



EXPLANATORY NOTES B 2019

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 2019. Please read this with care so that the return form and declarations made therein for Year of Assessment 2019 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.

Working sheets, appendices and other information are available at the LHDNM Official Portal: <http://www.hasil.gov.my> > Forms > Download Forms > Individual > **Computation Guide & Other Information**.

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.

BASIC PARTICULARS

1 - 4	Fill in relevant information only. For the item 'Income tax no.', enter SG or OG followed by the income tax number in the box provided.	
	Example: For Income tax no. OG 10234567080	
	Income tax no. OG 10234567080	
5	Passport no. registered with LHDNM	Enter the last passport number filed with LHDNM prior to the current passport.
PART A:		PARTICULARS OF INDIVIDUAL
A1	Citizen	Enter 'MY' for citizen of Malaysia. If not a citizen of Malaysia, please refer to the country code provided on page 25 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 31-12-2019	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>Note:-</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>
A8a	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>1 = Paragraph 127(3)(b) of ITA 1967</i></p> <p>Exemption given by the Minister of Finance to any class of persons from complying with any provision of the Income Tax Act 1967, either generally or in respect of any income.</p> <p><i>2 = Subsection 127(3A) of ITA 1967</i></p> <p>Exemption given by the Minister of Finance to any specific person from complying with any provision of the Income Tax Act 1967, either generally or in respect of any income.</p> <p><i>3 = Not relevant</i></p> <p>(i) Enter 'X' in the box for the type(s) of incentive:-</p> <ul style="list-style-type: none"> • entitled to be claimed for which a claim is made for the current year; or • entitled to be claimed but unable to make a claim for the current year for example by reason of no income. <p>(ii) Enter 'X' in the box for 'Not relevant' if:-</p> <ul style="list-style-type: none"> • not entitled to claim the incentive; • the application for incentive is not approved by the Minister; or • not relevant.

A8b	If A8a = 1 and / or 2, please specify:	<ul style="list-style-type: none"> • <u>P.U. (A) No. / Approval No. of Incentive</u> State the P.U. (A) number of the Government gazette or the number on the Finance Minister's approval letter for the relevant incentive. • <u>Amount of Exempt Income</u> Amount from computation. <p>The Government gazette / Minister's approval letter has to be kept for future reference / inspection by LHDNM if required.</p>												
PART B:		COMPUTATION OF INCOME TAX												
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>												
B1a	Number of businesses	<p>Complete this item if there is statutory income from business(es).</p> <table border="1" data-bbox="539 734 1501 1312"> <thead> <tr> <th data-bbox="539 734 628 813">No.</th> <th data-bbox="628 734 1294 813">Example</th> <th data-bbox="1294 734 1501 813">Number of Business(es)</th> </tr> </thead> <tbody> <tr> <td data-bbox="539 813 628 965">1.</td> <td data-bbox="628 813 1294 965">Mr. Hasan runs the following businesses:- (i) HYS Enterprise (gas station and convenience store at the gas station) (ii) Bersatu Enterprise (restaurant)</td> <td data-bbox="1294 813 1501 965">3</td> </tr> <tr> <td data-bbox="539 965 628 1173">2.</td> <td data-bbox="628 965 1294 1173">Mr. Steven has the following businesses in the year 2019:- (i) Steven & Sons Enterprise (tyre shop) ceased with effect from 1 March 2019 but re-operates from 1 Nov. 2019. (ii) Steven Enterprise (bicycle shop)</td> <td data-bbox="1294 965 1501 1173">2</td> </tr> <tr> <td data-bbox="539 1173 628 1312">3.</td> <td data-bbox="628 1173 1294 1312">Mr. Mark runs a business of selling foodstuffs since 2015. Commencing from 1 Sept. 2019, Mr. Mark changed the name of his business from Mark Enterprise to Mark & Sons.</td> <td data-bbox="1294 1173 1501 1312">1</td> </tr> </tbody> </table>	No.	Example	Number of Business(es)	1.	Mr. Hasan runs the following businesses:- (i) HYS Enterprise (gas station and convenience store at the gas station) (ii) Bersatu Enterprise (restaurant)	3	2.	Mr. Steven has the following businesses in the year 2019:- (i) Steven & Sons Enterprise (tyre shop) ceased with effect from 1 March 2019 but re-operates from 1 Nov. 2019. (ii) Steven Enterprise (bicycle shop)	2	3.	Mr. Mark runs a business of selling foodstuffs since 2015. Commencing from 1 Sept. 2019, Mr. Mark changed the name of his business from Mark Enterprise to Mark & Sons.	1
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B2	Statutory income from partnerships	<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>												
B2a	Number of partnerships	<p>This item has to be completed if there is statutory income from partnership business(es).</p> <table border="1" data-bbox="539 1592 1501 1877"> <thead> <tr> <th data-bbox="539 1592 628 1671">No.</th> <th data-bbox="628 1592 1294 1671">Example</th> <th data-bbox="1294 1592 1501 1671">Number of Partnership(s)</th> </tr> </thead> <tbody> <tr> <td data-bbox="539 1671 628 1877">1.</td> <td data-bbox="628 1671 1294 1877">Mr. Phan received partnership income from the following legal firms in the year 2019:- (i) Phan & Associates : Jan. 2019 – May 2019 (ii) Commencing from 1 June 2019, the partnership changed its name to Phan, Chris & Associates with the entry of a new partner.</td> <td data-bbox="1294 1671 1501 1877">1</td> </tr> </tbody> </table>	No.	Example	Number of Partnership(s)	1.	Mr. Phan received partnership income from the following legal firms in the year 2019:- (i) Phan & Associates : Jan. 2019 – May 2019 (ii) Commencing from 1 June 2019, the partnership changed its name to Phan, Chris & Associates with the entry of a new partner.	1						
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	Capital allowance	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.
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.

