



INLAND REVENUE BOARD OF MALAYSIA

**TAXATION OF A RESIDENT INDIVIDUAL
PART I -
GIFTS OR CONTRIBUTIONS AND
ALLOWABLE DEDUCTIONS**

PUBLIC RULING NO. 4/2018

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DIRECTOR GENERAL'S PUBLIC RULING

Section 138A of the Income Tax Act 1967 (ITA) provides that the Director General is empowered to make a Public Ruling in relation to the application of any provisions of the ITA.

A Public Ruling is published as a guide for the public and officers of the Inland Revenue Board of Malaysia. It sets out the interpretation of the Director General in respect of the particular tax law and the policy as well as the procedure applicable to it.

The Director General may withdraw this Public Ruling either wholly or in part, by notice of withdrawal or by publication of a new ruling.

**Director General of Inland Revenue,
Inland Revenue Board of Malaysia.**

1. Objective

The objective of this Public Ruling (PR) is to explain:

- 1.1 gifts or contributions made by a resident individual that are allowable in determining the total income for a year of assessment (YA); and
- 1.2 tax deductions that are allowable to a resident individual in computing his chargeable income for a YA.

2. Relevant Provisions of the Law

- 2.1 This PR takes into account laws which are in force as at the date this PR is published.
- 2.2 The provisions of the Income Tax Act 1967 (ITA) related to this PR are section 2, 5, 6, 6A, 7, 18, 44, 45, 45A to 51.

3. Interpretation

The words used in this PR have the following meaning:

- 3.1 "Child" in relation to an individual or his wife, means a legitimate child or step-child or an adopted child of the individual or his wife.
- 3.2 "Step-child" in relation to an individual or his wife, means a son or daughter of one's husband or wife by a former marriage.
- 3.3 "Adopted child" in relation to an individual or his wife, means a child adopted by the individual or his wife under the Registration of Adoptions Act 1952 (*Act 253*) or in accordance with any law (not necessarily Malaysian law) where the adoption is recognised by the Director General of Inland Revenue (DGIR).
- 3.4 "Individual" means a natural person.
- 3.5 "Total income" for a YA is the aggregate income less business losses for the basis year, expenditure under Schedule 4, 4B and gifts of money, contributions in kind, manuscripts, artefacts and paintings under section 44 of the ITA.
- 3.6 "Disabled person" means any individual certified in writing by the Department of Social Welfare (DSW) to be a disabled person.
- 3.7 "Medical practitioner" in relation to deductions on medical expenses for parents, means a medical practitioner (doctor) registered with the Malaysian Medical Council (MMC).

3.8 “Basis period” in relation to a person, each source of his and a YA, means such basis period, if any, as is ascertained in accordance with section 21 of the ITA.

3.9 “Year of assessment” means calendar year.

4. Introduction

Chargeable income for a YA is ascertained in accordance with section 5 of the ITA. Chargeable income is to be ascertained in the following manner i.e by determining each stage of income:

- a) Gross income
- b) Adjusted income
- c) Statutory income
- d) Aggregate income and total income
- e) Chargeable income

In ascertaining the total income of a resident individual, gifts and / or contributions made by an individual to the government and approved institutions or organizations are allowed as deductions from his aggregate income. Certain deductions are also allowed as deductions from the total income in determining the chargeable income of an individual.

For further information, please refer to –

- (i) PR No. 5/2018 titled “Taxation Of A Resident Individual Part II – Computation of Total Income and Chargeable Income”; and
- (ii) PR No. 6/2018 titled “Taxation Of A Resident Individual Part III – Computation of Income Tax and Tax Payable”

which can be obtained from the official portal of the Inland Revenue Board of Malaysia (IRBM) at www.hasil.gov.my.

5. Gifts or Contributions

5.1 The total income of an individual for a YA is the aggregate income of his for a YA less the deductions for any gifts or contributions made in the basis year.

5.2 The gifts or contributions which can be claimed by an individual are as provided under subsections 44(6) to 44(11C) of the ITA as shown below:

5.2.1 Gift of money to the Federal Government, State Government, local authorities or an institution or organization or a fund approved by the DGIR – subsection 44(6) of the ITA

Gifts of money made to the Federal Government, State Government, local authorities or an institution, an organization or a fund approved by the DGIR on the application of the institution or organization concerned. Gifts of money to the approved institution, organization or fund is allowed a deduction but restricted to 7% of the aggregate income of the individual.

For the purpose of an approval under subsection 44(6) of the ITA, fund means a fund administered and maintained by an institution or organization in Malaysia for the sole purpose of carrying out the objectives for which the fund is established or held and that fund is not established or held primarily for profit – subsection 44(7) ITA.

The DGIR gazettes the name of the institution or organization in the Government Gazette after the application is approved.

Prior to YA 2017, a fund administered by an institution or organization cannot be approved under subsection 44(6) of the ITA and no deduction is allowed for any gift of money made to such fund.

5.2.2 Gifts of artefact, manuscript or painting – subsection 44(6A) of the ITA

Gifts of artefact, manuscript or painting made to the Federal Government or State Government, an amount equal to the value of the gift as determined by the Department of Museum Malaysia or the National Archives.

