



NON-RESIDENT INDIVIDUAL INCOME TAX

FORM M 2015 EXPLANATORY NOTES

ADDITIONS		
Item	Subject	Page
B22	Section 110 tax deduction (others)	17
D1	Handphone No.	17
Part H	Disposal of Shares in a Real Property Company and Disposal of Real Property subject to the Real Property Gains Tax Act 1976	19

SELF ASSESSMENT SYSTEM

Together We Develop The Nation

A non-resident individual is required to complete either Form M OR Form MT * (for a knowledge worker approved by the Minister). He is considered not resident in Malaysia if he does not qualify for residence status under the provision of section 7 of the Income Tax Act 1967 (ITA 1967). Refer to Public Ruling No. 6/2011 (issued on 16 May 2011) regarding the determination of residence status. If resident under section 7 or deemed to be resident under **subsection 7(1B) **** for a particular year of assessment, he is required to submit either:

Form B (for those who carry on business) OR

Form BT * (for an individual who is a knowledge worker * or returning expert * approved by the Minister) OR

Form BE (for those who do not carry on any business)

meant for resident individuals so that it can be completed and furnished to Lembaga Hasil Dalam Negeri Malaysia (LHDNM) within the stipulated period.

* For further information, refer to P.U. (A) 344/2010 regarding knowledge workers and P.U. (A) 151/2012 on returning experts. **Form MT and Form BT can be downloaded from the LHDNM Official Portal.**

** **Subsection 7(1B) – Deemed to be a Resident**

Where a person who is a citizen and –

(a) is employed in the public services or service of a statutory authority; and

(b) is not in Malaysia at any day in the basis year for that particular year of assessment by reason of –

(i) having and exercising his employment outside Malaysia; or

(ii) attending any course of study in any institution or professional body outside Malaysia which is fully-sponsored by the employer,

he is deemed to be a resident for the basis year for that particular year of assessment and for any subsequent years when he is not in Malaysia.

Husband and wife are required to complete separate return forms if each of them has income accruing in or derived from Malaysia.

This Explanatory Notes is intended to provide assistance in completing the Form M. Read this with care so that the return form and declarations made therein are complete and correct.

Working sheets, records and documents need not be furnished together with the Form M **EXCEPT** where there is a tax refund as per item B24, in which case the following (whichever applies) have to be furnished:-

(i) Working Sheet HK-6 pertaining to the claim for section 110 tax deduction (others);

(ii) Working Sheet HK-9 regarding the foreign tax deducted in the country of origin.

All working sheets, records and documents must be retained for a period of seven (7) years after the end of the year in which the return is furnished.

GENERAL

- **Use BLACK INK pen. Complete the return form using BLOCK LETTERS. Write WITHIN the BOXES provided.**
- **Fill in relevant information only. Leave the box(es) blank if not applicable.**
- Working sheets / appendices are available from the Guidebook at the LHDNM Official Portal:
<http://www.hasil.gov.my>
- **Only original return forms are acceptable.** Return forms furnished via fax to LHDNM will not be accepted.

BASIC PARTICULARS													
Item	Subject	Explanation											
2	Income Tax No.	<p><i>Example:</i> If the income tax reference number is SG 00123456080, enter as follows:-</p> <p>Income Tax No. <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td style="text-align: center;">S</td><td style="text-align: center;">G</td><td style="text-align: center;">1</td><td style="text-align: center;">2</td><td style="text-align: center;">3</td><td style="text-align: center;">4</td><td style="text-align: center;">5</td><td style="text-align: center;">6</td><td style="text-align: center;">0</td><td style="text-align: center;">8</td><td style="text-align: center;">0</td></tr></table></p>	S	G	1	2	3	4	5	6	0	8	0
S	G	1	2	3	4	5	6	0	8	0			
3	Identification No.	Refers to MyID i.e. MyKad number. If there is no MyKad, enter the new or old identity card / police / army number.											
6	Passport No. Registered with LHDNM	This refers to the last passport number filed with LHDNM prior to the current passport.											
PART A: PARTICULARS OF INDIVIDUAL													
A1	Citizen	Enter 'MY' if the individual is a Malaysian citizen. For citizens of countries other than Malaysia, refer to page 19 of this Notes or the full list in Appendix E of the Form M Guidebook for the relevant country code.											
A4	Date of Marriage / Divorce / Demise	This is only relevant if the marriage, divorce / separation (according to any law) or demise occurred in the current year.											
A5	Type of Assessment	<p>Enter '1' if the wife elects for joint assessment to be raised in the name of her husband;</p> <p>OR '2' if the husband elects for joint assessment to be raised in the name of his wife.</p> <p>The individual who elects for joint assessment need not complete items B17 and B18 in Part B of his / her Form M.</p> <p>OR Enter '3' if the individual and spouse elect for separate assessment to be raised in their respective name.</p> <p>OR Enter '4' if the individual is married with a spouse who has tax exempt income / no source of income / no income.</p> <p>OR Enter '5' if the individual is single or a divorcee / widow / widower / deceased person.</p>											
A6	Record-keeping	This refers to the keeping of sufficient records as required under the provision of ITA 1967. Enter '1' for compliance or '2' for non-compliance.											
PART B: STATUTORY INCOME, TOTAL INCOME AND TAX PAYABLE / TAX REPAYABLE													
B1	Statutory income from businesses	<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. These include gross receipts from the sales of goods and services rendered such as medical and legal services.</p> <p>Important legal provisions relating to items which constitute gross business income and allowable expenses are set out in Appendix A1 (Guidebook). Refer to Working Sheets HK-1, HK-1B1 and HK-1.1 to HK-1.2A (whichever applies) in the Guidebook regarding the method for computing each statutory business income.</p> <p><i>Transfer the amount of statutory income from item J5 of Working Sheet HK-1. If there is more than 1 business, enter the sum of statutory income from all the businesses in item B1.</i></p>											