B6	Statutory income from employment	
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B6a	Number of employment	This item has to be completed if there is 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:

Reference: Public Ruling No. 5/2019 (Perquisites From Employment); and
Public Ruling No. 11/2019 (Benefits-In-Kind)

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.

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.

Repayment Of Perbadanan Tabung Pendidikan Tinggi Negara (PTPTN) Educational Loan By Employer

This value of this benefit shall be the **amount of educational loan of PTPTN paid by the employer** on behalf of his employee for a period not earlier than 1 January 2019 and not later than 31 December 2021.

Conditions for exemption:

- The employee is a Malaysian citizen who has received the educational loan from PTPTN.
- The employee is employed on a full-time basis; and is not a relative of the employer.

Refer to the Income Tax (Exemption) (No. 8) Order 2019 [P.U. (A) 205/2019] and Income Tax (Exemption) (No. 8) (Amendment) Order [P.U. (A) 414/2019] which takes effect from the Year of Assessment 2019 until the Year of Assessment 2021.

Note:

The employee who makes a claim for this exemption is required to indicate with an 'X' in the box for '1 = Paragraph 127(3)(b)' in **item A8a**, and enter the required information in **item A8b**.

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, hand phones, 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. 11/2019 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.

B7	Rents	Rental received in respect of houses, shop houses, land, plant, machines, furniture and other similar assets. Amount C3 from Working Sheet HK-4.												
B8	Interest	Income in respect of interest received by individuals resident in Malaysia from money deposited with the following institutions is tax exempt: <ul style="list-style-type: none">(i) A bank or a finance company licensed or deemed to be licensed under the Financial Services Act 2013;(ii) A bank licensed under the Islamic Financial Services Act 2013;(iii) A development financial institution prescribed under the Development Financial Institutions Act 2002;(iv) The Lembaga Tabung Haji established under the Tabung Haji Act 1995;(v) The Malaysia Building Society Berhad incorporated under the Companies Act 2016;(vi) The Borneo Housing Finance Berhad incorporated under the Companies Act 2016; and(vii) Co-operative societies registered under the Co-operative Societies Act 1993.												
	Discounts	Earnings from discounting transactions involving treasury bills, bills of exchange or promissory notes.												
	Royalties	Royalties received in respect of the use of copyrights / patents are taxable if they exceed the following exemption limits: <table border="1"><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> Amount H from Working Sheet HK-5.	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
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	Pensions	<ul style="list-style-type: none"> • 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. • 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.
	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"> • Earnings / proceeds in relation to expenditure on prospecting operations under Schedule 4 of ITA 1967. • These earnings / proceeds are taken into account in the tax computation if claims for such expenditure have previously been made. • 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. • Computations must be properly kept for examination.
B10	Current year business losses	<p>Current year business / partnership losses can be deducted from the same year's aggregate income.</p> <p>Example: Business losses for the year 2019 can be deducted from the aggregate income of the year 2019.</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.</p> <p>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>ITEMS B17 AND B18 ARE ONLY TO BE FILLED IN BY THE INDIVIDUAL IN WHOSE NAME THE JOINT ASSESSMENT IS TO BE RAISED.</p> <p>Transfer the total income of the spouse to be aggregated with the total income of the individual to this item.</p> <p>Note: 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 NEED NOT be filled if:</p> <ul style="list-style-type: none"> (i) the individual's status is single / a divorcee / a widow / a widower (ii) the spouse of the individual has no income, no source of income or has income which is tax exempt (iii) the individual elects for separate assessment (iv) the individual elects for joint assessment to be raised in the name of his / her spouse 																																																	
