband or wife, and has total income to be aggregated, both the husband and wife are each required to fill out separately whether:

- (a) Form B (individual who carries on business); or
- (b) Form BT \* (knowledge worker or expert worker approved by the Minister); or
- (c) Form BE (individual who does not carry on business)

\* For further information, please refer to. P.U. (A) 344/2010 regarding knowledge workers, and P.U. (A) 151/2012 on The Returning Expert Programme at the Official Portal of Lembaga Hasil Dalam Negeri Malaysia (LHDNM).

All records, working sheets and documents need not be enclosed when submitting the Form B EXCEPT for the purpose of tax refund, in which case the following working sheet(s) is / are required to be submitted:

- (i) Working Sheet HK-6 pertaining to the claim for section 110 tax deduction (others); and
- (ii) Working Sheet HK-8 / HK-9 (if relevant) relating to the tax deducted in the foreign country.

All records, documents and working sheets used in the computation must be kept for a period of seven (7) years after the end of the year in which the return form is furnished to the Director General of Inland Revenue, for future reference and inspection if required.

Please complete all relevant items in **BLOCK LETTERS** and use **black** ink pen. Leave the item(s) blank if not applicable.

<b>BASIC PARTICULARS</b>		
1 - 4	Fill in relevant information only. For the item 'Income tax no.', enter <b>SG</b> or <b>OG</b> followed by the income tax number in the box provided.  <b>Example:</b> For Income tax no. OG 10234567080  Income tax no. <span style="border: 1px solid black; padding: 2px 10px;"><b>OG 10234567080</b></span>	
5	Passport no. registered with LHDNM	Enter the last passport number filed with LHDNM prior to the current passport.
<b>PART A:</b>		<b>PARTICULARS OF INDIVIDUAL</b>
A1	Citizen	Enter 'MY' for citizen of Malaysia. If not a citizen of Malaysia, please refer to the country code provided on page 21 of this explanatory notes or Appendix E.
A2	Gender	Enter '1' for male or '2' for female.
A3	Date of birth	Enter the date of birth according to the sequence: day, month and year.
A4	Status as at 31-12-2018	Enter '1' for single; '2' for married; '3' for divorcee / widow / widower or '4' for deceased.
A5	Date of marriage / divorce / demise	If the marriage / separation in accordance with any law or demise occurred in the current year, enter the date according to the sequence: day, month and year.
A6	Record-keeping	This refers to the keeping of sufficient records as required under the provision of ITA 1967. Enter '1' for full compliance or '2' for non-compliance.

A7	Type of assessment	<p>Enter:</p> <p>(i) '1' if the wife elects for joint assessment to be raised in the name of the husband. She does not have to fill in items B17 to B29 and Part F of her Form B; or</p> <p>(ii) '2' if the husband elects for joint assessment to be raised in the name of his wife. He does not have to fill in items B17 to B29 and Part F of his Form B; or</p> <p>(iii) '3' if the individual and spouse elect for separate assessment; or</p> <p>(iv) '4' if the individual is married with a spouse who has no income / no source of income or has income which is tax exempt.</p> <p>(v) '5' if the individual is single / a divorcee / a widow / a widower / a deceased person.</p> <p><b>Note:-</b></p> <p>Conditions on eligibility to elect for joint assessment:</p> <p>(i) The husband and wife were living together in the basis year for a year of assessment and did not in that basis year cease to live together;</p> <p>(ii) Has total income to be aggregated with the total income of the spouse;</p> <p>(iii) The husband / wife who elects for joint assessment must be a Malaysian citizen, if not resident in Malaysia;</p> <p>(iv) The aggregation of total income can be made with one wife only.</p>
A8	Entitled to claim incentive under section 127	<p>Refers to incentives (for example exemptions) under the provision of paragraph 127(3)(b) or subsection 127(3A) of ITA 1967 entitled to be claimed as per the Government gazette or Minister's approval letter.</p> <p>(i) Enter 'X' in the box for the type(s) of incentive:-</p> <ul style="list-style-type: none"> <li>• entitled to be claimed for which a claim is made for the current year; or</li> <li>• entitled to be claimed but unable to make a claim for the current year for example by reason of business loss.</li> </ul> <p>(ii) Enter 'X' in the box for 'Not relevant' if:-</p> <ul style="list-style-type: none"> <li>• not entitled to claim the incentive;</li> <li>• the application for incentive is not approved by the Minister; or</li> <li>• not relevant.</li> </ul> <p>The Government gazette / Minister's approval letter has to be kept for future reference / inspection by LHDNM if required.</p>
<b>PART B:</b>		<b>COMPUTATION OF INCOME TAX</b>
B1	Statutory income from business	<p>Gains or profits from carrying on a business, trade, vocation, profession and every manufacture, adventure or concern in the nature of trade are liable to tax.</p> <p>The gains or profits include gross receipts from the sales of goods and services rendered such as by doctors or lawyers.</p> <p>Amount J5 from Working Sheet HK-1 / amount L from Working Sheet HK-1D.</p>
B2	Statutory income from partnership	<p>Share of profit / loss from carrying on a business, trade, vocation, profession and every manufacture, adventure or concern in the nature of trade is liable to tax.</p> <p>Amount E / G from Working Sheet HK-1B.</p>
	Capital allowance	<p>Claim for depreciation on the use of business assets is disallowed. However, it is allowed in the form of capital allowance which is deductible from the adjusted business / partnership income. The applicable rate of allowance depends on the type of asset. Working Sheets HK-1.2 to HK-1.2A can be used as a guide to compute.</p>

B4	Business losses brought forward	Business / partnership losses suffered in earlier year / years of assessment brought forward to the current year to be set off against business / partnership income.  Amount B from Working Sheet HK-1.3. If the amount in B4 exceeds the amount in B3, enter the amount as per B3 in this item.
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B6	Statutory income from employment
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Salary, bonus, director's fee, commission and any perquisite [such as share option scheme (Public Ruling No. 11/2012), insurance premium / school and tuition fee paid by the employer] have to be declared. Entertainment and travelling expenditure incurred in the production of gross employment income and discharge of official duties are allowable deductions. Deduction of entertainment expenditure is restricted to the amount of entertainment allowance included as gross income from employment. However, reimbursements by the employer in respect of both types of expenditure are neither deductible nor liable to tax.

Amount N4 from Working Sheet HK-2.

**Note:**

With effect from the Year of Assessment 2016, where gross income from an employment is receivable in respect of any particular period, it shall, when received, be taxed in the year in which it is received [Subsection 25(1) of ITA 1967].

**Tax exempt allowances / perquisites / gifts / benefits (received by employee from employer / on behalf of the employer) according to 2009 Budget announcement:**

**Reference:** Public Ruling No. 2/2013 (Perquisites From Employment);  
Public Ruling No. 3/2013 (Benefits-In-Kind); and  
Income Tax (Exemption) Order [P.U. (A) 152/2009]

NO.	TYPE OF ALLOWANCES / PERQUISITIES / GIFTS / BENEFIT	EXEMPTION LIMIT (PER YEAR)
(i)	Perquisite (whether in money or otherwise) provided to the employee pursuant to his employment in respect of:- (a) past achievement award; (b) service excellence award, innovation award or productivity award; or (c) long service award provided that the employee has exercised an employment for more than 10 years with the same employer. (Paragraph 25c Schedule 6 of ITA 1967)	Restricted to RM2,000
(ii)	Travelling allowance, petrol card, petrol allowance or toll rate or any of its combination for official duties. If the amount received exceeds RM6,000 a year, the employee can make a further deduction in respect of the amount spent for official duties. Records pertaining to the claim for official duties and the exempted amount must be kept for a period of seven (7) years for audit purpose.	Restricted to RM6,000
(iii)	Child care allowance received by an employee or paid directly by the employer to the child care centre in respect of children <b>up to 12 years of age.</b>	Restricted to RM2,400
(iv)	Gift of fixed line telephone, mobile phone, pager or Personal Digital Assistant (PDA) registered in the name of the employee or employer including cost of registration and installation.	Limited to only <u>1 unit</u> for each category of assets
(v)	Monthly bills for subscription of fixed line telephone, mobile phone, pager, PDA and broadband registered in the name of the employee or employer including cost of registration and installation.	Limited to only <u>1 line</u> for each category of assets
(vi)	Consumable business products of the employer provided free of charge (full discount) or at a partly discounted price to the employee, his spouse and unmarried children. The value of the goods is based on the sales price. Benefits received by the employee from a company within the same group of companies as his employer are <b>not exempted from tax.</b>	Restricted to RM1,000