B2	Statutory income from partnerships	Share of profit from carrying on a business, trade, vocation, profession and every manufacture, adventure or concern in the nature of trade is liable to tax. <i>Transfer the amount of statutory income from item E of Working Sheet HK-1B1. If there is more than 1 partnership business, enter the sum of statutory income from all the partnership businesses in item B2.</i>
*	Capital allowance	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. <i>Working Sheets HK-1.2 to HK-1.2A can be used as a guide to compute.</i>
B4	Business losses brought forward	These are business / partnership losses suffered in earlier years of assessment and brought forward to be set off against the current year's aggregate statutory income from businesses. <i>Amount in B4 is restricted to the amount in B3. If the amount in B4 exceeds the amount in B3, enter the amount as per item B3. Record the amount absorbed and any balance unabsorbed in items B and C of Working Sheet HK-1.3 respectively.</i>

B6	Statutory income from employment * / director's fees
-----------	---

*** Claim for Exemption - Paragraph 21 Schedule 6**

Income of a non-resident individual is tax exempt if derived from an employment exercised by him in Malaysia for:-

- (a) a period or periods which together do not exceed 60 days in the basis year for a year of assessment; or
- (b) a continuous period (not exceeding 60 days) which overlaps the basis years for 2 successive years of assessment; or
- (c) a continuous period (not exceeding 60 days) which overlaps the basis years for 2 successive years of assessment and for a period or periods which together with that continuous period do not exceed 60 days.

If there's a claim for exemption under paragraph 21 Schedule 6, enter '1' and the amount exempted in the respective box provided

Example 1:

Mr. Andrew was in Malaysia for the following periods:-

01.03.2015	to	31.03.2015	31 days (employment)
01.09.2015	to	15.09.2015	<u>15 days</u> (employment)
Total:			<u>46 days</u>

His employment income for Y/A 2015 is tax exempt as he is not resident (not physically present in Malaysia for at least 182 days in the basis year) and has exercised his employment for less than 60 days.

Example 2:

Mr. Baker was employed in Malaysia for the following periods:-

01.09.2015	to	30.09.2015	30 days
01.10.2015	to	31.10.2015	<u>31 days</u>
Total:			<u>61 days</u>

He was paid for the period from 1st September 2015 to 31st October 2015. He left Malaysia on the night of 23rd October 2015. 24th, 25th and 31st October 2015 are non-working days and he was on vacation leave from 26th until 30th October 2015. As such, he was physically present in Malaysia for 53 days only. His income for the period of employment (61 days) will be subjected to tax at the non-resident tax rate of 25% (*paragraph 22 Schedule 6*).

The following are examples where the **60-day exemption rule does not apply**:-

Example 3:

Mr. Carter exercised his employment in Malaysia for the following periods:-

01.12.2015	to	31.12.2015	31 days
01.01.2016	to	31.01.2016	<u>31 days</u>
Total:			<u>62 days</u>

His employment income for the continuous period (exceeding 60 days) which overlaps the basis years for 2 successive years of assessment will be subjected to tax. He will be taxed as a non-resident at the rate of 25% for Y/A 2015 and 28% for Y/A 2016.

Example 4:

Mr. Daniel exercised his employment in Malaysia for the following periods:-

01.12.2015	to	31.12.2015	31 days
01.01.2016	to	31.01.2016	31 days
01.03.2016	to	15.03.2016	<u>15 days</u>
Total:			<u>77 days</u>

His employment income for the continuous period which overlaps the basis years for 2 successive years of assessment and another period which in total exceeds 60 days, will be subjected to tax at the non-resident rate. He will be taxed as a non-resident at the rate of 25% for Y/A 2015 and 28% for Y/A 2016.

The 60-day exemption rule does not apply to:-

- (a) non-resident directors of Malaysian companies
- (b) public entertainers

Example:

Professional entertainers, artistes, sportspersons or other individuals who entertain publicly or privately on stage, radio, television, at a stadium or sports ground for profit or otherwise unless their visit is supported by public funds of a government of another country.

This rule also does not apply to film stars coming to Malaysia in connection with the shooting of scenes although they are not considered as public entertainers.

Double Taxation Agreements

Where there is a claim for exemption under a Double Taxation Agreement, enter '2', the appropriate country code and amount exempted in the respective box provided.

To fill in the required particulars, refer to:

- (a) the relevant country code on page 19 of this Notes or the full list in Appendix E (Guidebook); and
- (b) Appendix F for the list of countries which have Double Taxation Agreement with Malaysia.

GROSS EMPLOYMENT INCOME subject to tax includes wages, salary, remuneration, leave pay, director's fee, commission, bonus, *perquisite* * (example: tips, share option scheme), *gratuity* *, allowance (example: *entertainment and travelling allowance* *, *tax allowance / tax borne by the employer* *), loan subsidy, insurance premium, school / tuition fee paid by the employer, etc. whether in money or otherwise in respect of having or exercising the employment [**paragraph 13(1)(a)**].

(* Further explanation is given below)

- With effect from Year of Assessment 2009, bonus or director's fee shall, when received in the basis year, be treated as part of the gross income from employment for the basis year in which it is received and assessed as such.
- **Perquisites** are benefits in cash or in kind convertible into money and received from the employer or third parties in respect of having or exercising an employment (Public Ruling No. 2/2013).

Refer to Public Ruling No. 11/2012 on perquisites relating to **ESOS** (Employee Share Option Scheme). **With effect from Year of Assessment 2009 - For the purpose of ascertaining the gross employment income in respect of any right to acquire shares in a company, the market value of shares listed on any stock exchange, is the average price which is ascertained by averaging the highest and lowest price of the shares for the day. In any other case, the market value of the shares is the net asset value of the shares for the day.** [paragraph 32(1A)(b)]

- **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 part of the gross income from employment.
- **Reimbursements** by the employer to the employee in respect of both are neither liable to tax nor deductible. Enter the amount of allowable deduction in item H / item J (whichever applies) of Working Sheet HK-2.

Where the employer reimburses his employee for expenses not wholly and exclusively incurred in the production of gross employment income such as private / domestic expenses, such reimbursement is subject to tax.