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 25 of this explanatory notes).</p> <p>Example:</p> <p>Chargeable income as per B20: RM45,500</p> <p>Use category D of the tax schedule to compute as follows:</p> <p>Tax on the first RM35,000 RM 600.00</p> <p>Tax on the balance RM10,500 @ 8% RM 840.00</p> <p>Total income tax <u>RM1,440.00</u></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 colspan="7">B21 INCOME TAX COMPUTATION (Refer to the tax rate schedule provided at the LHDNM Official Portal, http://www.hasil.gov.my)</td> </tr> <tr> <td style="width: 10%;">321a</td> <td style="width: 40%;">Tax on the first</td> <td style="width: 10%; text-align: right;">35,000</td> <td style="width: 5%; text-align: center;">.00</td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 15%;">B21a</td> </tr> <tr> <td>321b</td> <td>Tax on the balance</td> <td style="text-align: right;">10,500</td> <td style="text-align: center;">.00</td> <td style="text-align: center;">At rate 8 %</td> <td></td> <td>B21b</td> </tr> <tr> <td>322</td> <td>TOTAL INCOME TAX (B21a + B21b)</td> <td></td> <td></td> <td></td> <td></td> <td>B22</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td style="text-align: right;">600 .00</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td style="text-align: right;">840 .00</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td style="text-align: right;">1,440 .00</td> </tr> </table>			B21 INCOME TAX COMPUTATION (Refer to the tax rate schedule provided at the LHDNM Official Portal, http://www.hasil.gov.my)							321a	Tax on the first	35,000	.00			B21a	321b	Tax on the balance	10,500	.00	At rate 8 %		B21b	322	TOTAL INCOME TAX (B21a + B21b)					B22							600 .00							840 .00							1,440 .00
B21 INCOME TAX COMPUTATION (Refer to the tax rate schedule provided at the LHDNM Official Portal, http://www.hasil.gov.my)																																																			
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						600 .00																																													
						840 .00																																													
						1,440 .00																																													
B23	Total rebate																																																		
	Self	A rebate of RM400 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 RM400 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.																																																	
	Departure levy for umrah travel / religious travel for other religions	This tax rebate is granted to any individual who leaves Malaysia by air for the purpose of performing <i>umrah</i> or other religious pilgrimage but NOT for the purpose of performing hajj. The rebate granted is equivalent to the amount of departure levy paid but the claim is limited to two (2) trips in a lifetime .																																																	

Eligibility to claim shall be evidenced by the following documents:-

- a) the boarding pass; and
b) in the case of:

- (i) **umrah** - a copy of the visa issued by the embassy of the Kingdom of Saudi Arabia
(ii) **any other religious pilgrimage** - A written verification by a religious body recognised by the Committee for the Promotion of Inter Religious Understanding and Harmony Among Adherents, Department of National Unity and Integration in the Prime Minister's Department.

Country / Class	ASEAN countries		Other than ASEAN countries	
	Economy class	Other than economy class	Economy class	Other than economy class
Rate of departure levy	RM8	RM50	RM20	RM150
Note: 'ASEAN countries' means Brunei Darussalam, the Kingdom of Cambodia, Republic of Indonesia, Lao People's Democratic Republic, Union of Myanmar, Republic of the Philippines, Republic of Singapore, Kingdom of Thailand or Socialist Republic of Vietnam.				

Zakat and fitrah

Payment of obligatory *zakat* and *fitrah* in the basis year.
Subsection 6A(3) of ITA 1967.

B25 Tax deduction under section 110 (others)

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.
Section 110 tax deduction (others) does NOT include withholding tax payment pursuant to Section 107A of ITA 1967.
Please submit Working Sheet HK-6 if you are entitled to a tax refund. Amount B from Working Sheet HK-6.

Section 132 tax relief

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.
Refer to Appendix F for the list of countries which have DTA with Malaysia.
Refer to Schedule 7 of ITA 1967 and Working Sheet HK-8 to compute the amount of credit.

Section 133 tax relief

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.
Refer to Schedule 7 of ITA 1967 and Working Sheet HK-9 to compute the amount of credit.

B26 Tax payable

B24 minus B25.
If the amount in B25 exceeds the amount in B24, enter '0' in this box.

B27 Tax repayable

B25 minus B24.