(vii)	Services provided free or at a discount by the business of the employer to the employee, his spouse and unmarried children. Benefits received by the employee from a company within the same group of companies as his employer are <b>not exempted from tax.</b>	Restricted to the amount of discount or amount of services provided free
(viii)	Parking rate and parking allowance including parking rate paid by the employer directly to the parking operator.	Restricted to the actual amount expended
(ix)	Meal allowance received <b>on a regular basis</b> , for example on daily or monthly basis, and given at the same rate to all employees. Meal allowance provided for purposes such as overtime or outstation / overseas trips and other similar purposes in exercising an employment are only exempted if given based on the rate fixed in the internal circular or written instruction of the employer.	
(x)	Tax exempt medical benefits are extended to include traditional medicine and maternity expenses. Traditional medicine means Malay, Chinese and Indian Traditional Medicine given by a medical practitioner registered with bodies which are certified or registered in accordance with the rules governing traditional medicine as laid down by the Ministry of Health. <b>Examples:</b> Malay traditional massage, ayurvedic and acupuncture. Complimentary medicine and homeopathy such as aromatherapy, reflexology, spa and Thai traditional massage are not included in this exemption.	
(xi)	<p>Subsidised interest for housing, education or car loan is fully exempted from tax if the total amount of loan taken in aggregate does not exceed RM300,000. If the total amount of loan exceeds RM300,000, the amount of subsidized interest to be exempted from tax is limited in accordance with the following formula:</p> $A \times \frac{B}{C}$ <p>Where;</p> <p>A = is the difference between the amount of interest to be borne by the employee and the amount of interest payable by the employee in the basis period for a year of assessment;</p> <p>B = is the aggregate of the balance of the principal amount of housing, education or car loan taken by the employee in the basis period for a year of assessment or RM300,000, whichever is lower;</p> <p>C = is the total aggregate of the principal amount of housing, education or car loan taken by the employee.</p>	
<p><b>THE ABOVE EXEMPTIONS ARE NOT APPLICABLE TO AN EMPLOYEE HAVING CONTROL OVER HIS EMPLOYER</b></p> <p>If the employee has control over his employer, the allowances / perquisites / gifts / benefits received by him is taken to be part of his gross employment income and subject to tax.</p> <p><b>‘Control over his employer’</b> means:</p> <p>(a) for a company, the power of the employee to secure, by means of the holding of shares or the possession of voting power in or in relation to that or any other company, or by virtue of powers conferred by the articles of association or other document regulating that or any other company, that the affairs of the first mentioned company are conducted in accordance with the wish of the employee;</p> <p>(b) for a partnership, the employee is a partner of the employer; or</p> <p>(c) for a sole proprietor, the employee and the employer is the same person.</p>		
<p><b>Others Tax Exempt Benefits-In-Kind</b></p> <p>Please refer to Appendix B3 for the list of tax exempt benefits-in-kind.</p>		

## **Gratuity** (Reference: Public Ruling No. 9/2016)

This refers to a sum received upon retirement / termination of a contract of employment and considered as a gift for past service. Refer to Working Sheet HK-2.2 and Appendix B1 for computation.

1. The following gratuity is exempted from income tax:
  - i) **Retirement gratuity**
    - (a) The Director General is satisfied that the retirement is due to ill-health; or
    - (b) The retirement takes place on or after reaching the age of 55, or on reaching the compulsory age of retirement from employment and the individual has worked 10 years continuous employment with the same employer or companies within the same group; or
    - (c) The retirement takes place on reaching the compulsory age of retirement pursuant to a contract of employment or collective agreement at the age of 50 but before 55 and that employment has lasted for 10 years with the same employer or with companies in the same group.
  - ii) **Gratuity paid out of public funds** – Gratuity paid to an employee out of public funds on his retirement from an employment under any written law.
  - iii) **Gratuity paid to a contract officer** – Gratuity paid out of public funds to a contract officer on termination of a contract of employment regardless of whether the contract is renewed or not.
  - iv) **Death gratuity** – Sums received by way of death gratuity.

## **2. Partial exemption on gratuity**

With effect from the Year of Assessment 2016, an employee who receives sums by way of gratuity:

- i) on retirement from an employment; or
- ii) upon termination of a contract of employment

other than gratuity qualified for exemption under paragraph 1 above, is eligible for an exemption of **RM1,000 for each completed year of service**. However, for the purpose of computing partial exemption, the period of employment with other companies within the same group is NOT REGARDED as a period of employment with the same employer.

## **Tax Allowance**

The income tax of an employee borne by his employer is Tax Allowance which is chargeable to tax under the provision paragraph 13(1)(a) of ITA 1967. Refer to the Working Sheet HK-2.3 and Appendix B2, as well as Public Ruling No. 11/2016 regarding computation.

## **Benefits In Kind (BIK)**

Annual value of the benefits in kind provided by the employer such as motorcars, petrol, driver, household furnishings, apparatus and appliances, handphones, asset(s) provided for the purpose of entertainment and recreation. Refer to the Working Sheet HK-2.4 and Appendix B3, and Public Ruling No. 3/2013 on computation.

## **Value Of Living Accommodation**

Value of living accommodation provided in Malaysia by the employer. Working Sheet HK-2.5 and Appendix B4, as well as Public Ruling No. 3/2005 (Original and Addendum) regarding computation.

## **Refund From Unapproved Pension Or Provident Fund, Scheme Or Society**

Contributions made by an employer to an unapproved pension or provident fund from which payment is made to his employee before or after the cessation of his employment. Refer to the Working Sheet HK-2.6 on computation.

## **Compensation For Loss Of Employment**

Payment made by an employer to his employee as compensation for loss of employment or other reason. Refer to the Working Sheet HK-2.7 and Appendix B5, and Public Ruling No. 1/2012 regarding computation.

Full or partial exemption on compensation for loss of employment:

- (i) **Full exemption** – If the Director General is satisfied that the payment is made on account of loss of employment due to ill health; or
- (ii) **Partial exemption** – For termination of employment on or after **1 July 2008**, compensation other than paragraph (i) above is eligible for exemption of **RM10,000 for each completed year of service** with the same employer or companies within the same group.

**Subscriptions To Professional Bodies** – Membership subscription paid to professional bodies to ensure the continuance of a professional standing for practice such as medical or legal professional fees, can be claimed as a deduction.

B7	Rents	<p>Rental received in respect of houses, shop houses, land, plant, machines, furniture and other similar assets.</p> <p><b>Exemption under P.U. (A) 55/2019 for Year of Assessment 2018 only.</b></p> <p>A landlord who rents out his residential property * is exempted from the payment of income tax in respect of <b>fifty per cent of his statutory income derived from the rental of the residential property.</b></p> <p>* <b>'Residential property'</b> means a house, condominium unit, flat or an apartment which is built as a dwelling house.</p> <p><b>Conditions for exemption:</b></p> <p>a) The landlord shall be an individual citizen who resides in Malaysia and is the registered proprietor of his residential property;</p> <p>b) The monthly rental amount received from each residential property does NOT exceed RM2,000;</p> <p>c) The tenancy agreement between the landlord and the tenant which has been executed and stamped comes into effect on or after 1 January 2018; and</p> <p>d) The residential property is rented out for any period from 1 January 2018 until 31 December 2018.</p> <p>Where rent is received from two or more residential properties, the landlord who is granted an exemption shall maintain a <b>separate account</b> for the rent received from each residential property. Each residential property shall be treated as a separate and distinct source of the rent.</p> <p>The landlord who claims this exemption is required to:</p> <p>~ indicate 'X' in the box for 'Paragraph 127(3)(b)' in <b>item A8</b>; and</p> <p>~ complete and retain the <b>Working Sheet HK-4D</b> for the purpose of future inspection by LHDNM, if required.</p> <p>Amount C3 from Working Sheet HK-4D.</p>												
B8	Interest	<p>Income in respect of interest received by individuals resident in Malaysia from money deposited with the following institutions is tax exempt:</p> <p>(i) A bank or a finance company licensed or deemed to be licensed under the Financial Services Act 2013;</p> <p>(ii) A bank licensed under the Islamic Financial Services Act 2013;</p> <p>(iii) A development financial institution prescribed under the Development Financial Institutions Act 2002;</p> <p>(iv) The Lembaga Tabung Haji established under the Tabung Haji Act 1995;</p> <p>(v) The Malaysia Building Society Berhad incorporated under the Companies Act 2016;</p> <p>(vi) The Borneo Housing Finance Berhad incorporated under the Companies Act 2016; and</p> <p>(vii) Co-operative societies registered under the Co-operative Societies Act 1993</p>												
	Discounts	<p>Earnings from discounting transactions involving treasury bills, bills of exchange or promissory notes.</p>												
	Royalties	<p>Royalties received in respect of the use of copyrights / patents are taxable if they exceed the following exemption limits:</p> <table border="1" data-bbox="528 1727 1485 2002"> <thead> <tr> <th>No.</th> <th>Type of Royalty</th> <th>Exemption (RM)</th> </tr> </thead> <tbody> <tr> <td>(i)</td> <td>Publication of artistic works / recording discs / tapes</td> <td>10,000</td> </tr> <tr> <td>(ii)</td> <td>Translation of books / literary works</td> <td>12,000</td> </tr> <tr> <td>(iii)</td> <td>Publication of literary works / original paintings / musical compositions</td> <td>20,000</td> </tr> </tbody> </table> <p>Amount H from Working Sheet HK-5.</p>	No.	Type of Royalty	Exemption (RM)	(i)	Publication of artistic works / recording discs / tapes	10,000	(ii)	Translation of books / literary works	12,000	(iii)	Publication of literary works / original paintings / musical compositions	20,000
No.	Type of Royalty	Exemption (RM)												
(i)	Publication of artistic works / recording discs / tapes	10,000												
(ii)	Translation of books / literary works	12,000												
(iii)	Publication of literary works / original paintings / musical compositions	20,000												