Enter paragraph 13(1)(a) income (other than gratuity and tax allowance) in item A1 of Working Sheet HK-2.

Tax exempt allowances / perquisites / gifts / benefits received by employee from employer according to the 2009 Budget announcement:

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

NO.	TYPE OF ALLOWANCES / PERQUISITES / GIFTS / BENEFITS	EXEMPTION LIMIT	YEAR OF ASSESSMENT
(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; and (c) long service award (provided that the employee has exercised an employment for more than 10 years with the same employer). <i>(Paragraph 25C Schedule 6 of ITA 1967)</i>	Restricted to RM2,000 in amount or value for a year of assessment	With effect from 2008
(ii)	Petrol card, petrol allowance, travelling allowance or toll payment 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 7 years for audit purpose.	Restricted to RM6,000 for a year of assessment	With effect from 2008
(iii)	Child care allowance in respect of children up to 12 years of age.	Restricted to RM2,400 for a year of assessment	With effect from 2008
(iv)	Gift of fixed line telephone, mobile phone, pager or <i>Personal Digital Assistant</i> (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	With effect from 2008

NO.	TYPE OF ALLOWANCES / PERQUISITES / GIFTS / BENEFITS	EXEMPTION LIMIT	YEAR OF ASSESSMENT
(v)	Monthly bills for subscription of broadband, fixed line telephone, mobile phone, pager and PDA 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	With effect from 2008
(vi)	Consumable business products of the employer provided free of charge 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 not exempted from tax .	Restricted to RM1,000 for a year of assessment	With effect from 2008
(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 not exempted from tax .	Restricted to the amount of discount or amount of services provided free	With effect from 2008
(viii)	Parking rate and parking allowance. This includes parking rate paid by the employer directly to the parking operator.	Restricted to the actual amount expended	With effect from 2008
(ix)	Meal allowance received on a regular 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.	Restricted to the actual amount expended	With effect from 2008
(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. <i>Examples:</i> Malay traditional massage, ayurvedic or acupuncture Complimentary medicine and homeopathy such as aromatherapy, reflexology, spa and Thai traditional massage are not included in this exemption.	Restricted to the actual amount expended	With effect from 2008
(xi)	Subsidised interest for housing, education or car loan is fully exempted from tax if the total amount of loan taken <u>in aggregate</u> 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: $A \times \frac{B}{C}$ Where; 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; 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; C = is the total aggregate of the principal amount of housing, education or car loan taken by the employee Housing loan – Applicable to residential property regardless of whether the employee already owns another residential property. Education loan – Applicable to education loan utilised for the employee's own education. Car loan – Car means a motor vehicle other than a motor vehicle licensed for the commercial transportation of goods and passengers.		With effect from 2008

THE ABOVE EXEMPTIONS ARE NOT APPLICABLE TO AN EMPLOYEE HAVING CONTROL OVER HIS EMPLOYER

If the employee has control over his employer, the allowances / perquisites / gifts / benefits received by him is taken to be part of his employment income and subject to tax.

'Control over his employer' means:

- (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;
- (b) for a partnership, the employee is a partner of the employer; or
- (c) for a sole proprietor, the employee and the employer is the same person.

OTHER TAX EXEMPT BENEFITS-IN-KIND:

Refer to the list of tax exempt benefits-in-kind in Appendix B3 of the Form M 2015 Guidebook.

Gratuity:

This refers to a sum received upon retirement or termination of a contract of employment **[paragraph 13(1)(a)]** (Refer to Public Ruling No. 8/2013). Appendix B1 and Working Sheet HK-2.2 in the Guidebook may be used as a guide.

Gratuity is fully exempted in the following circumstances:-

- (a) If the Director General of Inland Revenue is satisfied that the retirement is due to ill health.
- (b) If the individual has worked 10 years continuous employment with the same employer or companies within the same group, full exemption is given if:
 - (i) he retires on or after reaching the age of 55 years or on reaching the compulsory age of retirement; or
 - (ii) he retires on reaching the compulsory age of retirement pursuant to a contract of employment or collective agreement at the age of 50 but before 55.
- (c) If the gratuity is paid out of public funds on retirement or termination of a contract of employment.
- (d) Death gratuity.

Taxable gratuity is apportioned according to Method 1, 2 or 3 shown below:-

Method 1: Amount of taxable gratuity is treated as accruing evenly over the period of continuous employment

Example: Length of service - 151 days (1.10.2014 to 28.2.2015);
Gratuity received - RM5,000

<u>Period</u>	<u>Y/A</u>	<u>Taxable Gratuity (RM)</u>	<u>Enter the amount in:</u>
01.10.2014 to 31.12.2014	2014	$\frac{92}{151} \times 5,000 = 3,046$	Part E (Form M)
01.01.2015 to 28.02.2015	2015	$\frac{59}{151} \times 5,000 = 1,954$	Item A2 (Working Sheet HK-2)

Method 2: Where the employment commenced more than 4 years before the commencement of the basis period in which the employment ceases, the amount of taxable gratuity is divided equally over the last 6 years of assessment.

Example: Length of service - 7 years 3 months (1.7.2008 to 30.9.2015);
Gratuity received - RM48,000

<u>Period</u>	<u>Y/A</u>	<u>Taxable Gratuity (RM)</u>	<u>Enter the amount in:</u>
2011 to 2014	2011 to 2014	$48,000 \times \frac{1}{5} = 9,600$ per year	Part E (Form M)
2015	2015	$48,000 \times \frac{1}{5} = 9,600$	Item A2 (Working Sheet HK-2)

Tax Allowance:

If an employee's tax is borne by his employer, it is a tax allowance chargeable to tax on him under **paragraph 13(1)(a)** of ITA 1967 (Public Ruling No. 2/2006). Appendix B2 and Working Sheet HK-2.3 are provided in the Guidebook for reference.