5.2.3 Gift of money for the provision of library facilities or to the libraries – subsection 44(8) of the ITA

Gift of money not exceeding RM20,000 to equip public libraries and libraries of schools and institutions of higher education, provided a claim for the same expenses is not made under paragraph 34(6)(g) of the ITA in computing the adjusted income from business.

5.2.4 Gift of money or contribution for the provision of facilities in public places for the benefit of disabled persons – subsection 44(9) of the ITA

Gift of money or contribution in kind (the value of which is determined by the relevant local authority) made by an individual in the basis year

for the provision of facilities in public places for the benefit of disabled persons.

5.2.5 Gift of money or contribution of medical equipment to healthcare facility – subsection 44(10) of the ITA

Gift of money or contribution of medical equipment (the cost or value of which is certified by the Ministry of Health) made by an individual in the basis year to a healthcare center approved by the Ministry of Health. The allowable deduction is limited to a maximum of RM20,000.

5.2.6 Gift of painting to the National Art Gallery or any state art gallery – subsection 44(11) of the ITA

Gift of painting made to the National Art Gallery or any state art gallery. The value of the painting is an amount determined by the National Art Gallery or the respective state art galleries.

5.2.7 Gift of money for any approved sports activity – subsection 44(11B) of the ITA

Gift of money made by a person for any sports activity approved by the Minister of Finance.

Prior to YA 2017, contribution in kind is allowable as a deduction.

The amount allowed as a deduction shall not exceed the difference between the amount of 7% of the aggregate income and the total amount that has been deducted pursuant to the proviso to subsections 44(6) and (11C) of the ITA.

Example 1

Rowers Extreme Team (RET) is a kayaking sports activity club. In September 2017, RET plans to organize a kayaking expedition touring Terengganu and intends to raise funds for the expedition. RET seeks an approval from the Ministry of Finance for the expedition. If the approval is granted for this sports activity under subsection 44(11B) of the ITA, any gift of money to RET for the success of this event is allowable as a deduction under this subsection and shall not exceed the difference between the amount of 7% of the aggregate income and the total amount that has been deducted pursuant to the proviso to subsections 44(6) and (11C) of the ITA of that person who contributes.

5.2.8 **Gift of money and cost of contribution to a project of national interest – subsection 44(11C) of the ITA**

Gift of money or cost of contribution for any project of national interest approved by the Minister of Finance.

The amount to be deducted shall not exceed the difference between the amount of 7% of the aggregate income and the total amount that has been deducted pursuant to the proviso to subsections 44(6) and (11B) of the ITA.

This means that the maximum amount of contribution allowed as deduction under the proviso to subsections 44(6), (11B) and (11C) of the ITA is 7% of the aggregate income.

Example 2

Farhan's aggregate income from the Perniagaan Nusa Jaya (a sole proprietorship business) for YA 2016 is RM220,000. The contribution made by the business in that YA is as follows:

	RM
Gift of money to an approved institution under subsection 44(6)	8,000
Contribution under subsection 44(11B)	6,000
Contribution under subsection 44(11C)	<u>4,000</u>
Total gift and contribution	<u>18,000</u>

The restriction on the gift of money or cost of contribution can be computed using two methods -

Method 1

- (a) Restriction of gift of money under the proviso to subsection 44(6) of the ITA

$$7\% \times \text{RM}220,000 = \text{RM}15,400$$

Therefore, the gift of money of RM8,000 to the approved institutions qualifies as a deduction.

- (b) Restriction of the cost of contribution under the proviso to subsection 44(11B) and (11C) of the ITA

7% of the aggregate income minus deduction under the proviso to subsection 44(6) of the ITA

$$= (7\% \times \text{RM}220,000) - \text{RM}8,000$$

$$= \text{RM}15,400 - \text{RM}8,000$$

$$= \text{RM}7,400$$

Farhan is only allowed a deduction of RM7,400 from the contribution under subsection 44(11B) and (11C) of the ITA as shown below:

	RM
Contribution under subsection 44(11B) of the ITA	6,000
Contribution under subsection 44(11C) of the ITA (RM7,400 – RM6,000), restricted to	1,400

Method 2

Restriction on the gift of money and the cost of contribution under the proviso to subsection 44(6), (11B) and (11C) of the ITA

$$7\% \times \text{RM}220,000 = \text{RM}15,400$$

Therefore, from the total contribution of RM18,000, only RM15,400 can be allowed as a deduction under the proviso to subsection 44(6), (11B) and (11C) of the ITA in computing the total income.

6. Allowable Deductions

An individual may make a claim for the allowable deductions which are provided under sections 45A to 49 of the ITA in computing his chargeable income.

There are two types of deductions:

- a) deductions that are not based on an expense incurred but the deduction allowable is a fixed amount; and
- b) deductions that are based on an expense incurred and claimed by an individual but restricted to an allowable amount.

The deductions can only be claimed by an individual who is resident in Malaysia. The determination of the residence status of an individual is based on the number of days he is in Malaysia in a basis year for a YA. Please refer to the PR No. 11/2017 titled "Residence Status of Individuals" for further information.

Personal deductions which can be claimed and allowed against the total income of an individual resident in Malaysia in a basis year for a YA in computing his chargeable income are as follows:

6.1 Self and dependant relatives

Paragraph 46(1)(a) of the ITA provides that a deduction of RM9,000 is allowed to every individual who has total income and is assessed in his own name.