	Pensions	<ul style="list-style-type: none"> <li>• Pension derived from Malaysia and paid by the Government or from an approved pension scheme to a person on reaching the age of 55 years or compulsory age of retirement under any written law or if the retirement is due to ill-health, are exempt from tax.</li> <li>• Where a person is paid more than one pension, only the higher or highest pension is exempt from tax. Other pensions have to be reported.</li> </ul>
	Annuities	These are sums of money received in accordance with a will or an investment of money entitling the annuitants or investors to a series of annual payments, whether or not received regularly or for a limited period only.
	Periodical payments	These refer to recurring payments received at fixed times.
	Other gains or profits	Other income such as payments received for part-time / occasional broadcasting, lecturing, writing and so forth.
	Additions pursuant to paragraph 43(1)(c)	<p>The following earnings / proceeds are deemed income and must be taken into account as aggregate income.</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Earnings / proceeds in relation to expenditure on prospecting operations under Schedule 4 of ITA 1967.</li> <li><input type="checkbox"/> These earnings / proceeds are taken into account in the tax computation if claims for such expenditure have previously been made.</li> <li><input type="checkbox"/> Refer to paragraph 43(1)(c) and paragraph 16 Schedule 4 of ITA 1967 for computing the amount of income to be included as aggregate income.</li> <li><input type="checkbox"/> Computations must be properly kept for examination.</li> </ul>
B10	Current year business losses	<p>Current year business / partnership losses can be deducted from the same year's aggregate income.</p> <p><b>Example:</b> Business losses for the year 2018 can be deducted from the aggregate income of the year 2018.</p> <p>Transfer amount E from Working Sheet HK-1.3 to this item. Amount in B10 is restricted to the amount in B9. If the amount in B10 exceeds the amount in B9, enter the amount as per B9 in this item.</p>
B12	Other deductions:	
	Qualifying prospecting expenditure	<p>Expenditure on prospecting operations in searching for, discovering or winning access to mineral deposits in an eligible area or in testing such deposits, is deductible.</p> <p>This amount is restricted to the amount in B11.</p> <p>Schedule 4 and paragraph 44(1)(b) of ITA 1967.</p>
B13	Approved donations / gifts / contributions	<p>Transfer the amount from item E8, if any.</p> <p>Refer to Public Ruling No. 4/2018.</p> <p>Receipts and supporting documents must be kept for a period of seven (7) years after the end of the year in which the return form is furnished to LHDNM, for future reference and inspection if required.</p>
B15	Taxable pioneer income	<p>Pioneer status is a tax incentive as defined in section 5 to section 25 of the Promotion of Investments Act (PIA) 1986. When granted to an individual, his business income from participating in a promoted activity or producing a promoted product in relation to agriculture (agro-based) shall be fully / partially tax exempt. Refer to Working Sheet HK-1E for the amount to be entered in this item.</p>



B17	TOTAL INCOME TRANSFERRED FROM HUSBAND / WIFE FOR JOINT ASSESSMENT  * TYPE OF INCOME TRANSFERRED FROM HUSBAND / WIFE	<p><b>ITEMS B17 AND B18 ARE ONLY TO BE FILLED IN BY THE INDIVIDUAL IN WHOSE NAME THE JOINT ASSESSMENT IS TO BE RAISED.</b></p> <p>Transfer the total income of the spouse to be aggregated with the total income of the individual to this item.</p> <p><b>Note:</b> Enter '1' if the income transferred from the spouse includes income from a business source or '2' if not.</p> <p>Items B17 and B18 <b>NEED NOT</b> be filled if:</p> <ul style="list-style-type: none"> <li>(i) the individual's status is single / a divorcee / a widow / a widower</li> <li>(ii) the spouse of the individual has no income, no source of income or has income which is tax exempt</li> <li>(iii) the individual elects for separate assessment</li> <li>(iv) the individual elects for joint assessment to be raised in the <b>name of his / her spouse</b></li> </ul>																															
B19	Total relief	Transfer the amount from item F19.																															
B20	Chargeable income	Amount ( B16 minus B19 ) or ( B18 minus B19 ).																															
B21	Income tax computation																																
B21a	Tax on the first	<p>Match the chargeable income from item B20 with the range of chargeable income in the tax schedule on page 21 of this explanatory notes).</p> <p><b>Example:</b></p> <p>Chargeable income as per <b>B20:</b> <span style="float: right;"><b>RM45,500</b></span></p> <p>Use <b>category D</b> of the tax schedule to compute as follows:</p> <p>Tax on the first <b>RM35,000</b> <b>RM 600.00</b></p> <p>Tax on the balance <b>RM10,500 @ 8%</b> <span style="float: right;"><b>RM 840.00</b></span></p> <p><b>Total income tax</b> <span style="float: right;"><b>RM1,440.00</b></span></p> <p>Enter in items B21a, B21b and B22 of the Form B as shown below:</p>																															
B21b	Tax on the balance																																
B22	Total Income Tax																																
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%;">B21</td> <td colspan="4">INCOME TAX COMPUTATION (Refer to the tax rate schedule provided at the LHDNM Official Portal, <a href="http://www.hasil.gov.my">http://www.hasil.gov.my</a>)</td> <td style="width: 5%;"></td> <td style="width: 5%;"></td> </tr> <tr> <td>B21a</td> <td>Tax on the first</td> <td style="text-align: right;">35,000</td> <td style="text-align: right;">.00</td> <td></td> <td>B21a</td> <td style="text-align: right;">600</td> <td style="text-align: right;">.00</td> </tr> <tr> <td>B21b</td> <td>Tax on the balance</td> <td style="text-align: right;">10,500</td> <td style="text-align: right;">.00</td> <td>At rate 8 %</td> <td>B21b</td> <td style="text-align: right;">840</td> <td style="text-align: right;">.00</td> </tr> <tr> <td>B22</td> <td colspan="4">TOTAL INCOME TAX ( B21a + B21b )</td> <td>B22</td> <td style="text-align: right;">1,440</td> <td style="text-align: right;">.00</td> </tr> </table>			B21	INCOME TAX COMPUTATION (Refer to the tax rate schedule provided at the LHDNM Official Portal, <a href="http://www.hasil.gov.my">http://www.hasil.gov.my</a> )						B21a	Tax on the first	35,000	.00		B21a	600	.00	B21b	Tax on the balance	10,500	.00	At rate 8 %	B21b	840	.00	B22	TOTAL INCOME TAX ( B21a + B21b )				B22	1,440	.00
B21	INCOME TAX COMPUTATION (Refer to the tax rate schedule provided at the LHDNM Official Portal, <a href="http://www.hasil.gov.my">http://www.hasil.gov.my</a> )																																
B21a	Tax on the first	35,000	.00		B21a	600	.00																										
B21b	Tax on the balance	10,500	.00	At rate 8 %	B21b	840	.00																										
B22	TOTAL INCOME TAX ( B21a + B21b )				B22	1,440	.00																										
B23	Total rebate																																
	Self	A rebate of <b>RM400</b> is granted to an individual whose chargeable income does not exceed RM35,000. Paragraph 6A(2)(a) of ITA 1967.																															
	Husband and wife	A rebate of <b>RM400</b> is granted to an individual whose chargeable income does not exceed RM35,000 and where he / she has been allowed a deduction of RM4,000 for the spouse. Paragraph 6A(2)(b) / Paragraph 6A(2)(c) of ITA 1967.																															
	<i>Zakat and fitrah</i>	Payment of obligatory <i>zakat</i> and <i>fitrah</i> in the basis year. Subsection 6A(3) of ITA 1967.																															
B25	Tax deduction under section 110 (Others)	<p>Compute the tax deducted under section 110 by using Working Sheet HK-6 in respect of other income such as interest, royalties, section 4A income and income from trust bodies.</p> <p>Section 110 tax deduction (others) does NOT include withholding tax payment pursuant to Section 107A of ITA 1967.</p> <p>Please submit Working Sheet HK-6 if you are entitled to a tax refund. Amount B from Working Sheet HK-6.</p>																															