Computation of Tax Fully Borne by the Employer

Example: Period of employment in Malaysia - 1.10.2014 to 31.1.2015

<u>Y/A 2014</u>	<u>RM</u>
Salary [paragraph 13(1)(a)]	75,000
Benefit-in-kind	1,500
Accommodation provided by employer (Hotel: RM75,000 x 3%)	<u>2,250</u>
Chargeable Income:	<u>78,750</u>

Tax on RM78,750 at 26% = **RM20,475.00 (A)**

<u>Y/A 2015: Step 1</u>	<u>RM</u>	<u>Y/A 2015: Step 2 (Final Computation)</u>	<u>RM</u>
Salary	25,000	Salary	25,000
Tax allowance (A)	<u>20,475</u>	Tax allowance	
Paragraph 13(1)(a) income:	45,475	(RM20,475.00 + RM11,834.75)(A + B)	<u>32,309</u>
Benefit-in-kind	500	Paragraph 13(1)(a) income:	57,309
Accommodation provided by employer (Hotel: RM45,475 x 3%)	<u>1,364</u>	Benefit-in-kind	500
Chargeable Income:	<u>47,339</u>	Accommodation provided by employer (Hotel: RM57,309 x 3%)	<u>1,719</u>
Tax on RM47,339 at 25% = RM11,834.75 (B)		Chargeable Income:	<u>59,528</u>
		Tax on RM59,528 at 25% = RM14,882.00	

Therefore, tax payable for Y/A:

2014 = RM20,475.00

2015 = RM14,882.00

Computation of Tax Partly Borne by the Employer

Example: Period of employment in Malaysia - 1.3.2015 to 30.6.2015
Half of the employee's tax is borne by the employer

<u>Y/A 2015: Step 1</u>	<u>RM</u>	<u>Y/A 2015: Step 2 (Final Computation)</u>	<u>RM</u>
Salary [paragraph 13(1)(a)]	100,000	Salary	100,000
Benefit-in-kind	2,220	Tax allowance (RM27,355.00 x $\frac{1}{2}$)	<u>13,677</u>
<u>Accommodation provided by employer:</u>		Paragraph 13(1)(a) income:	113,677
Defined value		Benefit-in-kind	2,220
= RM1,800 x 4 months (rent paid by employer)		<u>Accommodation provided by employer :</u>	
= RM7,200 OR		Defined value = RM7,200 OR	
RM100,000 x 30% = RM30,000		RM113,677 x 30% = RM34,103.10	
whichever is lower	<u>7,200</u>	whichever is lower	<u>7,200</u>
Chargeable Income:	<u>109,420</u>	Chargeable Income:	<u>123,097</u>
Tax on RM109,420 at 25% = RM27,355.00		Tax payable (RM123,097 at 25%)= RM30,774.25	

Enter the computed tax allowance in item A3 of Working Sheet HK-2.

Benefits-In-Kind (BIK):

These are benefits not convertible into money provided by an employer for the personal use or enjoyment by his employee, wife, family, servants, dependents or guests of his employee.

Its value which is determined according to **Public Ruling No. 3/2013**, shall be taxed under **paragraph 13(1)(b)** of ITA 1967 except for tax exempt benefits-in-kind.

Refer to Appendix B3 of the Form M Guidebook for tax exempt benefits-in-kind. However, what is provided beyond the exemption limit such as leave passage for travel is liable to tax.

Appendix B3 and Working Sheet HK-2.4 are provided in the Guidebook to assist in the computation.

Enter the taxable value of the benefit in item B of Working Sheet HK-2.

Value Of Living Accommodation Benefit:

This refers to **living accommodation in Malaysia** provided by an employer for the benefit of his employee and spouse, family, servants, dependents or guests.

The value of this benefit to be treated as the employee's gross income from employment under **paragraph 13(1)(c)** is the value of the unfurnished accommodation. Where furniture is provided together with the accommodation, the value of the benefit (furniture) is to be included as gross income from employment under paragraph 13(1)(b) [refer to 'Benefits-In-Kind' in Appendix B3 of the Guidebook].

With effect from Year of Assessment 2009, gross income from perquisite in respect of any right to acquire shares in a company shall be excluded from the gross employment income under paragraph 13(1)(a) when computing the value of living accommodation benefit. Refer to **Public Ruling 3/2005** and its **Addendum** regarding computation. The following illustrates some methods of computation.

Appendix B4 and Working Sheet HK-2.5 are available in the Guidebook for reference.

Enter the taxable value of living accommodation benefit in item C of Working Sheet HK-2.

Category 1: Living accommodation provided for the employee (other than officer of a government / statutory body) or service director by the employer

Value of accommodation provided:

30% x Gross income from employment under paragraph 13(1)(a) **EXCLUDING** Gross income in respect of any right to acquire shares in a company *

OR

Defined value of the living accommodation **whichever is lower**

Example A: Shared equally with another employee

Example B: $\frac{1}{3}$ of the premise is used for advancing the interests of the employer (official use)

	Example A	Example B
Gross income from employment * (T)	RM45,000	RM25,000
Period for which accommodation is provided	3 months (mths)	4 months
Monthly rent (unfurnished accommodation)	RM2,000	RM3,000
Length of employment in the current year	3 months	5 months
Computation:		
Defined value =	$2,000 \text{ per mth} \times 3\text{mths} \times \frac{1}{2}$ = RM3,000	$3,000 \text{ per mth} \times 5\text{mths} \times \frac{2}{3}$ = RM10,000
OR	OR	OR
30% x T whichever is lower	$30\% \times 45,000 = \text{RM}13,500$	$30\% \times 25,000 = \text{RM}7,500$
Therefore, the value of living accommodation benefit is:	$\text{RM}3,000 \times \frac{3}{3} = \text{RM}3,000$	$\text{RM}7,500 \times \frac{4}{5} = \text{RM}6,000$

Category 2: Living accommodation provided for the director of a controlled company by the employer

Value of accommodation provided: Defined value of the living accommodation provided

Example C: Not shared

Example D: Shared equally with another employee

	Example C	Example D
Gross income from employment *	RM100,000	RM60,000
Period for which accommodation is provided	3 months (mths)	4 months
Monthly rent (unfurnished accommodation)	RM3,000	RM2,000
Length of employment in the current year	5 months	4 months
Computation:		
Defined value =	$\text{RM}3,000 \text{ per mth} \times 5\text{mths}$ = RM15,000	$\text{RM}2,000 \text{ per mth} \times 4\text{mths}$ = RM8,000
Therefore, the value of living accommodation benefit is:	$15,000 \times \frac{3}{5} = \text{RM}9,000$	$8,000 \times \frac{1}{2} \times \frac{4}{4} = \text{RM}4,000$

Category 3: Employee (other than officer of a government / statutory body) or service director provided with living accommodation at a hotel, hostel or similar premise; any premise on a plantation or in a forest; or any premise which, although in a rateable area, is not subject to public rates.