6.2 Medical treatment, special needs and carer expenses for parents

6.2.1 Paragraph 46(1)(c) of the ITA provides that a deduction up to a maximum of RM5,000 is allowed to an individual on the expenses incurred by him for the medical treatment, special needs and carer for his parents.

6.2.2 Parents refer to natural parents or foster parents where the individual is an adopted child.

6.2.3 Expenses on medical treatment for parents which qualify for deduction include:

- (a) medical treatment and care provided by a nursing home; and
- (b) dental treatment limited to tooth extraction, filling, scaling and cleaning but not including cosmetic dental treatment expenses such as teeth restoration and replacement involving crowning, root canal and dentures.

6.2.4 The scope on medical treatment for parents also includes expenses on medical treatment and care for parents who suffer from diseases or with physical or mental disabilities and who need regular treatment certified by qualified medical practitioners registered with the MMC. Certification of a medical practitioner is needed to confirm that the medical condition of the parent requires medical treatment, special needs or a carer. Such treatment and care provided include treatment and care at home or any day care or home care centres.

Qualifying expenses related to the treatment and care are as follows:

- (a) treatment and medical expenses supported with receipts issued by registered medical centres, pharmacies or licensed medical stores; or
- (b) expenses on special needs for parents certified by qualified medical practitioners and supported by receipts as proof of purchase; or

- (c) expenses for the care of parents supported with receipts or written certification from carers or work permit of the carers. Foreign hired carers are required to possess valid visas/special work permits for the care of parents of the individual. Salary paid to carers to take care of elderly but physically and mentally healthy parents do not qualify for this deduction.

6.2.5 However, deductions under paragraph 46(1)(c) of the ITA are subject to the following conditions:

- (a) the carer shall not include that individual, his wife or her husband or the child of the individual;
- (b) the parents shall be individuals resident in Malaysia;
- (c) the medical treatment and care services are provided in Malaysia; and
- (d) the medical practitioner is registered with the MMC.

6.2.6 The list of equipment for medical and special needs that qualify for deduction are as per Appendix 1. However, the list is not exhaustive and may include other equipment as determined by medical practitioners registered with the MMC.

6.3 Expenses on basic supporting equipment for disabled persons

6.3.1 Paragraph 46(1)(d) of the ITA provides that a deduction of up to RM6,000 can be claimed by an individual or spouse who has incurred the expenditure for the purchase of any necessary basic supporting equipment for the use by:

- (a) the individual, if he/she is a disabled person; or
- (b) the spouse, if he/she is a disabled person; or
- (c) his/her child, if the child is a disabled person; or
- (d) his/her parent, who is a disabled person.

The amount allowed as deduction prior to YA 2015 is RM5,000.

6.3.2 Basic supporting equipment includes haemodialysis machine, wheel chair, artificial legs and hearing aids but exclude spectacles and optical lenses.

The purchase of basic supporting equipment for disabled persons not registered with the Department of Social Welfare (DSW) are not allowed as deductions.

Example 3

Megat lost his right leg in an accident and purchased a wheelchair for his own use. Megat is not registered with the DSW as a disabled person.

Megat does not qualify to claim a deduction for the expenses expended for the purchase of the wheelchair as he is not registered with the DSW as a disabled person.

6.4 Disabled person

6.4.1 Paragraph 46(1)(e) of the ITA allows a further deduction of RM6,000 if the individual is disabled.

6.4.2 An individual is eligible to claim this deduction if he is certified in writing by the DSW as a disabled person.

6.5 Further education fees

6.5.1 Paragraph 46(1)(f) of the ITA provides that a deduction of up to RM7,000 can be claimed by an individual on the fees expended by that individual for any course of study undertaken by him up to tertiary level (up to graduate level), other than a Masters or Doctorate degree. The deduction allowed is the fees for courses undertaken to obtain law, accounting, Islamic finance approved by Bank Negara Malaysia or the Securities Commission, technical, vocational, industrial, scientific or technological qualifications or skills.

For a degree at the Masters or Doctorate level, fees on any course of study undertaken for the purpose of acquiring any skill or qualification is allowed as a deduction.

The amount allowed as a deduction prior to YA 2016 is RM5,000.

6.5.2 “Scientific skills” means the study of the nature or behaviour of the material and physical universe such as studies in the field of biology, physics, chemistry, mathematics, information technology, engineering and medicine.

6.5.3 The course of study must be undertaken in any institution or professional body in Malaysia recognized by the government or approved by the Finance Minister.

For Islamic finance, the course of study can be undertaken at any local institution recognized by the government or at any professional body in Malaysia recognized by the Minister of Finance, including at the International Center for Education in Islamic Finance (INCEIF).

- 6.5.4 The list of local institutions recognized by the Government or professional bodies in Malaysia approved by the Minister of Finance can be obtained from official portal of Ministry of Higher Education at www.mohe.gov.my.

Example 4

Rieza is an officer who serves at the National Archives and attends a Masters level archaeological course at a local university. She paid a course fee of RM2,000 in 2014 and graduated in April 2016.

Rieza then decided to pursue her studies to a Doctorate in Philosophy in the same course of study in July 2016. She paid tuition fees of RM3,500 in 2016 and claimed a deduction for the fees paid.