	Section 132 tax relief	<p>Tax relief in respect of income brought into Malaysia on which tax has been charged in the country of origin which have Avoidance of Double Taxation Agreements (DTA) with Malaysia.</p> <p>Refer to Appendix F for the list of countries which have DTA with Malaysia.</p> <p>Refer to Schedule 7 of ITA 1967 and Working Sheet HK-8 to compute the amount of credit.</p>
	Section 133 tax relief	<p>Tax relief in respect of income brought into Malaysia on which tax has been charged in the country of origin which does NOT have Avoidance of Double Taxation Agreements (DTA) with Malaysia.</p> <p>Refer to Schedule 7 of ITA 1967 and Working Sheet HK-9 to compute the amount of credit.</p>
B26	Tax payable	<p>B24 minus B25.</p> <p>If the amount in B25 exceeds the amount in B24, enter '0' in this box.</p>
B27	Tax repayable	B25 minus B24.
B28	Instalments / Monthly Tax Deductions (MTD) paid for 2018 income – Self and husband / wife for joint assessment	<p>Monthly Tax Deductions (MTD) made by the employer in the year 2018 in respect of the following income have to be included in this item:</p> <ul style="list-style-type: none"> <li>– Income for the year 2018;</li> <li>– Employment income of preceding years (including bonus, director's fee, arrears, etc.) paid in the year 2018; and</li> <li>– Employment income in respect of other year(s) paid in advance in the year 2018.</li> </ul> <p><b>Example:</b> Salary for the month of January 2019 paid in December 2018 and MTD is paid on or before 15 January 2019.</p> <p>This <b>does not include</b> payments made in respect of outstanding tax for previous years of assessment.</p> <p>Use Working Sheet HK-10 for computation. Transfer amount E of Working Sheet HK-10 to this item.</p> <p>For joint assessment – Total up the instalments / MTD paid by the husband / wife for entry in this item.</p>
B29	Balance of tax payable	<p>B26 minus B28.</p> <p>The balance of tax payable must be paid within the stipulated period. Payment can be made via:</p> <p>(a) <b>ByrHASiL</b> at the Lembaga Hasil Dalam Negeri Malaysia (LHDNM) Official Portal, <a href="https://byrhasil.hasil.gov.my/">https://byrhasil.hasil.gov.my/</a>.</p> <ul style="list-style-type: none"> <li>• Payment via FPX (<i>Financial Process Exchange</i>) at <a href="https://byrhasil.hasil.gov.my/fpx.php">https://byrhasil.hasil.gov.my/fpx.php</a>.</li> <li>• Payment via Visa, Mastercard &amp; American Express credit cards at <a href="https://byrhasil.hasil.gov.my/creditcard/">https://byrhasil.hasil.gov.my/creditcard/</a>.</li> </ul> <p>(b) <b>Appointed banks.</b></p> <ul style="list-style-type: none"> <li>• Counters of CIMB Bank Berhad (CIMB), Public Bank Berhad (PBB), Malayan Banking Berhad (Maybank), Affin Bank Berhad (ABB), RHB Bank Berhad (RHB), Bank Simpanan Nasional (BSN) and Bank Rakyat by using the bank payment slip.</li> <li>• CIMB, PBB, Maybank, Hong Leong Bank, RHB, Alliance Bank &amp; Bank Islam Malaysia Berhad (BIMB) internet banking, Bank Islam TAP Mobile Banking-i and Maybank phone banking.</li> <li>• Auto Teller Machine (ATM) of PBB, Maybank &amp; CIMB, PBB Cheque Deposit Machine and CIMB &amp; Maybank Cash Deposit Machine.</li> </ul> <p>(c) Visa, Mastercard &amp; American Express credit cards at the counters of the Kuala Lumpur Payment Centre, Kota Kinabalu Branch and Kuching Branch.</p> <p>(d) <b>LHDNM payment counters</b> at the Kuala Lumpur Payment Centre, Kota Kinabalu Branch and Kuching Branch or by <b>post</b>.</p>

		<ul style="list-style-type: none"> <li>Cheques, money orders and bank drafts must be crossed and made payable to the <b>Director General of Inland Revenue</b>.</li> <li>Use the Remittance Slip (CP501) which is available at <a href="http://www.hasil.gov.my">http://www.hasil.gov.my</a>.</li> <li>If send by post, payment must be sent separately from the form. Payment by CASH must not be sent by post.</li> </ul>
		(e) <b>Pos Malaysia Berhad</b> - Counter and Pos Online.
	Tax paid in excess	B28 minus B26. Enter 'X' in the box provided for Tax Paid in Excess.

### DECLARATION

A return form which is not duly signed, shall be deemed incomplete and will not be processed and a Notification of Incomplete Return Form will be issued to inform you. The use of signature stamp is not allowed. Penalty will be imposed in case of late resubmission of the return form to LHDNM.

PART C:	PARTICULARS OF HUSBAND / WIFE
C1 – C4	Fill in relevant information only. Where there is more than one wife, please furnish the information as per format C1 to C4 by using attachment(s) and submit together with the Form B.

PART D:	OTHER PARTICULARS	
D1	Telephone no.	Telephone number of office / tax agent's firm / residence. Please ensure that the information is correct and accurate. This information is for the official use of LHDNM.
	Handphone no.	Please ensure that the information given is correct. This information is for the official use of LHDNM only. <b>Note:</b> Either the Handphone No. (D1) or e-Mail (D3) is compulsorily required to be completed during submission via e-Filing.
D2	Address of business premise	Address where the main business is carried on.
D3	e-Mail	Please ensure that the information given is correct. This information is for the official use of LHDNM only. <b>Note:</b> Either e-Mail (D3) or Handphone No. (D1) is compulsorily required to be completed during submission via e-Filing.
D4 & D5	Name of bank & bank account no.	For the purpose of crediting tax refund (if any) by LHDNM, state the name of the bank and account number at the bank concerned.
D6	Employer's no.	Enter the employer's E reference number.
D7a	Carries on e-Commerce	Enter '1' in the box for 'Yes' if the individual carries on a business in selling any goods or rendering any service online. If 'Yes', also complete item D7b. An individual is considered as carrying on e-Commerce business If in deriving its income, internet is used for: i) receiving orders for goods or services. <b>Example:</b> The individual receives orders via e-mail, website or social media, and not by conventional post, telephone or facsimile. ii) receiving payment in respect of good or services. <b>Example:</b> The individual receives digital cash payment from credit card or charge card via e-mail or website, and not by conventional post, telephone or facsimile.