Value of accommodation provided:

3% x Gross income from employment under paragraph 13(1)(a) **EXCLUDING** Gross income in respect of any right to acquire shares in a company *

	<u>Example E</u>	<u>Example F</u>
Gross employment income * (T)	RM36,000	RM40,000
Period for which accommodation is provided (n)	4 months	3 months
Length of employment in the current year (m)	4 months	4 months
Value of living accommodation benefit: $3\% \times T \times \frac{n}{m}$	$3\% \times 36,000 \times \frac{4}{4}$ = RM1,080	$3\% \times 40,000 \times \frac{3}{4}$ = RM900

Refund From Unapproved Pension Or Provident Fund, Scheme Or Society

This refers to any amount paid out from the employer's contribution in such fund / scheme / society to the employee before or after his employment ceases. Such refund is subject to tax. Working Sheet HK-2.6 in the Guidebook may be used for computation.

Enter the taxable amount in item D of Working Sheet HK-2.

Compensation For Loss Of Employment

This is payment made by an employer to his employee as compensation for loss of employment. Exemption is granted if the loss of employment is due to:-

- (i) ill-health.
- (ii) in cases other than (i) above, where the individual ceased employment on or after 1 July 2008, exemption of RM10,000 is granted for each completed year of service with the same employer or companies in the same group.

Only the amount received beyond what is exempted, shall be taxed in the year of receipt / judgement given (Legal fees are not deductible). Working Sheet HK-2.7 is provided in the Guidebook to assist in the computation.

Enter the taxable amount in item E of Working Sheet HK-2.

Subscriptions To Professional Bodies

These are membership subscriptions paid to professional bodies to ensure the continuance of a professional standing for practice such as those paid by doctors or lawyers, and are deductible from the employment income.

Enter the amount in item G of Working Sheet HK-2.

B7 Statutory income from rents

These are income from rental / leasing of immovable properties such as landed properties (land, buildings, etc.) situated in Malaysia and other similar assets. Allowable expenses are deductible against the gross rental income from the property (source). Where the property does not generate any income, such expenses are disallowed. Rental income from each source is computed separately. Only the sum of net income from all rental sources is to be taken into account in the tax computation.

*Use Working Sheet HK-4 to compute (see sample of working sheet on page 20 of this Notes). Transfer the total statutory income from rents in item D of the working sheet to **item B7** of the Form M.*

Enter the sum of dividends and rents in item B7 of the Form M.

Examples of Allowable Expenditure

Interest on loan taken to purchase the property (source), quit rent, assessment, fire insurance premium, renewal of rental / lease agreement, repairs and maintenance, management fee, service charge and sinking fund for apartment / condominium, rental collection fee (Where no details are available, it is restricted to 5% of the total gross rental for the year from that source), estate agent's commission for finding tenants to ensure that the property continues to be let out.

Examples of Non-Allowable Expenditure

Capital repayment of loan taken to acquire the property, renovations and improvements to the property, installation of electrical items (eg. air conditioners, water heater etc.), furnishings (initial), capital allowance (as rental is not considered a business source for individuals), estate agent's commission for finding the very first tenant / lessee for that property and the cost of preparation of the rental agreement with that tenant.

Example 1: A non-resident individual receives rental income from letting out his house in Malaysia.

	<u>RM</u>	Tax Computation:	<u>RM</u>	<u>RM</u>
Rental received (1.1.2015 - 31.12.2015)	7,800	Gross rental		7,800
<u>Expenses on house:</u>		<u>Less:</u> Expenses		
Assessment	320	Assessment	320	
Penalty for late payment of assessment	32	Loan interest	2,368	
Payment of bank loan including interest of RM2,368.59	10,790	Repair on roof	<u>270</u>	<u>2,958</u>
Repair on roof	270	Adjusted Income / Statutory Income:		<u>4,842</u>
		Enter RM4,842 in item B7 of the Form M.		

Example 2: In computing the adjusted income from rent, the properties can be grouped into the following categories:-

- (a) Residential
- (b) Shophouses / Commercial properties; and
- (c) Vacant land

Computation of adjusted rental income for each source:

Property	Gross Income (RM)	Allowable Expenses (RM)	Net Gain / (Net Loss) [RM]
Shophouse 1	24,000	8,000	16,000
Shophouse 2	12,000	14,000	(2,000)
Apartment	30,000	12,000	18,000
Vacant land	1,200	1,500	(300)
TOTAL:	67,200	35,500	

Aggregated amount of adjusted rental income from different sources:

	<u>RM</u>
Residential property (apartment)	18,000
Commercial properties (Shophouse 1 & 2)	14,000
Vacant land	<u>NIL</u>
Amount to be entered in item B7 of the Form M	<u>32,000</u>