B28 Instalments / Monthly Tax Deductions (MTD) paid for 2019 income – Self and husband / wife for joint assessment

Monthly Tax Deductions (MTD) made by the employer in the year 2019 in respect of the following income have to be included in this item:
– Income for the year 2019;
– Employment income of preceding years (including bonus, director's fee, arrears, etc.) paid in the year 2019; and

		<p>– Employment income in respect of other year(s) paid in advance in the year 2019.</p> <p>Example: Salary for the month of January 2020 paid in December 2019 and MTD is paid on or before 15 January 2020.</p> <p>This does not include 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) ByrHASiL at the LHDNM Official Portal, https://byrhasil.hasil.gov.my/.</p> <ul style="list-style-type: none"> • Payment via FPX (<i>Financial Process Exchange</i>) at https://byrhasil.hasil.gov.my/fpx.php. • Payment via Visa, Mastercard & American Express credit cards at https://byrhasil.hasil.gov.my/creditcard/. <p>(b) Appointed banks.</p> <ul style="list-style-type: none"> • 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. • CIMB, PBB, Maybank, Hong Leong Bank, RHB, Alliance Bank & Bank Islam Malaysia Berhad (BIMB) internet banking, Bank Islam TAP Mobile Banking-i and Maybank phone banking. • Auto Teller Machine (ATM) of PBB, Maybank, CIMB & RHB, PBB Cheque Deposit Machine and CIMB & Maybank Cash Deposit Machine. <p>(c) Visa, Mastercard & American Express credit cards at the counters of the Kuala Lumpur Payment Centre, Kota Kinabalu Branch and Kuching Branch.</p> <p>(d) LHDNM payment counters at the Kuala Lumpur Payment Centre, Kota Kinabalu Branch and Kuching Branch or by post.</p>
		<ul style="list-style-type: none"> • Cheques, money orders and bank drafts must be crossed and made payable to the Director General of Inland Revenue. • Use the Remittance Slip (CP501) which is available at http://www.hasil.gov.my. • If send by post, payment must be sent separately from the form. Payment by CASH must not be sent by post. <p>(e) Pos Malaysia Berhad - Counter and Pos Online.</p>
	Tax paid in excess	<p>B28 minus B26.</p> <p>Enter 'X' in the box provided for Tax Paid in Excess.</p>
DECLARATION		
<p>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.</p>		
PART C:		PARTICULARS OF HUSBAND / WIFE
C1 – C4	<p>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.</p>	

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. Note: 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. Note: 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 latest 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. Example: 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. Example: 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. iii) delivering goods or services. Example: The individual:- - 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. - uses both e-mail and website to offer its advice and receives payment for the advice. - advertises the goods or services of other entities on internet for a fee. - hosts the website(s). - renders service in providing access to internet. Enter '2' for 'No' if the individual does not carry on any e-Commerce business or not relevant.
D7b	Website / blog address	Website / blog address (if any).

D8	Has financial account(s) at financial institution(s) outside Malaysia	Enter: '1' if there is / are financial account(s) at financial institution(s) outside Malaysia or '2' if there is none / not relevant. Further details are available at the LHDNM Official Portal, http://www.hasil.gov.my > International > Automatic Exchange of Information (AEOI) > Common Reporting Standard (CRS) 'Financial accounts' and 'financial institutions' are as defined in the CRS Guidance Notes at the mentioned link.
D9a	Disposal of asset under the Real Property Gains Tax Act 1976	Refers to chargeable asset under the Real Property Gains Tax Act 1976. Enter '1' for 'Yes' if there is disposal of asset, and also complete item D9b. Enter '2' for 'No' if not applicable.
D9b	Disposal declared to LHDNM	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, http://www.hasil.gov.my .

PART E:	DONATIONS / GIFTS / CONTRIBUTIONS
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Gift of money to the Government / State Government / local authority
Subsection 44(6) of ITA 1967.

<p>Gift of money to approved institutions / organisations / funds Gift of money to institutions / organisations / funds approved by the Director General of Inland Revenue. Subsection 44(6) and proviso, ITA 1967.</p> <p>Gift of money for any sports activity approved by the Minister of Finance Subsection 44(11B) and proviso, ITA 1967.</p> <p>Gift of money or cost of contribution in kind for any project of national interest approved by the Minister of Finance Subsection 44(11C) and proviso, ITA 1967.</p>	} Restricted to 7% of item B9
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Gift of artefacts, manuscripts or paintings
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.

Gift of money for the provision of library facilities or to libraries
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.