		<p>iii) delivering goods or services.</p> <p><b>Example:</b> The individual:-</p> <ul style="list-style-type: none"> <li>- uses e-mail, internet or file transfer protocol to deliver digitized music, articles or software instead of the conventional method of delivering software on disk.</li> <li>- uses both e-mail and website to offer its advice and receives payment for the advice.</li> <li>- advertises the goods or services of other entities on internet for a fee.</li> <li>- hosts the website(s).</li> <li>- renders service in providing access to internet.</li> </ul> <p>Enter '2' for 'No' if the individual does not carry on any e-Commerce business or not relevant.</p>	
D7b	Website / blog address	Website / blog address (if any).	
D8a	Entitled to claim input tax from the Royal Malaysian Customs Department	<p>Enter '1' for 'Yes' if eligible to claim input tax from the Royal Malaysian Customs Department.</p> <p>Enter '2' for 'No' if not entitled to claim or not relevant.</p>	
D8b	Goods and Services Tax registration no.	Enter the Goods and Services Tax registration number as registered with the Royal Malaysian Customs Department.	
D9a	Disposal of asset under the Real Property Gains Tax Act 1976	<p>Refers to chargeable asset under the Real Property Gains Tax Act 1976.</p> <p>Enter '1' for 'Yes' if there is disposal of asset, and also complete item D9b.</p> <p>Enter '2' for 'No' if not applicable.</p>	
D9b	Disposal declared to LHDNM	<p>Enter '1' ('Yes') if the disposal has been declared to LHDNM or '2' ('No') if not. If not yet declared, contact the LHDNM branch which handles the income tax file of the disposer. Further details are available from the LHDNM Official Portal, <a href="http://www.hasil.gov.my">http://www.hasil.gov.my</a>.</p>	
<b>PART E:</b>		<b>DONATIONS / GIFTS / CONTRIBUTIONS</b>	
<b>Gift of Money to the Government, State Government or Local Authority</b> Subsection 44(6) of ITA 1967.			
<p><b>Gift of Money to Approved Institutions / Organisations / Funds</b> Gift of money to institutions / organisations / funds approved by the Director General of Inland Revenue. Subsection 44(6) and proviso, ITA 1967.</p> <p><b>Gift of Money For Any Sports Activity Approved By The Minister of Finance</b> Subsection 44(11B) and proviso, ITA 1967.</p> <p><b>Gift of Money or Cost of Contribution In Kind for any Project of National Interest Approved by the Minister of Finance</b> Subsection 44(11C) and proviso, ITA 1967.</p>		} Restricted to 7% of item B9	
<p><b>Gift of Artefacts, Manuscripts or Paintings</b> Gift of artefacts, manuscripts or paintings to the Government will be based on the value determined by the Department of Museums Malaysia or the National Archives. Subsection 44(6A) of ITA 1967.</p> <p><b>Gift of Money for the Provision of Library Facilities or to Libraries</b> Gift of money not exceeding RM20,000 for the provision of library facilities to public libraries and libraries of schools and institutions of higher education provided that a claim for the same expenses is not made under paragraph 34(6)(g) of ITA 1967 in computing the adjusted income from business. Subsection 44(8) of ITA 1967.</p>			

**Gift of Money or Contribution In Kind for the Provision of Facilities in Public Places for the Benefit of Disabled Persons**

Gift of money or contribution in kind (the value to be determined by the relevant local authority) for the provision of public facilities for the benefit of disabled persons. Subsection 44(9) of ITA 1967.

**Gift of Money or Medical Equipment to Any Healthcare Facility Approved by the Ministry of Health**

Gift of money or the cost or value (as certified by the Ministry of Health) of any gift of medical equipment not exceeding RM20,000 to any healthcare facility approved by the Ministry of Health. Subsection 44(10) of ITA 1967.

**Gift of Paintings to the National Art Gallery or Any State Art Gallery**

The value of any gift of painting to be determined by the National Art Gallery or any state art gallery. Subsection 44(11) of ITA 1967.

**PART F:**

**RELIEF**

**For claim on relief with respect to expenditure which includes the payment of Goods and Services Tax (GST), the allowable deduction shall EXCLUDE the amount of GST.**

Receipts and supporting documents must be kept for a period of seven (7) years after the end of the year in which the return form is furnished to LHDNM, for future reference and inspection if required.

**Reference:** Public Ruling No. 4/2018

F1	Individual and dependent relatives	Relief of <b>RM9,000</b> for an individual in respect of himself and his dependent relatives is granted automatically. Paragraph 46(1)(a) of ITA 1967.
F2a	Medical treatment, special needs and carer expenses for parents	Medical treatment, special needs and carer expenses incurred on parents is allowed as a deduction <b>up to RM5,000</b> . Paragraph 46(1)(c) of ITA 1967. Parents refer to natural parents or foster parents where the individual is an adopted child.  Expenses on medical treatment for parents which qualify for deduction include: (i) medical care and treatment provided by a nursing home; and (ii) dental treatment limited to tooth extraction, filling, scaling and cleaning but excluding cosmetic dental treatment expenses such as teeth restoration and replacement involving crowning, root canal and dentures. <ul style="list-style-type: none"><li>• Such claim must be evidenced by a medical practitioner registered with Malaysian Medical Council (MMC) certifying that the medical condition of parents requires medical treatment, special needs or a carer.</li><li>• Parents shall be individuals resident in Malaysia.</li><li>• The medical treatment and care services are provided in Malaysia.</li></ul> In the case of carer, a receipt or written certification from carer, or work permit of the carer.  'Carer' shall not include that individual, his wife or her husband or the child of the individual concerned.

F2b	Parents	<p>This deduction is <b>effective for the years of assessment 2016 to 2020</b>.</p> <p>Conditions for claim:</p> <ul style="list-style-type: none"> <li>(i) An individual who is qualified to claim this deduction is a <b>legitimate child or legally adopted child. Claim for this deduction is NOT allowed in respect of step-parents.</b></li> <li>(ii) The individual did NOT make a claim in item F2a for deduction on medical treatment, special needs and carer expenses expended for his parents for the same basis year.</li> <li>(iii) The allowable deduction is <b>RM1,500 for only one mother and RM1,500 for only one father</b>. If more than one individual claim this deduction, the amount of deduction has to be equally apportioned according to the number of individuals who claim in respect of the same parent.</li> <li>(iv) The parents are residents in accordance with the provisions of section 7 of ITA 1967, and aged 60 years and above at any time in the basis year.</li> <li>(v) Each parent's annual income (from all sources whether taxable or not) does NOT exceed RM24,000 for that year of assessment.</li> </ul> <p>If more than one individual claim this deduction, Working Sheet HK-15 has to be completed and kept for future reference / inspection by LHDNM, when required.</p> <p>Paragraph 46(1)(o) of ITA 1967.</p>
F3	Basic supporting equipment for disabled self, spouse, child or parent	<p>Expenditure incurred for the purchase of any necessary basic supporting equipment is allowed as a deduction <b>up to RM6,000</b> for the use by:</p> <ul style="list-style-type: none"> <li>(i) the individual, if he / she is a disabled person; or</li> <li>(ii) the spouse, if he / she is a disabled person; or</li> <li>(iii) his / her child, if the child is a disabled person; or</li> <li>(iv) his / her parent, who is a disabled person.</li> </ul> <p>This deduction will NOT be allowed if the disabled individual for whom the basic supporting equipment is purchased, is not registered with the Department of Social Welfare (DSW) as a disabled person.</p> <p>Basic supporting equipment includes haemodialysis machine, wheel chair, artificial leg and hearing aids but excludes spectacles and optical lenses.</p> <p>Paragraph 46(1)(d) of ITA 1967.</p>
F4	Disabled individual	<p>A further deduction of <b>RM6,000</b> is allowed if the individual is a disabled person.</p> <p>An individual is eligible to claim this deduction if he is certified in writing by the Department of Social Welfare (DSW) as a disabled person.</p> <p>Paragraph 46(1)(e) of ITA 1967.</p>
F5	Education fees (Self)	<p>A deduction <b>up to RM7,000</b> can be claimed on fees expended for any of the following courses of study undertaken in any institution or professional body in Malaysia recognized by the Malaysian Government or approved by the Minister of Finance:-</p> <ul style="list-style-type: none"> <li>(i) <b>Other than a degree at Masters or Doctorate level</b> Any course of study up to tertiary level undertaken for the purpose of acquiring law, accounting, Islamic finance approved by Bank Negara Malaysia or Securities Commission, technical, vocational, industrial, scientific or technological skills or qualifications; or</li> <li>(ii) <b>Degree at Masters or Doctorate level</b> Any course of study undertaken for the purpose of acquiring any skill or qualification.</li> </ul> <p>Refer to the list of recognized local institutions or approved professional bodies in Malaysia at the official portal of the Ministry of Higher Education at <a href="http://www.mohe.gov.my">www.mohe.gov.my</a>.</p> <p>Paragraph 46(1)(f) of ITA 1967.</p>