B8	Statutory income from discounts, premiums, pensions, annuities, other periodical payments, other gains or profits and additions pursuant to paragraph 43(1)(c)
<p>Discounts</p> <p>These relate to earnings from discounting transactions such as dealings in treasury bills, bills of exchange and promissory notes which are liable to tax.</p>	
<p>Premiums</p> <p>Amounts received in connection with the granting of a lease on immovable properties such as land and buildings are liable to tax.</p>	
<p>Pensions</p> <p>Pensions derived from Malaysia and paid to a person on reaching the age of 55 years / compulsory age of retirement or who retires due to ill-health are exempt from tax if paid out from an approved fund, scheme or society. Where a person is paid more than one pension, only the higher or highest pension is exempt from tax. Other pensions not tax exempt have to be taken into account in the tax computation.</p>	
<p>Annuities</p> <p>These are sums of money received in accordance with a will, settlement, insurance policy, investment of money or contract entitling the annuitant to a series of payments, whether or not received regularly or for a limited period only. Annuities received under annuity contracts issued by the Malaysian life insurers are tax exempt (paragraph 36 Schedule 6). Only annuities not tax exempt are to be taken into account in the tax computation.</p>	
<p>Other Periodical Payments</p> <p>These refer to recurring payments received not falling under any of the above categories such as alimony and sums payable under a separation order. The amounts received are liable to tax.</p>	
<p>Other Gains Or Profits</p> <p>Other taxable income not falling under any of the above categories includes payments received for part-time / occasional broadcasting, lecturing, writing, etc.</p>	
<p>Additions Pursuant To Paragraph 43(1)(c)</p> <p>These are income subject to tax and shall be included in the aggregate income if a claim for deduction of the following expenditure had previously been made and allowed by LHDNM. These refer to earnings / proceeds received in respect of qualifying prospecting expenditure under Schedule 4 ITA 1967. Please refer to paragraph 43(1)(c) and paragraph 16 Schedule 4 of ITA 1967 to compute the amount that should be taken into account as part of the aggregate income.</p> <p><input type="checkbox"/> Enter the sum of discounts, premiums, taxable pensions, annuities, other periodical payments, other gains or profits and additions pursuant to paragraph 43(1)(c) (if any) in item B8 of the Form M.</p>	
B10	Current Year Business Losses
<p>Current year losses from business and partnership can be deducted from the same year's aggregate income. Where the losses cannot be fully absorbed due to insufficiency of the aggregate income, the excess can be carried forward to be set off against the following year's aggregate statutory income from businesses and partnerships.</p>	
<p><i>Use Working Sheets HK-1 and HK-1.3 to compute before filling in item B10 of the Form M. 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 item B9. Record the amount absorbed and any balance unabsorbed in items E and F of Working Sheet HK-1.3 respectively.</i></p>	

B11	Qualifying Prospecting Expenditure – Schedule 4 And Paragraph 44(1)(b)
Expenditure on prospecting operations which is wholly and exclusively incurred in searching for, discovering or winning access to mineral deposits in an eligible area or in testing such deposits, qualifies for deduction. Enter the amount of claim in item B11 of the Form M.	
B12	Approved donations / gifts / contributions
Gift of Money to the Government, State Government or Local Authorities Gift of money to the Government, State Government or local authorities. Subsection 44(6)	
<p>Gift of Money to Approved Institutions or Organisations Gift of money to institutions / organisations approved by the Director General of Inland Revenue. Subsection 44(6) and proviso</p> <p>Gift of Money or Cost of Contribution In Kind for any Approved Sports Activity or Sports Body Gift of money or cost of contribution in kind for any sports activity approved by the Minister or any sports body approved by the Commissioner of Sports appointed under the Sports Development Act 1997. Subsection 44(11B)</p> <p>Gift of Money or Cost of Contribution In Kind for any Project of National Interest Approved by the Minister of Finance Gift of money or cost of contribution in kind for any project of national interest approved by the Minister of Finance. Subsection 44(11C)</p>	
} Restricted to 7% of the Aggregate Income in item B9	
Gift of Artefacts, Manuscripts or Paintings to the Government / State Government An amount equal to the value of the gift as determined by the Department of Museums Malaysia or the National Archives. Subsection 44(6A)	
Gift of Money for the Provision of Library Facilities or to Libraries Gift of money for the provision of library facilities accessible to the public and contributions to public libraries, libraries of schools and institutions of higher education, not exceeding RM20,000. Subsection 44(8)	
Gift of Money or Contribution In kind for the Provision of Facilities in Public Places for the Benefit of Disabled Persons An amount equal to any gift of money or contribution in kind (its value to be determined by the relevant local authority) for the provision of facilities in public places for the benefit of disabled persons. Subsection 44(9)	
Gift of Money or Medical Equipment to any Healthcare Facility Approved by the Ministry of Health An amount equal to any gift of money or the cost or value of any gift of medical equipment (as certified by the Ministry of Health) to any healthcare facility approved by the Ministry, not exceeding RM20,000. Subsection 44(10)	
Gift of Paintings to the National Art Gallery or Any State Art Gallery An amount equal to any gift of painting to the National Art Gallery or any state gallery. Subsection 44(11)	
B14	TAXABLE PIONEER INCOME
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. <i>Refer to Working Sheet HK-1E for the amount to be entered in this item.</i>	

B15 Gross income subject to tax at other rates

This refers to income on which rates other than 25% apply such as interest, royalties, special classes of income under section 4A and other income subject to tax at gross.

If such income entitles an individual to a tax refund as per item B24 of the Form M pertaining to a claim for section 110 tax deduction (others), Working Sheet HK-6 must be submitted with the Form M.

Interest Including Loan Stock Interest

Only interest (including loan stock interest) not tax exempt is taken into account in the tax computation.

Examples of tax exempt interest:

- Interest derived from Malaysia on an approved loan (paragraph 27 Schedule 6 of ITA 1967).
- Interest paid or credited by any person carrying on the business of banking or finance in Malaysia and licensed under the Banking and Financial Institutions Act 1989 or the Islamic Banking Act 1983, or by any other institution approved by the Minister (paragraph 33 Schedule 6 of ITA 1967)
- Interest paid or credited to any person in respect of Islamic securities originating from Malaysia, other than convertible loan stock issued in any currency other than *Ringgit*, and approved by the Securities Commission or the Labuan Offshore Financial Services Authority (paragraph 33B Schedule 6 of ITA 1967).