The fees of RM2,000 and RM3,500 paid in the YAs 2014 and 2016 respectively are allowed as deductions because the scope of study that qualifies for deductions has been extended to all courses of study for a degree at Masters or Doctorate level.

Example 5

Same facts as in Example 4.

Due to financial constraints, Rieza decided not to pursue her Doctorate degree in 2017.

The amount of RM3,500 paid in 2016 is not allowed as a deduction as Rieza failed to complete her degree at Doctorate level.

Example 6

Razif pursued his Bachelor degree in Islamic Finance at a local university and graduated in August 2016. In October the same year, he continued his Masters degree in the same course of study at the same university. In 2016 Razif paid his tuition fees amounting to RM8,500 (i.e. RM3,000 for his Bachelor degree and RM5,500 for his Masters degree).

Although the course fees for both courses of study qualifies for deduction, Razif is only allowed a deduction subject to a maximum of RM7,000 in YA 2016.

6.6 Medical expenses on serious diseases

- 6.6.1 Paragraph 46(1)(g) provides that a deduction of up to RM6,000 is allowed on the amount expended by the individual for treatment of serious diseases on himself, his/her spouse or his/her child.

The amount allowed as deduction prior to YA 2015 is RM5,000.

- 6.6.2 The claim for medical expenses has to be evidenced by a receipt of the treatment and a certification issued by a medical practitioner registered with the MMC who certified that the treatment was provided to the individual, spouse or child for that disease.

- 6.6.3 “Serious disease” include Acquired Immunity Deficiency Syndrome (AIDS), Parkinson’s disease, cancer, renal failure, leukaemia 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, tumor in brain or vascular malformation, major burns, major organ transplant and major amputation of limbs.

Example 7

In year 2016, the cost of leukemia treatment suffered by Jaswant amounted to RM12,000. From that amount, Jaswant paid a sum of RM8,000 and her husband, Isaac paid the balance of RM4,000. Isaac and Jaswant are assessed separately in YA 2016.

For YA 2016, Jaswant is allowed a deduction for medical expenses paid by her but limited to RM6,000 while Isaac is allowed a deduction of RM4,000 for the treatment of his wife’s serious disease.

6.7 Complete medical examination expenses

- 6.7.1 Paragraph 46(1)(h) of the ITA provides that a deduction of an amount limited to RM500 for an individual who incurred expenses for a complete medical examination of himself/herself, spouse or child.

- 6.7.2 The amount of RM500 forms a part of the deduction of RM6,000 which is the deduction allowed for treatment of serious disease under paragraph 46(1)(g) of the ITA.

- 6.7.3 “Complete medical examination” means full medical checkup as defined by the MMC which include:

- (a) physical examination such as eye, ear, nose, throat, neck, chest, heart, breast, abdomen, hand, foot, weight examination, blood pressure;
- (b) blood and urine test; and
- (c) discussion with the physician conducting the test on the results of the examination.

A person who undergoes laboratory tests such as blood tests, urine analysis and x-ray examination is not eligible for a deduction under this paragraph as such tests cannot be categorized as a complete medical examination.

- 6.7.4 Where the expenses for a complete medical examination of up to RM500 is already claimed, the deduction for medical expenses for serious diseases which can be claimed by the individual is restricted to RM5,500 (i.e. RM6,000 - RM500).

6.8 Deposits in Skim Simpanan Pendidikan Nasional (SSPN) account

- 6.8.1 SSPN is a saving scheme introduced by the Perbadanan Tabung Pendidikan Tinggi Nasional (PTPTN). PTPTN was established under the Perbadanan Tabung Pendidikan Tinggi Nasional Act 1997. SSPN was introduced to enable parents to save and eventually finance their children's education at higher learning institutions. To encourage individuals to deposit into SSPN, paragraph 46(1)(k) of the ITA was introduced to allow a deduction for individuals who make deposits into the scheme.

- 6.8.2 The amount allowed as a deduction is the net contribution in the relevant year limited to a maximum of RM6,000 effective from YAs 2012 to 2020. The net contribution is the amount of deposits after deducting the amount of withdrawals made during the year.

Example 8

Ariff opened an SSPN account for his 7 year old child in 2016. During the year, Ariff deposited a total sum of RM7,000. No withdrawals were made by Ariff in that year.

In 2017, Ariff deposited a sum of RM7,500 into the account and withdrew RM2,000 from the account in October 2017.

The statement of SSPN account of Ariff is as follows:

Year	2016 RM	2017 RM
Opening balance	Nil	7,000
Deposit	7,000	7,500
Less: Withdrawal	Nil	2,000
Ending balance	7,000	12,500

The amount of deduction for deposits into SSPN account that can be claimed by Ariff is as follows:

YA 2016: RM6,000 (maximum)

YA 2017: RM5,500 (i.e. RM7,500 - RM2,000)

Example 9

Amer and his wife each opened their SSPN accounts in 2017 for their son who is 13 years old. During the year, Amer deposited savings of RM4,800 and his wife deposited a sum of RM3,500. They did not make any withdrawals in that year. Amer and his wife are assessed separately for YA 2017.