F6	Medical expenses on serious diseases	<p>Medical expenses on serious diseases include the treatment of Acquired Immune Deficiency Syndrome (AIDS), Parkinson's disease, cancer, renal failure, leukemia and other similar diseases. "Other Similar Diseases" in relation to serious diseases include heart attack, pulmonary hypertension, chronic liver disease, fulminant viral hepatitis, head trauma with neurological deficit, tumour in brain or vascular malformation, major burns, major organ transplant and major amputation of limbs.</p> <p>Amount expended on own self, husband / wife or child is deductible <b>up to a maximum of RM6,000</b> but total deduction allowable for both items, <b>F6 and F7 is restricted to RM6,000.</b></p> <p>Receipt of the treatment and a certification issued by a medical practitioner registered with the Malaysian Medical Council (MMC) must be kept for future reference and inspection, if required.</p> <p>Paragraph 46(1)(g) of ITA 1967.</p>	
F7	Complete medical examination	<p>Complete medical examination refers to thorough examination as defined by the Malaysian Medical Council (MMC). Amount expended on own self, spouse or child is allowable as a deduction <b>up to a maximum of RM500</b> but the total deduction allowable for both items, <b>F6 and F7 is limited to a maximum of RM6,000.</b></p> <p>Paragraph 46(1)(h) of ITA 1967.</p>	
<b>F8</b>	<b>Lifestyle</b>	<p><b>Restricted to RM2,500</b></p>	
F8(i)	Purchase of books / journals / magazines / printed newspapers / other similar publications		<p>Expenditure for the purchase of books, journals, magazines, printed newspapers and other similar publications (in the form of hardcopy or electronic but <b>EXCLUDING banned reading materials</b> such as morally offensive magazines) for the use by own self, spouse or child.</p> <p>Subparagraph 46(1)(p)(i) of ITA 1967.</p>
F8(ii)	Purchase of personal computer, smartphone or tablet		<p>Expenditure for the purchase of personal computer, smartphone or tablet <b>[Does NOT include additional charge for warranty]</b> for own use or for the use by own husband / wife or child, and <b>NOT being used for the purpose of own business.</b></p> <p>Subparagraph 46(1)(p)(ii) of ITA 1967.</p>
F8(iii)	Purchase of sports equipment for sports activity defined under the Sports Development Act 1997 and payment of gym membership		<p>Expenditure for the use by own self, spouse or child in respect of the:</p> <p>(a) purchase of sports equipment for any sports activity as defined under the Sports Development Act 1997. Sports equipment includes equipment with short lifespan e.g. golf balls and shuttlecocks but <b>EXCLUDING motorized bicycles</b>; and</p> <p>(b) payment for gym membership (<b>EXCLUDING club membership which provides gym facilities</b>) .</p> <p>Subparagraph 46(1)(p)(iii) of ITA 1967.</p>
F8(iv)	Payment of monthly bill for internet subscription		<p>Payment of monthly bill for internet subscription <b>registered under own name</b> for the use by own self, spouse or child</p> <p>Subparagraph 46(1)(p)(iv) of ITA 1967.</p>

<p>F9</p>	<p>Purchase of breastfeeding equipment for own use for a child aged 2 years and below</p>	<p>(a) This deduction is allowed exclusively for <b>women taxpayers</b>, provided that the individual:</p> <ul style="list-style-type: none"> <li>(i) is a breastfeeding mother;</li> <li>(ii) has incurred expenditure for the purchase of breastfeeding equipment for her own use to breastfeed her own child aged 2 years and below; and</li> <li>(iii) makes a claim that is evidenced by receipts issued in respect of the purchase.</li> </ul> <p>(b) <b>Breastfeeding equipment which qualifies</b> are:</p> <ul style="list-style-type: none"> <li>(i) breast pump kit and ice pack;</li> <li>(ii) breast milk collection and storage equipment; and</li> <li>(iii) cooler set or cooler bag.</li> </ul> <p>(c) The amount of deduction is <b>limited to RM1,000</b> although the individual has more than one child.</p> <p>(d) This deduction is only <b>allowed ONCE in every two (2) years of assessment</b>.</p> <p><b>(e) In the case of a Combined Assessment, this deduction is only allowed if the assessment is made in the name of the wife.</b></p> <p>Paragraph 46(1)(q) of ITA 1967 (commencing from the Year of Assessment 2017).</p>
		<p><b>Example 1: Joint Assessment in the Wife's Name</b></p> <p>Madam Arina has given birth to a child in the year 2018 and has purchased breastfeeding equipment at the cost of RM1,700. Her husband who is a non-resident Malaysian citizen has elected for joint assessment in the name of his wife.</p> <p>Madam Arina is entitled to claim this deduction but limited to RM1,000.</p> <p><b>Example 2: Joint Assessment in the Husband's Name</b></p> <p>Madam Sally has given birth to a child in the year 2018 and has purchased breastfeeding equipment at the cost of RM1,300. Madam Sally has elected for joint assessment in the name of her husband.</p> <p>The claim for this deduction is NOT allowed because the joint assessment is made in the name of Madam Sally's husband.</p>
<p>F10</p>	<p>Child care fees to a registered child care centre / kindergarten for a child aged 6 years and below</p>	<p>This deduction is allowed in respect of <b>child care fees for a child aged 6 years and below</b> paid to a:</p> <ul style="list-style-type: none"> <li>– <b>child care centre registered</b> with the Department of Social Welfare (DSW) pursuant to the Child Care Centre Act 1984 (Act 308) under the Ministry of Women, Family and Community Development; or</li> <li>– <b>kindergarten registered</b> with the Ministry of Education Malaysia pursuant to the Education Act 1996 (Act 550).</li> </ul> <p>This deduction is <b>restricted to RM1,000</b> even though the number of children who fulfills the mentioned conditions exceeds one. If the amount of claim is less than RM1,000, the amount of deduction allowed is <b>limited to the amount paid</b> only.</p> <p>Where a husband and a wife are assessed separately, the tax deduction under this paragraph can only be claimed either by the husband <b>OR</b> the wife who incurs the expenses.</p> <p>Where a husband and wife are divorced, the tax deduction can be claimed by the former husband and the former wife provided that they both made payment for the fees of the child and that child is not the same child.</p> <p>The claim for this deduction must be evidenced by the:</p> <ul style="list-style-type: none"> <li>• birth document of the child (MyKid or birth certificate); and</li> <li>• receipts for the monthly fees issued by the child care centre or kindergarten.</li> </ul> <p>Paragraph 46(1)(r) of ITA 1967 (commencing from the Year of Assessment 2017).</p>



**Example 1: Husband and wife (living together)**

Scenario	No. of Children	Expenditure on child (RM)		Type of assessment	Who is entitled to claim & amount (RM)	Notes
a	1	Husband Wife	600 500	Separate	Husband - 600 <b>OR</b> Wife - 500	Only one person is entitled to claim (restricted to the amount expended)
b	2	Husband Wife	1,200 (child no. 1) 1,400 (child no. 2)	Separate	Husband - 1,000 <b>OR</b> Wife - 1,000	Only one person is entitled to claim (restricted to the amount RM1,000)
c	2	Husband	1,500 (child no. 1 & 2)	Separate	Husband - 1,000	Restricted to the amount RM1,000
d	3	Husband Wife	1,200 (child no. 1 & 2) 1,100 (child no. 3)	Separate	Husband - 1,000 <b>OR</b> Wife - 1,000	Only one person is entitled to claim (restricted to the amount RM1,000)
e	2	Husband Wife	900 (child no. 1) 1,100 (child no. 2)	Separate	Husband - 900 <b>OR</b> Wife - 1,000	Only one person is entitled to claim based on the amount expended or restricted to the amount RM1,000
f	1	Husband Wife	600 300	Joint	Husband - 900 <b>OR</b> Wife - 900	Expenditure incurred by the spouse is deemed expended by the husband / wife in whose name the assessment is raised (restricted to the amount expended)
g	2	Husband Wife	900 (child no. 1) 1,100 (child no. 2)	Joint	Husband - 1,000 <b>OR</b> Wife - 1,000	Expenditure incurred by the spouse is deemed expended by the husband / wife in whose name the assessment is raised (restricted to the amount RM1,000)

**Example 2: Divorced husband and wife**

Scenario	No. of children	Expenditure on child (RM)		Who is entitled to claim & amount (RM)	Notes
a	1	Former husband	800	Former husband - 800	Only entitled to claim RM800 (restricted to the amount expended)
b	1	Former husband Former wife	1,400 1,200	Former husband - 1,000 <b>OR</b> Former wife - 1,000	Only one person is entitled to claim (restricted to the amount RM1,000)
c	2	Former husband Former wife	1,400 (child no. 1) 1,200 (child no. 2)	Former husband - 1,000 <b>AND</b> Former wife - 1,000	- Former husband claims RM1,000 - Former wife claims RM1,000 (provided that the claim is made on different child)
d	3	Former husband Former wife	1,200 (child no. 1) 800 (child no. 2) & 600 (child no. 3)	Former husband - 1,000 <b>AND</b> Former wife - 1,000	- Former husband claims RM1,000 - Former wife claims RM1,000 (provided that the claim is made on different child)