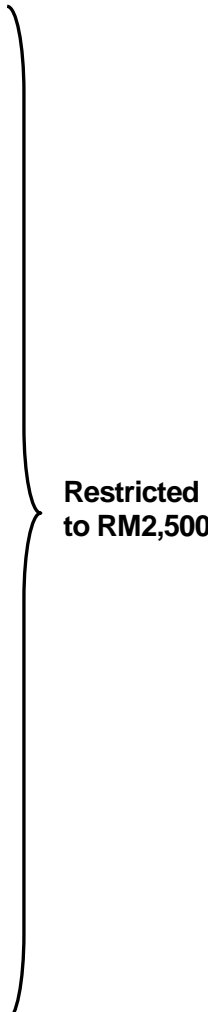
Gift of money or contribution in kind for the provision of facilities in public places for the benefit of disabled persons
Gift of money or contribution in kind (the value to be determined by the relevant local authority) for the provision of public facilities for the benefit of disabled persons.
Subsection 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
<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> <p>Reference:</p> <p>Taxation Of A Resident Individual</p> <ul style="list-style-type: none"> • Part I - Gifts Or Contributions And Allowable Deductions (Public Ruling No. 4/2018) • Part II - Computation Of Total Income And Chargeable Income (Public Ruling No. 5/2018); and • Part III - Computation Of Income Tax And Tax Payable (Public Ruling No. 6/2018) 		
F1	Individual and dependent relatives	<p>Relief of RM9,000 for an individual in respect of himself and his dependent relatives is granted automatically.</p> <p>Paragraph 46(1)(a) of ITA 1967.</p>
F2a	Medical treatment, special needs and carer expenses for parents	<p>Medical treatment, special needs and carer expenses incurred on parents is allowed as a deduction up to RM5,000.</p> <p>Parents refer to natural parents or foster parents where the individual is an adopted child.</p> <p>Expenses on medical treatment for parents which qualify for deduction include:</p> <p>(i) medical care and treatment provided by a nursing home; and</p> <p>(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.</p> <ul style="list-style-type: none"> • 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. • Parents shall be individuals resident in Malaysia. • The medical treatment and care services are provided in Malaysia. <p>In the case of carer, a receipt or written certification from carer, or work permit of the carer.</p> <p>'Carer' shall not include that individual, his wife or her husband or the child of the individual concerned.</p> <p>Paragraph 46(1)(c) of ITA 1967.</p>
F2b	Parent	<p>This deduction is effective for the Years of Assessment 2016 to 2020.</p> <p>Conditions for claim:</p> <p>(i) An individual who is QUALIFIED to claim this deduction is a legitimate child or legally adopted child. Claim for this deduction is NOT allowed in respect of step-parents.</p> <p>(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.</p> <p>(iii) The allowable deduction is RM1,500 for only one mother and RM1,500 for only one father. 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.</p> <p>(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.</p>

		<p>(v) Each parent's annual income (from all sources whether taxable or not) does NOT exceed RM24,000 for that year of assessment.</p> <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 up to RM6,000 for the use by:</p> <p>(i) the individual, if he / she is a disabled person; or (ii) the spouse, if he / she is a disabled person; or (iii) his / her child, if the child is a disabled person; or (iv) his / her parent, who is a disabled person.</p> <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 RM6,000 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 up to RM7,000 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> <p>(i) Other than a degree at Masters or Doctorate level 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</p> <p>(ii) Degree at Masters or Doctorate level Any course of study undertaken for the purpose of acquiring any skill or qualification.</p> <p>Refer to the list of recognized local institutions or approved professional bodies in Malaysia at the official portal of the Ministry of Education Malaysia at https://www.moe.gov.my.</p> <p>Paragraph 46(1)(f) of ITA 1967.</p>

F6	Medical expenses on serious diseases for self, spouse or child	<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 up to a maximum of RM6,000 but total deduction allowable for both items, F6 and F7 is restricted to RM6,000.</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 for self, spouse or child	<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 up to a maximum of RM500 but the total deduction allowable for both items, F6 and F7 is limited to a maximum of RM6,000.</p> <p>Paragraph 46(1)(h) of ITA 1967.</p>
F8	Lifestyle	 <p>Restricted to RM2,500</p>
F8(i)	<p>Purchase of books / journals / magazines / printed newspapers / other similar publications</p> <p>Expenditure for the purchase of books, journals, magazines, printed newspapers and other similar publications (in the form of hardcopy or electronic but EXCLUDING banned reading materials 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)	<p>Purchase of personal computer, smartphone or tablet</p> <p>Expenditure for the purchase of personal computer, smartphone or tablet [Does NOT include additional charge for warranty] for own use or for the use by own husband / wife or child, and NOT being used for the purpose of own business.</p> <p>Subparagraph 46(1)(p)(ii) of ITA 1967.</p>	
F8(iii)	<p>Purchase of sports equipment for sports activity defined under the Sports Development Act 1997 and payment of gym membership</p> <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 EXCLUDING motorized bicycles; and</p> <p>(b) payment for gym membership (EXCLUDING club membership which provides gym facilities).</p> <p>Subparagraph 46(1)(p)(iii) of ITA 1967.</p>	
F8(iv)	<p>Payment of monthly bill for internet subscription</p> <p>Payment of monthly bill for internet subscription registered under own name for the use by own self, spouse or child.</p> <p>Subparagraph 46(1)(p)(iv) of ITA 1967.</p>	