Amer is allowed a deduction for his deposits in his SSPN account of RM4,800 while his wife is allowed a deduction of RM3,500 for her deposits for YA 2017.

- 6.8.3 SSPN accounts can be opened by parents for children aged 18 years and below and maintain the account until the child reaches the age of 29 years old. Deposits made by parents to this account until the child reaches the age of 29 can be allowed as a deduction. For children aged 18 and above, they have the option to either open an account under their own name or under their parents' name. However, if the account is opened under the child's name, any deposits made into the account are not eligible for deduction for the parents and the child.

6.9 Contribution to the Social Security Organization (SOCSO)

- 6.9.1 Paragraph 46(1)(n) of the ITA is introduced from YA 2016 to allow a personal deduction to an individual in respect of a contribution made or suffered in that basis year by that individual to the SOCSO pursuant to the Employees' Social Security Act 1969.

6.9.2 The amount allowed as a deduction is restricted to a maximum of RM250.

6.10 Deduction for parents

6.10.1 The provision under paragraph 46(1)(o) of the ITA is introduced to allow an individual a deduction of RM1,500 each for a father and a mother. This deduction can be shared with other siblings who have claimed this deduction for the same parents. This deduction is effective for YAs 2016 to 2020.

6.10.2 The deduction is allowed if these conditions are met:

- a) The sum of the amount claimed by the individual and other siblings does not exceed RM1,500 for each parent;
- b) The deduction is allowed for a maximum of two parents that is for a father and a mother;
- c) The parents are legitimate or natural parents or adopted parents in accordance with the law;
- d) The parents are residents in accordance with the provisions of section 7 of the ITA and aged 60 years and above at any time in that basis year;
- e) Each parent's annual income (from all sources whether taxable or not) does not exceed RM24,000 for that YA; and
- f) An individual shall not be allowed the deduction under this paragraph if he has made a claim under paragraph 46(1)(c) of the ITA for the same basis year. For further information, please refer to paragraph 6.2 of this PR.

6.10.3 Where more than one individual are each entitled to claim a deduction in respect of the the same parent, information on all individuals claiming the deduction must be maintained in the working sheets to the Income Tax Return Form (ITRF) for the reference and examination of IRBM in the event of an audit. This is to ensure that the total amount claimed by all individuals does not exceed the allowable amount. The amount of deduction allowed under this paragraph shall be equally apportioned according to the number of individuals making the claim.

6.10.4 Where a wife elects for a combined assessment and the assessment is made in her husband's name, this deduction is only allowed for the legitimate or adopted parents of the husband. If a husband elects for

a combined assessment and the assessment is made in his wife's name, this deduction is allowed for the legitimate or adopted parents of the wife. The maximum amount for this deduction is RM1,500 for each parent.

Example 10

Halim and Hasnah, aged 65 and 63 respectively in 2016, have four children, Haziq, Hamid, Hawa and Hanina. Halim received a pension of RM20,000 in year 2016 while Hasnah was a housewife. For YA 2016, all four children claimed the deduction for the father and the deduction for the mother is only claimed by Haziq, Hamid and Hawa.

The total deduction for parents which can be claimed by each child in YA 2016 is as follows:

Names of Children	Claims made for each parent		Total claimable by each child RM
	Father RM	Mother RM	
Haziq	375	500	875
Hamid	375	500	875
Hawa	375	500	875
Hanina	375	-	375

6.11 Lifestyle relief

6.11.1 Paragraph 46(1)(p) of the ITA is introduced to allow a tax deduction for expenses expended by an individual in that basis year –

- (a) for the purchase of books, journals, magazines, printed newspapers and other similar publications for the purpose of enhancing knowledge for his own use, the use of his/her spouse or his/her child. Books would include school textbooks, periodicals, comics whether purchased locally or overseas but exclude any banned reading materials such as morally offensive magazines;
- (b) for the purchase of a personal computer, smart phone or tablet (not being used for the purpose of his own business) for his own use, the use of his/her spouse or his/her child. Additional charge for the warranty is not allowed for deduction under this paragraph;

- (c) for the purchase of sports equipment for any sports activity as defined under the Sports Development Act 1997 which includes the purchase of a bicycle (excluding motorized bicycles) and gym membership for his own use or for the use of his/her spouse or his/her child (excluding club membership which provides gym facilities); and
- (d) for the payment of monthly bill for internet subscription registered under the individual's name for his own use, or the use of his/her spouse or his/her child.
- 6.11.2 The total deduction for the amount expended under this paragraph is subject to a maximum amount of RM2,500 and deduction is evidenced by receipts issued in respect of the purchase or payment.
- 6.11.3 With the new deduction under this paragraph, other deductions under paragraphs 46(1)(i), (j), (l) and (m) of the ITA are no longer applicable with the deletion of the said paragraphs effective YA 2017.
- 6.11.4 The summary for lifestyle relief is as follows:

Prior to YA 2017		From YA 2017
Item	Amount RM	Deduction [paragraph 46(1)(p) ITA]
Purchase of books, journals, magazines and other similar publications [paragraph 46(1)(i) ITA]	1,000	Reading materials (including printed newspaper) Personal computer, smart phone and tablet Sports equipment including gym membership Internet subscription } RM2,500
Personal computer [paragraph 46(1)(j) ITA]	3,000	
Sports equipment [paragraph 46(1)(l) ITA]	300	
Broadband subscription [paragraph 46(1)(m) ITA]	500	

Example 11

Mimi, an interior designer expended the following on lifestyle and claimed a deduction for YA 2017:

- Purchase of printed newspaper for RM55;
- e-book purchases for RM280;
- Purchase of a Lenovo Vibe S1 smartphone for RM580; and
- Payment of internet subscription for one year amounting to RM1,800.