F11	Net deposit in Skim Simpanan Pendidikan Nasional (SSPN)	<p>This relief is available with effect from the <b>Year of Assessment 2012 until 2020</b>.</p> <p>Amount deposited in SSPN by an individual for his children's education is deductible <b>up to a maximum of RM6,000</b>. The allowable deduction is limited to the net amount deposited in that basis year only.</p> <p><b>Example:</b> For the year 2018,                      Balance Brought Forward : RM4,500;                      Total Deposit : RM2,000; and                      Total Withdrawal : RM1,500.</p> <p>Allowable deduction is <b>RM500</b> (RM2,000 – RM1,500).                      The Balance Brought Forward of RM4,500 is not taken into account.                      Paragraph 46(1)(k) of ITA 1967.</p>
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F12	Husband / wife / payment of alimony to former wife	<p><input type="checkbox"/> <b>A deduction for husband of RM4,000</b> is given to the wife if the husband has no source of income / no total income or the husband has elected for joint assessment in the name of his wife. Only one wife is eligible to claim this deduction although the husband has more than one wife. Section 45A(1) of ITA 1967.</p> <p><b>With effect from Year of Assessment 2017, the deduction for husband is NOT allowed if the husband (not a husband who is a disabled person) has gross income exceeding RM4,000 derived from sources outside Malaysia.</b> Subsection 45A(2) of ITA 1967.</p> <p><input type="checkbox"/> <b>A deduction for wife of RM4,000</b> is given to the husband who has a wife living together with him in the basis year, and the wife has no source of income / no total income or the wife has elected for joint assessment in the name of her husband. Paragraph 47(1)(a) and subsection 47(5) of ITA 1967.</p> <p><b>With effect from Year of Assessment 2017, the deduction for wife is NOT allowed if the wife (not a wife who is a disabled person) has gross income exceeding RM4,000 derived from sources outside Malaysia.</b> Subsection 47(6) of ITA 1967.</p> <p><input type="checkbox"/> Deduction for payment of alimony to a former wife is limited to RM4,000 or the actual amount paid if the amount of alimony paid is less than the allowable deduction. The total deduction for a wife living together and alimony payments to the former wife is restricted to <b>RM4,000</b>. Voluntary alimony payments under a mutual agreement but without any formal agreement do not qualify for deduction. Subsection 47(2) and 47(3) of ITA 1967.</p>																								
F13	Disabled husband / wife	A further deduction of <b>RM3,500</b> is given in respect of a disabled husband / wife. Paragraph 47(1)(b) and section 45A of ITA 1967.																								
F14	Child <ul style="list-style-type: none"> <li>• No.</li> <li>• 100% Eligibility</li> <li>• 50% Eligibility</li> </ul>	<p>Refer to Working Sheet HK-13.</p> <p><u>No.</u> Enter the total number of children on whom full relief (100% Eligibility) or partial relief (50% Eligibility) is entitled to be claimed by the individual.</p> <p><u>100% Eligibility</u> This item is to be completed by an individual entitled to claim full child relief.</p> <p><u>50% Eligibility</u> This item is only relevant where two or more individuals (not husband and wife living together) are each entitled to claim a deduction for payment made in respect of the same child, and each of those individuals is entitled to claim 50% of the allowable relief as a deduction. For example, when divorce occurs and there are two or more individuals entitled to claim a deduction on the same child.</p> <p>For separate assessment, the individual and his spouse are required to select the relief in respect of each child on whom to claim respectively.</p> <p><b>Example:</b> Ali has five (5) children and elected for separate assessment. The number of children on whom relief may be claimed by Ali and his wife is:</p> <table border="1" data-bbox="533 1854 1522 2000"> <thead> <tr> <th></th> <th>Ali</th> <th>Wife</th> <th></th> <th>Ali</th> <th>Wife</th> </tr> </thead> <tbody> <tr> <td>(i)</td> <td>5</td> <td>0</td> <td>(iv)</td> <td>2</td> <td>3</td> </tr> <tr> <td>(ii)</td> <td>4</td> <td>1</td> <td>(v)</td> <td>1</td> <td>4</td> </tr> <tr> <td>(iii)</td> <td>3</td> <td>2</td> <td>(vi)</td> <td>0</td> <td>5</td> </tr> </tbody> </table>		Ali	Wife		Ali	Wife	(i)	5	0	(iv)	2	3	(ii)	4	1	(v)	1	4	(iii)	3	2	(vi)	0	5
	Ali	Wife		Ali	Wife																					
(i)	5	0	(iv)	2	3																					
(ii)	4	1	(v)	1	4																					
(iii)	3	2	(vi)	0	5																					

		<p>The deduction for child is not allowed if the child is in receipt of his own income whereby his total income exceeds the amount of deduction otherwise due.</p> <p>However, the following receipts are not treated as income of a child:</p> <ul style="list-style-type: none"> <li>• Amount received as scholarship, grant or allowance of a similar nature (paragraph 24 Schedule 6 of ITA 1967); and</li> <li>• Payments received by a child who is serving an employer under articles or indentures.</li> </ul> <p>Subsection 48(5) of ITA 1967.</p>
F14a	Child - Under the age of 18 years	A deduction of <b>RM2,000</b> per child is allowed if the child is unmarried and who at any time in the basis year is below the age 18 years. Paragraph 48(1)(a) and 48(2)(a) of ITA 1967.
F14b	Child - 18 years and above and studying	<p><input type="checkbox"/> A deduction of <b>RM2,000</b> per child is allowed if the child is unmarried, 18 years of age and above, and receiving full-time instruction. Paragraph 48(1)(b) &amp; (c) and 48(2)(a) of ITA 1967</p> <p>OR</p> <p><input type="checkbox"/> A deduction of <b>RM8,000</b> is allowed if the child is unmarried, 18 years of age and above, and satisfies the following conditions:</p> <ul style="list-style-type: none"> <li>(i) receiving full-time instruction (excluding matriculation course / pre degree / A-Level) at a university, college or other similar educational establishment in Malaysia; or</li> <li>(ii) serving under articles or indentures with a view to qualify in a trade or profession in Malaysia; or</li> <li>(iii) receiving full-time instruction outside Malaysia in respect of a degree (including a degree at Master or Doctorate level) or the equivalent of a degree.</li> </ul> <p>Paragraph 48(3)(a) of ITA 1967.</p>
F14c	Child - disabled child	<p><input type="checkbox"/> Relief allowed for a disabled child who is unmarried is <b>RM6,000</b>.</p> <p><input type="checkbox"/> An additional relief of <b>RM8,000</b> is allowed if the disabled child is unmarried, 18 years of age and above, and satisfies the following conditions:</p> <ul style="list-style-type: none"> <li>(i) receiving full-time instruction (excluding matriculation course / pre degree / A-Level) at a university, college or other similar educational establishment in Malaysia; or</li> <li>(ii) serving under articles or indentures with a view to qualify in a trade or profession in Malaysia; or</li> <li>(iii) receiving full-time instruction outside Malaysia in respect of a degree (including a degree at Master or Doctorate level) or the equivalent of a degree.</li> </ul> <p>An individual is entitled to a child relief of <b>RM14,000</b> if the above conditions are complied with.</p> <p>Paragraph 48(1)(d), 48(3)(a) and 48(2)(b) of ITA 1967.</p>
F15	<p><b>Life insurance and EPF</b></p> <p>Refer to Working Sheet HK-14.</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Deduction is allowed for payment of premiums on life insurance policy contracted on the life of the individual, husband or wife / wives. Deduction is not allowed on premiums paid for life insurance policy contracted on the life of the child.</li> <li><input type="checkbox"/> Contributions to the Employees Provident Fund (EPF) or other provident fund / pension scheme approved by the Director General of Inland Revenue</li> </ul>	