F9	Purchase of breastfeeding equipment for own use for a child aged 2 years and below	<p>(a) This deduction is allowed exclusively for women taxpayers, provided that the individual:</p> <ul style="list-style-type: none"> (i) is a breastfeeding mother; (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 (iii) makes a claim that is evidenced by receipts issued in respect of the purchase. <p>(b) Breastfeeding equipment which qualifies are:</p> <ul style="list-style-type: none"> (i) breast pump kit and ice pack; (ii) breast milk collection and storage equipment; and (iii) cooler set or cooler bag. <p>(c) The amount of deduction is limited to RM1,000 although the individual has more than one child.</p> <p>(d) This deduction is only allowed ONCE in every two (2) years of assessment.</p> <p>(e) In the case of a Combined Assessment, this deduction is only allowed if the assessment is made in the name of the wife.</p> <p>Paragraph 46(1)(q) of ITA 1967 (commencing from the Year of Assessment 2017).</p>
		<p>Example 1: Joint Assessment in the Wife's Name</p> <p>Madam Arina has given birth to a child in the year 2019 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>Example 2: Joint Assessment in the Husband's Name</p> <p>Madam Sally has given birth to a child in the year 2019 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>
F10	Child care fees to a registered child care centre / kindergarten for a child aged 6 years and below	<p>This deduction is allowed in respect of child care fees for a child aged 6 years and below paid to a:</p> <ul style="list-style-type: none"> – child care centre registered 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 – kindergarten registered with the Ministry of Education Malaysia pursuant to the Education Act 1996 (Act 550). <p>This deduction is restricted to RM1,000 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 limited to the amount paid 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 OR 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"> • birth document of the child (MyKid or birth certificate); and • receipts for the monthly fees issued by the child care centre or kindergarten. <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 OR 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 OR 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 OR 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 OR 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 OR 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 OR 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 OR 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 AND 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 AND 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 takes effect for the Years of Assessment 2019 and 2020. Amount deposited in SSPN by an individual for his children's education is deductible up to a maximum of RM8,000. The allowable deduction is limited to the net amount deposited in that basis year only.</p> <p>Example: For the year 2019,</p> <p style="padding-left: 40px;">Balance Brought Forward : RM4,500; Total Deposit : RM2,000; and Total Withdrawal : RM1,500.</p>
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		<p>Allowable deduction is RM500 (RM2,000 – RM1,500). The Balance Brought Forward of RM4,500 is not taken into account. Paragraph 46(1)(k) of ITA 1967.</p>
F12	Husband / wife / payment of alimony to former wife	<ul style="list-style-type: none"> • A deduction for husband of RM4,000 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. 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. Subsection 45A(2) of ITA 1967. • A deduction for wife of RM4,000 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. 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. Subsection 47(6) of ITA 1967. • 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 RM4,000. 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.
F13	Disabled husband / wife	<p>A further deduction of RM3,500 is given in respect of a disabled husband / wife. Paragraph 47(1)(b) and section 45A of ITA 1967.</p>
F14	<p>Child</p> <ul style="list-style-type: none"> • No. • 100% Eligibility • 50% Eligibility 	<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>

Example: 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:

	Ali	Wife		Ali	Wife
(i)	5	0	(iv)	2	3
(ii)	4	1	(v)	1	4
(iii)	3	2	(vi)	0	5

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.

However, the following receipts are not treated as income of a child:

- Amount received as scholarship, grant or allowance of a similar nature (paragraph 24 Schedule 6 of ITA 1967); and
- Payments received by a child who is serving an employer under articles or indentures.

Subsection 48(5) of ITA 1967.