All receipts of purchases and payment are kept by Mimi for the purpose of claiming the deductions.

The total sum of the above purchases and payment amounts to RM2,715. However, Mimi is only eligible to claim a deduction for lifestyle expenses subject to a maximum amount of RM2,500.

Example 12

Brian Wong purchased two bicycles in year 2017, a motorized bicycle costing RM2,400 and a Mountain Bike for RM1,499. He also purchased a new laptop worth RM750 to replace his lost laptop. The lost laptop was purchased in year 2016 and Brian claimed deduction for the purchase of the new laptop.

The amount expended for lifestyle by Brian Wong which can be allowed as a deduction is RM2,249 i.e. RM1,499 for the purchase of the Mountain Bike and RM750 for the laptop.

The amount expended on the purchase of the motorized bicycle is not allowed as a deduction as motorized bicycle is not a sports equipment which qualifies for a deduction.

Example 13

Suraya has registered for gymnasium membership with Premier Fitness in May 2017. She paid a registration fee of RM300 for a period of two years and a monthly fee of RM200. Suraya also signed up for yoga classes with an additional fee of RM80 per month.

The amount expended for lifestyle which can be claimed as a deduction by Suraya for YA 2017 is the monthly fee for gymnasium membership of RM1,600 (i.e. RM200 x 8 months).

Note:

Registration fee of RM300 for gymnasium membership and yoga classes fees of RM640 (RM80 x 8 months) are not allowed as a deduction under this relief.

Fees for any fitness classes such as yoga, zumba, aerobics and others which are included in the gymnasium membership can be claimed as a deduction. However, if the fees for these classes are not part of the gymnasium membership fees, the fees for such classes are not allowable as a deduction.

6.12 Purchase of breastfeeding equipment

6.12.1 In order to provide support to career women who are still breastfeeding and to encourage working mothers to breastfeed after returning to work, effective YA 2017 the government has allowed a tax deduction exclusively for women taxpayers on the purchase of maternal breastfeeding equipment under paragraph 46(1)(q) of the ITA.

6.12.2 The deduction is allowed provided that the individual –

- (a) is a breastfeeding mother;
- (b) breastfeeds her child aged up to 2 years;
- (c) expended on the purchase of breastfeeding equipment for her own use; and
- (d) makes a claim that is evidenced by receipts issued in respect of the purchase.

6.12.3 Breastfeeding equipment that qualifies for a deduction under this paragraph are a:

- (a) breast pump kit and an ice pack;
- (b) breast milk collection and storage equipment; and
- (c) cooler set or a cooler bag.

6.12.4 In a case of a combined assessment, this deduction is allowed where the assessment is made in the name of his wife.

6.12.5 The amount of deduction allowed for the purchase of breastfeeding equipment is limited to a maximum of RM1,000 expended in that

basis year for that YA regardless of the number of children and deduction is allowed once in every two YA.

Example 14

Shahinaz gave birth to her first child in November 2016. She purchased breastfeeding equipment for RM1,450 in January 2017 before she started working after her maternity leave ended. In YA 2017, Shahinaz was assessed separately and made a claim for a deduction on the purchase of the breastfeeding equipment. Receipts for purchase were retained by Shahinaz.

Shahinaz satisfied the conditions to claim for the deduction i.e

- (a) she is a breastfeeding mother to her child aged not more than 2 years; and
- (b) she made a purchase of breastfeeding equipment in 2017.

The amount allowed as a deduction to Shahinaz for the purchase of breastfeeding equipment is limited to a maximum RM1,000.

Example 15

Same facts as in Example 14.

In 2018 Shahinaz purchased a new breast pump kit worth RM950 to replace the old set which is damaged. She made a claim for a deduction on the purchase of the new breast pump kit as evidenced by the receipts retained by her.

The claim made by Shahinaz in year 2018 for the purchase of the new breast pump kit is not allowable because Shahinaz has already been allowed a deduction in YA 2017. The deduction under paragraph 46(1)(q) of the ITA is allowable once in every two YAs.

Example 16

Jasmin had a second child in June 2017 and purchased a RM750 breastfeeding equipment in that year. For the YA 2017, Jasmin's husband elected for a combined assessment in his wife's name.

Jasmin is eligible to claim a deduction of RM750 on the purchase of the breastfeeding equipment for the YA 2017 as the assessment is made in her name.

Example 17

Same facts as in Example 16.

For the YA 2017 Jasmin elected for a combined assessment in her husband's name.

The deduction on the purchase of breastfeeding equipment for RM750 is not allowable as the assessment is made in Jasmin's husband's name.