*Enter the amount of taxable interest at gross in **item B15** of the Form M or transfer the amount from item C of Working Sheet HK-6.*

Royalties

These are sums received in respect of:

- the use of or the right to use property or rights such as copyrights, patents, trademarks, films and tapes, know-how or information concerning technical, industrial, commercial or scientific knowledge, experience or skill; or
- the alienation of any such property, know-how or information as mentioned above.

*Enter the gross royalty income in **item B15** of the Form M or transfer the amount from item D of Working Sheet HK-6.*

Special Classes of Income under Section 4A

Income derived from Malaysia by a non-resident person in respect of amounts paid in consideration of:

- services rendered by the person or his employee in connection with the use of property or rights belonging to, or the installation or operation of any plant, machinery or other apparatus purchased from, such person;
- technical advice, assistance or services rendered in connection with the technical management or administration of any scientific, industrial or commercial undertaking, venture, project or scheme; or
- rent or other payments made under any agreement or arrangement for the use of any movable property.

*Enter the gross income in **item B15** of the Form M or transfer the amount from item E of Working Sheet HK-6.*

Other Income

This refers to other taxable income not mentioned above. Specify the type of income in the box provided.

*Enter the gross income in **item B15** of the Form M or transfer the amount from item G of Working Sheet HK-6.*

- Enter the sum of interest, royalties, special classes of income under section 4A and other income subject to tax at gross on which rates other than 25% apply, in item B15 of the Form M.**

B17 TOTAL INCOME TRANSFERRED FROM HUSBAND / WIFE FOR JOINT ASSESSMENT**Conditions on Eligibility to Elect for Joint Assessment**

A husband / wife who is not resident in Malaysia may elect only if:-

- he or she who elects is a Malaysian citizen and has *total income* * ;
- the spouse in whose name the joint assessment is to be raised, has *total income** ; and
- both husband and wife were living together and did not cease to live together or to be husband and wife of each other in the basis year for a year of assessment.
- Where the husband has more than one wife, election shall only be made with one wife. Election is valid only if no other wife / wives of his, elects to combine her total income with his total income.

* *Note: An individual is considered as having no 'total income' (i.e. amount 'Nil' for item B16 of the Form M) if:*

- (i) *he / she suffered loss from business; or*
- (ii) *the amount of expenditure exceeds the gross income in respect of non-business source(s) for a year of assessment and therefore does not satisfy the condition for joint assessment.*

An individual is also not eligible to elect for joint assessment if he / she does not have any income / source of income.

Joint Assessment

- Election for joint assessment has to be made in writing under **item A5** of the Form M. Enter '1' if the wife elects for joint assessment to be raised in the name of the husband; or '2' if vice-versa.

The individual and the spouse are required to fill out separate return forms (M / MT / B / BT / BE). If the spouse in whose name the joint assessment is to be raised is resident in Malaysia, then the spouse is required to fill out either Form B, BT or BE, whichever is applicable.

- **Example:**

If the wife elects for joint assessment, she is required to enter '1' in **item A5** and her total income in **item B16** of her Form M. She need not fill in items B17 and B18 of Part B in her Form M. Where relevant, other parts of the return form must be filled.

Then she has to enter her total income in either item:-

- B17 (Form M),
- B17 (Form MT),
- B17 (Form B),
- B17 (Form BT) **OR**
- B7 (Form BE) of her husband; and

enter '1' if it includes business income or '2' if not.

Instalments / Scharular Tax Deductions (STD) [if any] paid by the husband and wife for the current year of assessment, have to be totalled and entered in either item:-

- B25 (Form M),
- B25 (Form MT),
- B28 (Form B),
- D6 (Form BT) **OR**
- B18 (Form BE) of her husband on whom the tax is to be raised.

B20 to B20c Computation Of Tax Chargeable

In general, the chargeable income of an individual not resident in Malaysia is taxed at the flat rate of 25%. However, if the chargeable income includes income subject to tax at gross on which rates other than 25% apply, it has to be apportioned according to the applicable rate.

Tax rates according to ITA 1967 (percentage on gross):

Interest - 15%, Royalty - 10%, Section 4A - 10%, Paragraph 4(f) – 10%
Other income - Refer to ITA 1967

Refer to Appendix F in the Guidebook for tax rates according to Double Taxation Agreements.

B22	Section 110 (others) and Section 133	
Section 110 tax deduction (others)		
This arises when there is a claim for credit with respect to <i>income</i> * from which tax has been withheld / charged and remitted to LHDNM in compliance with income tax provisions.		
Section 110 tax deduction (others) does NOT include withholding tax payment pursuant to Section 107A.		
* Refers to ' Other Gains Or Profits ' (B8) and ' Gross Income Subject To Tax At Other Rates ' (B15) on pages 13 and 15 respectively.		
Use Working Sheet HK-6 to compute. Transfer the amount from item B of the working sheet to this item.		
Section 133 tax relief		
Where there is no Double Taxation Agreement between Malaysia and a foreign country, an individual who is charged to tax in Malaysia and has suffered tax in respect of the same income in that foreign country in which the income arose, may claim unilateral credit. This credit shall not exceed half the foreign tax payable on that income.		
Refer to Schedule 7 of ITA 1967 and Working Sheet HK-9 to compute the amount of credit. Transfer the amount from item B of the working sheet to this item.		
Item	Subject	Explanation
B23	TAX PAYABLE	Enter '0' in this box if entitled to a tax refund as per item B24.
B24	TAX REPAYABLE	This item is applicable if the total tax deduction and tax relief in item B22 exceeds the amount in item B23. Furnish Working Sheets HK-6 / HK-9 (whichever is applicable) together with the Form M.
B25	Instalments / Monthly Tax Deductions paid for 2015 Income – SELF and HUSBAND / WIFE if joint assessment	Where Working Sheet HK-10 is used to compute, transfer the amount from item E of the working sheet to this box. This excludes payments made in respect of outstanding tax for previous years of assessment. However, deductions made in 2015 in respect of bonus or director's fee has to be included in this item.
B26	Balance of Tax Payable / Tax Paid In Excess	Payment must be made within the stipulated period. Please read the 'Reminder' on the Form M cover.
DECLARATION		
If the return form is not affirmed and duly signed, it shall be deemed incomplete and will not be processed. Notification of Incomplete Return Form will be issued to you for information. The use of signature stamp is not allowed. Penalty will be imposed for late resubmission of the return form to LHDNM.		
Note: 'Executor' refers to the executor, administrator or other person administering or managing the estate of a deceased person.		
PART C: PARTICULARS OF HUSBAND / WIFE		
For an individual having more than one wife, prepare the required information as per format C1 to C6 by using attachment(s) and furnish together with the Form M.		
PART D: OTHER PARTICULARS		
Please ensure that the information given is correct. This information is for the official use of LHDNM only.		
Note: For submission via e-Filing, either one item i.e. D1 (Handphone No.) or D3 (e-Mail) is compulsorily required to be completed.		
D1	Telephone No.	Telephone number of the individual's office / residence.
	Handphone No.	Handphone number of the individual.
D3	e-Mail	e-Mail address of the individual.