	<p>❑ The total deduction allowed for the payment of life insurance premiums and contributions to EPF or other approved provident fund / pension scheme is <b>limited to RM6,000 for an individual and RM6,000 for the spouse who has source of income</b>. If the husband or wife elects for <b>joint assessment</b>, the total deduction for the aggregate amount of life insurance premiums and EPF contributions is <b>limited to RM6,000</b>.</p> <p><b>Example:</b> The insurance premiums paid by the husband and wife are RM300 and RM6,500 respectively. The tax payer elects for joint assessment. The total deduction allowed is restricted to RM6,000 and not RM6,800.</p> <p>Where the husband has no total income and the wife is assessed separately as an individual, any expenditure on insurance premium incurred by the husband shall be deemed to have been paid by the wife and is allowable up to the restricted amount only.</p> <p>If the husband contributes to EPF but has no total income, the wife is not allowed to claim his EPF contribution as a deduction from her own income. Likewise if the wife has no total income. Subsection 49(1) of ITA 1967.</p>
F16	<p><b>Private retirement scheme and deferred annuity</b></p> <ul style="list-style-type: none"> <li>• This deduction is effective from the <b>Year of Assessment 2012 until 2021</b>.</li> <li>• The deduction allowed shall <b>not exceed RM3,000</b> in respect of contributions made to a Private Retirement Scheme (PRS) approved by the Securities Commission and paid premiums for deferred annuity.</li> <li>• The total deduction for PRS contributions and deferred annuity premiums is <b>restricted to RM3,000 for an individual and RM3,000 for the spouse who has source of income</b>. If the husband or wife elects for <b>joint assessment</b>, the deduction allowed for the aggregate amount of PRS contributions and deferred annuity premiums is <b>restricted to RM3,000</b>.</li> <li>• Refer to Working Sheet HK-14.</li> <li>• <b>Reference:</b> Public Ruling No. 4/2014 (Deferred Annuity); and Public Ruling No. 9/2014 (Private Retirement Scheme).</li> </ul> <p>Subsections 49(1D), 49(1E), 49(3), 50(2) and 50(3) of ITA 1967</p>
F17	<p>Education and medical insurance</p> <p>A deduction <b>not exceeding RM3,000</b> is available on insurance premiums in respect of education or medical benefits for an individual, husband, wife, or child.</p> <p>The total deduction in respect of premiums paid for insurance on education and medical benefits is <b>restricted to RM3,000 for an individual and RM3,000 for the wife who has source of income</b>. If the husband or wife elects for <b>joint assessment</b>, the deduction allowed for the total of premiums paid for insurance on education and medical benefits is restricted to <b>RM3,000</b>.</p> <p>Refer to Working Sheet HK-14. Subsections 49(1B), 49(4) and 50(2) of ITA 1967.</p>
F18	<p>Contribution to the Social Security Organization (SOCSO)</p> <p>A deduction <b>not exceeding RM250</b> is allowed in respect of contribution to the Social Security Organization (SOCSO) made or suffered by the individual in the basis year.</p> <p>Refer to Working Sheet HK-14. Paragraph 46(1)(n) of ITA 1967.</p>
F19	<p>Total relief</p> <p>Sum of amounts from items F1 to F18. Transfer this amount to item B19.</p>
<p><b>PART G:</b></p>	
<p><b>NON-EMPLOYMENT INCOME OF PRECEDING YEARS NOT DECLARED</b></p>	
G1 – G2	<p>Income OTHER THAN from employment received in respect of preceding year(s) not previously declared.</p> <p><b>Example:</b> Income from rents or interest</p> <p>Please use attachment in case of insufficient writing space.</p>

PART H:		PARTICULARS OF BUSINESS INCOME
H1	Losses carried forward	Balance of unabsorbed current year and previous year <b>business / partnership</b> losses. Amount G from Working Sheet HK-1.3.
H2	Pioneer loss carried forward	Pioneer business loss must be kept separate from other business losses as it can only be absorbed by other pioneer business income. Enter the amount of unabsorbed balance of pioneer loss in this item. Amount E from Working Sheet HK-1.4.
H3	Business capital allowances carried forward	Balance of capital allowances unabsorbed in the computation of statutory income from business. Amount K6 from Working Sheet HK-1 / amount N6 from Working Sheet HK-1D.
H4	Partnership capital allowances carried forward	Balance of capital allowances unabsorbed in the computation of statutory income from partnership. Amount H5 from Working Sheet HK-1B.
PART J:		FINANCIAL PARTICULARS OF INDIVIDUAL (MAIN BUSINESS ONLY)
J1	Name of business	Enter the name of the business for the main business only. If there is more than one main business, enter the name of the business with the highest turnover.
J2	Business code	Enter the business code (refer to Appendix G) for the main business.
J2A	Type of business activity	Specify the type of activity of the business concerned in the box provided.
J3	Sales or turnover	Gross income including accrued income from sales, fees and other receipts.
J4	Opening stock	Opening stock of finished goods as per Trading Account.
J5	Purchases and cost of production	<ul style="list-style-type: none"> <li>• Gross amount of purchases minus discounts / rebates.</li> <li>• Cost of production as per Manufacturing Account.</li> </ul>
J6	Closing stock	Closing stock of finished goods as per Trading Account.
J7	Cost of sales	J4 plus J5 minus J6. Enter '0' if none.
J8	Gross profit / loss	J3 minus J7. Enter 'X' in the box provided for loss.
J9	Other business	Total sales or turnover from sources other than J1. For partnership income – Amount from item A13, CP30.
J10 – J12	Dividends, interest and discounts, rents, royalties and premiums	Gross income from respective sources.
J13	Other income	Sum of all gross income from other non-business sources not mentioned above.
J15 – J24	Expenses	Amount as per Profit and Loss Account. <b>J15 : Loan Interest</b> Total expenditure on interest excluding interest on hire-purchase / lease. <b>J23A: Input tax not claimable from the Royal Malaysian Customs Department</b> This refers to the amount of input tax verified by the Royal Malaysian Customs Department (RMCD) after audit as not claimable. This amount of input tax verified as not claimable can be claimed as an allowable expense under the ITA 1967. Enter the amount of input tax or part thereof in respect of the expenditure for the current year of assessment. Subsection 91(6) of ITA 1967.

J26	Net profit / loss	Net profit or loss as per Profit and Loss Account.
J27	Non-allowable expenses	Amount F1 from Working Sheet HK-1, HK-1D or HK-1E.
J28 – J31	Fixed assets	Net book value as per Balance Sheet.
J33	Investments	Cost of investments and fixed deposits.
J34 – J39	Current assets	Amount as per Balance Sheet.
J42 – J44	Liabilities	Amount as per Balance Sheet.
J46	Capital account	Amount as per Balance Sheet.
J47	Current account balance brought forward	Current account balance carried forward from last year, excluding capital.
J48	Current year profit / loss	Amount as per Profit and Loss Account.
J49	Drawing / Advance (Net)	Takings of cash or stock in trade for personal use, or cash advance in the current year.
J50	Current account balance carried forward	Sum of amounts from items J47 to H49.
<b>PART K:</b>		<b>PARTICULARS OF TAX AGENT WHO COMPLETES THIS RETURN FORM</b>
K1 – K4	<ul style="list-style-type: none"> <li>• Tax Agent's Approval No. is the approval number given to tax agent's approved under subsection 153(3) of ITA 1967.</li> <li>• This section has to be completed and duly signed by the tax agent / representative who completes this return form.</li> </ul>	

TAX SCHEDULE				
CATEGORY	RANGE OF CHARGEABLE INCOME (a)	COMPUTATION RM (b)	RATE % (c)	TAX RM (d)
A	0 - 5,000	First 5,000	0	0
B	5,001 - 20,000	First 5,000 Next 15,000	1	0 150
C	20,001 - 35,000	First 20,000 Next 15,000	3	150 450
D	35,001 - 50,000	First 35,000 Next 15,000	8	600 1,200
E	50,001 - 70,000	First 50,000 Next 20,000	14	1,800 2,800
F	70,001 - 100,000	First 70,000 Next 30,000	21	4,600 6,300
G	100,001 - 250,000	First 100,000 Next 150,000	24	10,900 36,000
H	250,001 - 400,000	First 250,000 Next 150,000	24.5	46,900 36,750
I	400,001 - 600,000	First 400,000 Next 200,000	25	83,650 50,000
J	600,001 - 1,000,000	First 600,000 Next 400,000	26	133,650 104,000
K	Exceeding 1,000,000	First 1,000,000 For every next ringgit	28	237,650 .....

COUNTRY CODES					
The following are some of the codes for countries identified. Please refer to <b>Appendix E</b> for the full list.					
Country	Code	Country	Code	Country	Code
Australia	AU	Iran (Islamic R.O.)	IR	Philippines	PH
Bangladesh	BD	Iraq	IQ	Saudi Arabia	SA
Brunei	BN	Japan	JP	Singapore	SG
Cambodia	KH	Korea, D.P.R.	KP	South Africa	ZA
Canada	CA	Korea, R.O.	KR	Sri Lanka	LK
China	CN	Laos, D.P.R.	LA	Taiwan	TW
Denmark	DK	<b>Malaysia</b>	<b>MY</b>	Thailand	TH
Hong Kong	HK	Myanmar	MM	United Kingdom	GB
India	IN	New Zealand	NZ	United States	US
Indonesia	ID	Pakistan	PK	Vietnam	VN

Note: R.O. = Republic of;

D.P.R. = Democratic People's Republic of