6.13 Child care centre and pre-school fees

- 6.13.1 To alleviate the burden of working parents, effective YA 2017, a new provision under paragraph 46(1)(r) of the ITA was introduced to provide a tax deduction to individuals on the amount expended in respect of the payment for child care fees to a child care centre or a kindergarten for a child of that individual aged six years and below.
- 6.13.2 The establishment of the child care centre must be registered with the DSW and it is subject to the Child Care Centre Act 1984 [Act 308] under the Ministry of Women, Family and Community Development while a kindergarten is subject to the Education Act 1996 [Act 550] and must be registered with the State Education Department under the Ministry of Education.
- 6.13.3 The amount of deduction allowed is restricted to a maximum of RM1,000 in a basis year for that YA regardless of the number of children sent to the child care centre or kindergarten.
- 6.13.4 This deduction can only be claimed by a husband or wife and must be supported by –
- (a) birth document of the child such as MyKid or birth certificate; and
 - (b) receipts of the monthly fees issued by such child care centre or kindergarten.
- 6.13.5 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.
- 6.13.6 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.

6.14 Interest on housing loan

The provision under section 46B of the ITA was introduced with effect from YA 2009 in the Mini Budget 2009 to allow an individual to claim a deduction for the interest paid on a loan to finance the purchase of a residential property. The deduction is granted for 3 consecutive YAs for purchases made on or after 10 March 2009 but not later than 31 December 2010.

For further information, please refer to the Mini Budget Guidelines 2009 which can be obtained from the official portal of the IRBM at www.hasil.gov.my.

6.15 Deduction for wife and payment of alimony to former wife

6.15.1 Under subsection 47(1) of the ITA, an individual resident in Malaysia who has a wife living together with him in the basis year is entitled to claim a deduction for wife of RM4,000 for that YA. The amount of deduction allowed for wife under this paragraph prior to YA 2016 is RM3,000. A further deduction of RM3,500 is given if the wife is a disabled person.

6.15.2 A summary of deduction for wife and payment of alimony to former wife is as follows:

Deduction	Prior to YA 2016 RM	Effective YA 2016 RM
Wife and payment of alimony to former wife	3,000	4,000
Further deduction if wife is disabled	3,500	3,500

Note:

If the amount of alimony paid to a former wife in the basis year is less than the allowable deduction under this subsection, then the amount allowed as a deduction is restricted to the amount of alimony actually paid to the former wife.

6.15.3 In the event of a divorce or death of the wife in the basis year, the individual would still be entitled to a full deduction and further deduction under this subsection in the relevant YA.

Example 18

Muaz and his wife were married in 2005. In February 2016 Muaz's wife died after being involved in a road accident.

Muaz is eligible to claim a full deduction of RM4,000 for his wife for the YA 2016.

- 6.15.4 An individual is also entitled to claim a deduction for wife if his wife has no total income - subsection 47(5) of the ITA.

However, an individual is not allowed a deduction if the wife is assessed separately.

- 6.15.5 Subsection 47(2) of the ITA provides that a deduction is allowed for the payment of alimony or maintenance payments made by an individual to a former wife and is required under the law to make those payments. The amount of deduction allowed shall not exceed RM4,000 and this deduction is part of wife's deduction under subsection 47(1) of the ITA.

Example 19

Morris is a resident in Malaysia in the basis year 2016. He was divorced from his wife on 1.2.2016 and made alimony payments of RM12,000 to his former wife in accordance with a court order.

Morris is allowed a deduction for alimony payments to his former wife limited to a maximum of RM4,000 for the YA 2016.

- 6.15.6 Voluntary payments of alimony to a former wife under a mutual agreement without any formal agreement would not qualify for a deduction.
- 6.15.7 Where a wife (other than a wife who is a disabled person) has an income which is derived from outside Malaysia and her gross income is more than the amount of deduction allowed for a wife, the husband is not eligible to claim a deduction for wife (effective YA 2017).

Prior to YA 2017, a husband is eligible to claim the deduction for wife even though the wife has income derived from overseas.

Example 20

Amin is a resident and runs a printing business. His wife, Nabila is a flight attendant with Q Airlines in Qatar. In 2017, the income received by Nabila from Q Airlines is RM180,000.

Amin does not qualify for a deduction for wife as his wife's income which is derived from overseas exceeds the amount of deduction for wife of RM4,000.

6.16 Deduction for husband

6.16.1 Section 45A of the ITA allows a wife a deduction of RM4,000 for husband where he:

- (a) has no source of income;
- (b) has no total income which can be aggregated with that of his wife; or
- (c) elects for a combined assessment with his wife and tax is assessed in the name of the wife.

The amount of deduction allowed under this paragraph prior to YA 2016 is RM3,000.

The deduction can be allowed to one wife only eventhough the husband has more than one wife.

6.16.2 A further deduction of RM3,500 is allowed if the husband is a disabled person.

6.16.3 Where a husband (other than a husband who is a disabled person) has an income which is derived from outside Malaysia and his gross income is more than the amount of deduction allowed for a husband, the wife is not eligible to claim husband's deduction.

Prior to YA 2017, a wife is eligible to claim the deduction for husband eventhough the husband has income which is derived from overseas.

6.16.4 A summary of the deduction for the husband is as follows:

Deduction	Prior to YA 2016 RM	Effective YA 2016 RM
Husband	3,000	4,000
Further deduction if the husband is a disabled person	3,500	3,500

Example 21

Intan is a resident in Malaysia and works as an accountant in Kuala Lumpur. Her husband, Rizal is an engineer who works in Dubai and received income of RM300,000 from Dubai in 2017.