F14a	Child - Under the age of 18 years	A deduction of RM2,000 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	<ul style="list-style-type: none"> • A deduction of RM2,000 per child is allowed if the child is unmarried, 18 years of age and above, and receiving full-time instruction. Paragraph 48(1)(b) & (c) and 48(2)(a) of ITA 1967 OR • A deduction of RM8,000 is allowed if the child is unmarried, 18 years of age and above, and satisfies the following conditions: <ol style="list-style-type: none"> (i) receiving full-time instruction (excluding matriculation course / pre degree / A-Level) at a university, college or other similar educational establishment in Malaysia; or (ii) serving under articles or indentures with a view to qualify in a trade or profession in Malaysia; or (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. <p>Paragraph 48(3)(a) of ITA 1967.</p>
F14c	Child - Disabled child	<ul style="list-style-type: none"> • Relief allowed for a disabled child who is unmarried is RM6,000. • An additional relief of RM8,000 is allowed if the disabled child is unmarried, 18 years of age and above, and satisfies the following conditions: <ol style="list-style-type: none"> (i) receiving full-time instruction (excluding matriculation course / pre degree / A-Level) at a university, college or other similar educational establishment in Malaysia; or (ii) serving under articles or indentures with a view to qualify in a trade or profession in Malaysia; or (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. <p>An individual is entitled to a child relief of RM14,000 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

Life insurance and EPF

Working sheet, HK-14 can be used for the purpose of computation and record.

- (a) Payment of life insurance premiums or takaful contribution on life insurance policy contracted on the life of the individual husband or wife / wives is deductible.
 * Deduction is NOT allowed on premiums paid for life insurance policy contracted on the life of the child.
- (b) Contribution to an approved scheme (other than private retirement scheme) or contribution under any written law. Example of an approved scheme is the Employees Provident Fund (EPF).
- (c) Allowable deduction commencing from Year of Assessment 2019:

No.	Type of Contribution	Pensionable Public Servant *	Other Than Pensionable Public Servant
i.	Life insurance premium payments and takaful contributions	Restricted to RM7,000	Restricted to RM3,000
ii.	Contribution to an approved scheme (NOT including private retirement scheme) or contribution under any written law		Restricted to RM4,000
TOTAL:			Restricted to RM7,000

*** Pensionable public servant category**Conditions for claiming:

- The public servant must be a pensionable officer who opted for the pensionable retirement scheme and already confirmed in his appointment in accordance with sections 2, 6A and 7 of the Pensions Act 1980 (Akta 227);
- Did not contribute to an approved scheme (other than private retirement scheme) or contribution under any written law.

Example 1:

Madam Sally retired from the government sector with effect from 1 April 2019. From 1 August 2019, she started work on contract with a private company.

EPF contribution (August – December 2019) : RM2,500

Payment for life insurance premiums (2019) : RM8,000

	Amount Paid (RM)	Deduction Allowed (RM)
Life insurance premium	8,000	3,000 (restricted)
EPF contribution	2,500	2,500
TOTAL:	10,500	5,500

Example 2:

Mr. Manaf ceased employment with a company on 30 June 2019. From 1 September 2019, he started work in the government sector.

EPF contribution (January – June 2019) : RM3,600

Payment for life insurance premiums (2019) : RM7,200

	Amount Paid (RM)	Deduction Allowed (RM)
Life insurance premium	7,200	3,000 * (restricted)
EPF contribution	3,600	3,600
TOTAL:	10,800	6,600

* Mr. Manaf is a public servant with effect from 1 September 2019 but has not attained pensionable status because he is not yet confirmed in his appointment in accordance with sections 7 of the Pensions Act 1980 (Akta 227).

Separate Assessment

A resident individual and his / her spouse who elect for separate assessment, are respectively entitled to claim the deduction as per the schedule in paragraph (c) above.

Example 3:

Mr. Eddy and his wife, Milly who work with a statutory body since 2010, are assessed separately for the Year of Assessment 2019.

The allowable deduction for the Year of Assessment 2019 is as follows:

	EPF contribution (RM)	Payment for life insurance premium (RM)	Deduction Allowed (RM)
Eddy	8,000 (restricted to 4,000)	3,800 (restricted to 3,000)	7,000
Milly	3,500	2,400	5,900

Combined Assessment

Life insurance premiums and EPF contributions paid by the husband / wife who elects for combined assessment shall be deemed to be paid by the spouse.

Example 4:

Mr. Samy is a pensionable public servant who opted for the pensionable retirement scheme whereas his wife, Milly works in the private sector.

Madam Prema elected for combined assessment in the name of her husband for the Year of Assessment 2019.

	EPF contribution (RM)	Payment for life insurance premium (RM)	Deduction Allowed (RM)
Samy	3,600 (Refer to the Note *)	5,600	5,600
Prema	2,400	1,800	4,200
TOTAL			9,800

The amount allowed for deduction is restricted to RM7,000.