For the purpose of tax refund (if any) by LHDNM, please ensure that:-

- the information requested is correctly entered in items D5 to D8.
- the identification / passport number registered with LHDNM is the same as the identification / passport number registered at the bank.

D5	Name of Bank	Name of the bank where the individual has a bank account.
D6	Bank Account No.	Bank account number of the individual in relation to D5.

Items D7 and D8 are only applicable if there is a request for the tax refund to be credited to a bank account at a bank outside Malaysia.

D7	Type of Foreign Currency Requested	State the type of foreign currency as in the bank account in D6.
D8	SWIFT Code	Enter the SWIFT code of the bank in D5. This code is available from the bank.

PART E: INCOME OF PRECEDING YEARS NOT DECLARED

Income received in respect of any earlier year not previously declared such as payment of salary, bonus *, director's fee *, allowance, commission, dividend in arrears, etc. has to be reported in this section. If the amount received relates to more than one (1) year, enter separately according to the year for which it is paid. In case of insufficient writing space, prepare the information in the same format as per items E1 and E2 by using attachment and furnish together with the return form.

*** With effect from Year of Assessment 2009, bonus or director's fee shall, when received in the basis year, be treated as part of the gross income from employment for the basis year in which it is received and assessed as such.**

PART F: FINANCIAL PARTICULARS OF INDIVIDUAL

If there is more than one (1) business, fill relevant particulars from the current year's Manufacturing Account (if any), Trading, Profit & Loss Account and Balance Sheet of the **main business**. Where there is more than one main business, enter the particulars of the business with the highest turnover.

PART G: PARTICULARS OF BUSINESS INCOME

G1	Losses carried forward	Balance of business / partnership losses from current year and previous year not absorbed. Amount from item G of Working Sheet HK-1.3
G2	Pioneer loss carried forward	Pioneer business loss can only be absorbed by income from other pioneer business. Hence, its accounts must be kept separate from that of non-pioneer business. Amount from item E of Working Sheet HK-1.4
G3	Business capital allowance carried forward	This refers to the claim for capital allowances in the computation of statutory income from business(es). Enter the balance of capital allowance not absorbed in the current year. Amount from item K6 of Working Sheet HK-1
G4	Partnership capital allowance carried forward	This refers to the claim for capital allowances in the computation of statutory income from partnership(s). Enter the balance of capital allowance not absorbed in the current year. Amount from item F5 of Working Sheet HK-1B1

PART H: DISPOSAL OF SHARES IN A REAL PROPERTY COMPANY AND DISPOSAL OF REAL PROPERTY SUBJECT TO THE REAL PROPERTY GAINS TAX ACT 1976

H1	Any disposal of shares in a real property company and / or real property?	Enter '1' in the box for 'Yes' if there is disposal of asset or '2' if none or not applicable.
H2	Has the disposal been declared to LHDNM?	Complete this item if H1 = '1'. Enter '1' in the box for 'Yes' if the disposal has been declared to LHDNM or '2' 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 J: PARTICULARS OF TAX AGENT WHO COMPLETES THIS RETURN FORM

This section must be filled in and duly signed by the tax agent who completes this return form. The tax agent must be approved under subsection 153(3) of ITA 1967.

COUNTRY CODES

The following are some of the codes for countries identified. Please refer to Appendix E (Guidebook) 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

PARTICULARS OF PROPERTIES / ASSETS AND TOTAL RENTAL

Name

Income Tax No.

--

I/C No.

--

A. LIST OF PROPERTIES RENTED OUT / ASSETS LEASED OUT

No.	Type of Property / Asset	Address of the Property / Lessor of the Asset	Date of Commencement of the Rental / Lease	Total Gross Rental / Lease Payments Received in the Year of Assessment (RM)
1.				
2.				
3.				

(Increase the number of rows according to requirement)

- NOTE:** 1. **Properties** refer to houses, factories, land and other immovable properties.
 2. **Assets** refer to plant, machineries, furniture and other movable properties.

B. COMPUTATION OF STATUTORY INCOME FROM RENTS

(Compute separately for each source of rental income)

1. **GROSS RENTAL INCOME** *(from item A1 or A2 or)*

--

LESS:

Allowable Expenditure

(i) Interest on loan employed in the production of gross rental income

--

(ii) Assessment

--

(iii) Quit rent

--

(iv) Insurance

--

Other revenue expenditure:

(v) Repairs and maintenance

--

(vi) Renewal of tenancy agreement

--

(vii)

--

(viii)

--

(ix)

--

(x)

--

2. **Total Expenditure** [(i) to (x)]

--

C. STATUTORY INCOME FROM RENTS (B1 – B2)

--

D. SUMMARY OF STATUTORY INCOME FROM RENTS

Source 1 (amount from item C)

--

Source 2 (amount from item C)

--

Source 3 (amount from item C)

--

.....

--

Total statutory income from rents including rents received from partnership businesses

--