* Note:

The EPF contribution made by Mr. Samy is NOT ALLOWED as a deduction because he is a pensionable public servant who opted for the pensionable retirement scheme

F16	<p>Private retirement scheme and deferred annuity</p> <ul style="list-style-type: none"> • This deduction is effective from the Year of Assessment 2012 until 2021. • The deduction allowed shall not exceed RM3,000 in respect of contributions made to a Private Retirement Scheme (PRS) approved by the Securities Commission and paid premiums for deferred annuity. • The total deduction for PRS contributions and deferred annuity premiums is restricted to RM3,000 for an individual and RM3,000 for the spouse who has source of income. If the husband or wife elects for joint assessment, the deduction allowed for the aggregate amount of PRS contributions and deferred annuity premiums is restricted to RM3,000. • Refer to Working Sheet HK-14. • Reference: Public Ruling No. 4/2014 (Deferred Annuity); and Public Ruling No. 9/2014 (Private Retirement Scheme). <p>Subsections 49(1D), 49(1E), 49(3), 50(2) and 50(3) of ITA 1967</p>
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F17	Education and medical insurance	<p>A deduction not exceeding RM3,000 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 restricted to RM3,000 for an individual and RM3,000 for the wife who has source of income. If the husband or wife elects for joint assessment, the deduction allowed for the total of premiums paid for insurance on education and medical benefits is restricted to RM3,000.</p> <p>Refer to Working Sheet HK-14.</p> <p>Subsections 49(1B), 49(4) and 50(2) of ITA 1967.</p>
F18	Contribution to the Social Security Organization (SOCSO)	<p>A deduction not exceeding RM250 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.</p> <p>Paragraph 46(1)(n) of ITA 1967.</p>
F19	Total relief	<p>Sum of amounts from items F1 to F18.</p> <p>Transfer this amount to item B19.</p>
PART G:		NON-EMPLOYMENT INCOME OF PRECEDING YEARS NOT DECLARED
G1 – G2	<p>Income OTHER THAN from employment received in respect of preceding year(s) not previously declared.</p> <p>Example: 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	<p>This section provides the space (a until k) for reporting business / partnership losses of the current year and previous year.</p> <p>Current Year Of Assessment Losses</p> <p>Current year of assessment business and partnership losses absorbed in the current year of assessment and the balance of losses carried forward for deduction in the following year of assessment.</p> <p>Prior Years' Losses *</p> <ul style="list-style-type: none"> • Losses are disregarded / absorbed until the year of assessment preceding the current year of assessment; and • Losses disregarded / absorbed in the current year of assessment and balance of losses carried forward to be disregarded / deducted in the following year of assessment. <p>* Note:</p> <p>With effect from the Year of Assessment 2019, unabsorbed losses are only allowed for carrying forward to be absorbed for a maximum period of up to seven (7) consecutive years [Subsection 44(5F)].</p> <p><u>Special provision relating to sections 43 and 44</u></p> <p>This special provision allows the carrying forward of unabsorbed losses in the Year of Assessment 2018 to be absorbed up to a maximum of 7 years commencing from the Year of Assessment 2019.</p> <p>Working Sheet HK-1.3 and 1.4.</p>

H2	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.
H3	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"> Gross amount of purchases minus discounts / rebates. Cost of production as per Manufacturing Account.
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(es)	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. J15 : Loan Interest Total expenditure on interest excluding interest on hire-purchase / lease.
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 J49.
PART K:		PARTICULARS OF TAX AGENT WHO COMPLETES THIS RETURN FORM
K1 – K4	<ul style="list-style-type: none"> • Tax Agent's Approval No. is the approval number given to tax agent's approved under subsection 153(3) of ITA 1967. • This section has to be completed and duly signed by the tax agent / representative who completes this return form. 	

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	1	0
			Next	15,000		150
C	20,001 - 35,000		First	20,000	3	150
			Next	15,000		450
D	35,001 - 50,000		First	35,000	8	600
			Next	15,000		1,200
E	50,001 - 70,000		First	50,000	14	1,800
			Next	20,000		2,800
F	70,001 - 100,000		First	70,000	21	4,600
			Next	30,000		6,300
G	100,001 - 250,000		First	100,000	24	10,900
			Next	150,000		36,000
H	250,001 - 400,000		First	250,000	24.5	46,900
			Next	150,000		36,750
I	400,001 - 600,000		First	400,000	25	83,650
			Next	200,000		50,000
J	600,001 - 1,000,000		First	600,000	26	133,650
			Next	400,000		104,000
K	Exceeding 1,000,000		First	1,000,000	28	237,650
			For every next ringgit		

COUNTRY CODES					
The following are some of the codes for countries identified. Please refer to Appendix E 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	Malaysia	MY	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