Intan does not qualify to claim a deduction for husband as his income which is derived from overseas is more than the amount of deduction allowed for husband of RM4,000.

6.17 Deduction for child

6.17.1 Section 48 of the ITA allows an individual to claim a deduction for a child provided that the:

- (a) individual must be resident in Malaysia;
- (b) individual pays wholly or in part for the maintenance of child; and
- (c) child must be unmarried.

6.17.2 Section 48(9) of the ITA defines 'child' as:

- (a) a legitimate child of the individual or his wife; or
- (b) a step-child of the individual or his wife; or
- (c) an adopted child of the individual or his wife, provided that the child is adopted by the individual or his wife in accordance with any law.

6.17.3 The amount of deduction allowed for child is as follows:

- (a) A deduction of RM2,000 for an unmarried child who at any time in the basis year is under the age of 18 years – paragraph 48(1)(a) and 48(2)(a) of the ITA.

A deduction of RM2,000 for an unmarried child who at any time in the basis year is 18 years and above and is receiving full-time instruction – paragraph 48(1)(b), (c) and 48(2)(a) of the ITA

The amount of deduction allowed for a child prior to YA 2016 is RM1,000.

- (b) A deduction of RM6,000 for an unmarried child who is physically or mentally disabled regardless of age and whether the child is receiving full time instruction – paragraph 48(1)(d) and 48(2)(b) of the ITA.

The amount of deduction allowed under this paragraph prior to YA 2015 is RM5,000.

- (c) A deduction of four times the amount of deduction for child under paragraph 48(2)(a) ITA which is RM8,000 (i.e. RM2,000 x 4) for an unmarried child who is over the age of 18 years and who is—
- (i) receiving full-time instruction (not including 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.

The deduction allowed prior to YA 2016 is six times of child's deduction which is RM6,000 (RM1,000 x 6).

- (d) A further deduction of RM8,000 for an unmarried child who is disabled and is receiving a full-time instruction in or outside Malaysia (a degree including a degree at Master or Doctorate level) at any institution approved by the Government. This deduction is in addition to the deduction for a child who is a disabled person.

The deduction allowed prior to YA 2016 is RM6,000.

6.17.4 Deductions for children can be allowed if the child pursues studies in courses and in institutions recognized by the government in Malaysia. For further information, please refer to Minister of Higher Education official portal at www.mohe.gov.my.

6.17.5 The summary on the deduction for a child is as follows:

Details on children	YA 2014	YA 2015	Effective YA 2016
	RM	RM	RM
A child who is under the age of 18 years	1,000	1,000	2,000
A child who is disabled	5,000	6,000	6,000
A child over the age of eighteen years and is receiving full-time instruction in Malaysia	6,000	6,000	8,000
A child over the age of eighteen years and is receiving full-time	6,000	6,000	8,000

instruction outside Malaysia (a degree including a degree at Master or Doctorate level)			
A child who is disabled and is receiving full-time instruction in and outside Malaysia (additional deduction to deduction for a disabled child)	6,000	6,000	8,000

- 6.17.6 Where a wife is assessed separately in her own name, she may elect by filling in the relevant parts in the ITRF that the appropriate deduction for child be wholly allowed to her – proviso subsection 48(1) ITA.

Where two or more individuals are entitled to claim a deduction for payments in respect of the same child, the deduction for the child to be allowed to each of the individuals is 50% of the allowable deduction – subsection 48(4) ITA.

Example 22

Zahid and Nurin have a son. They were divorced in year 2016 when their son was 12 years old. Both Zahid and Nurin claimed the deduction in respect of the child as they both paid for the maintenance of the child.

The deduction allowed for the child in YA 2016 is RM2,000. Since there are two (2) individuals who are entitled to claim for a deduction, the deduction allowed to each of them is 50% of allowable deduction. Details are as follows:

Details	Amount
Zahid (father)	50% x RM2,000 = RM1,000
Zurin (mother)	50% x RM2,000 = RM1,000

Example 23

A married couple adopted a child on 1.3.2016. The couple then divorced in the same year and both claimed a deduction for the child. The child's legitimate father also claimed for a deduction as he had paid for the maintenance of the child in that year.

The deduction for child which can be allowed in YA 2016 is as follows:

Details	Amount
Legitimate father	50% x RM2,000 = RM1,000
Adopted father	50% x RM2,000 = RM1,000
Adopted mother	50% x RM2,000 = RM1,000

Example 24

Ayu has a son from the previous marriage. She married Raimi and both paid for the maintenance of the child. Ayu's former husband, Amri also expended on the maintenance of that child.

The deduction for child which can be claimed by Ayu, Raimi and Amri for YA 2016 is as follows:

Details	Amount RM
Ayu (assessed separately and claimed a deduction in respect of the child)	RM1,000 (50% x RM2,000)
Raimi	-nil-
Amri	1,000 (50% x 2,000)

Note:

Although Ayu is assessed separately and elects that the deduction for her child be wholly allowed to her, she is only allowed 50% of the whole deduction as there are two individuals (Ayu and Amri) who are entitled to claim a deduction in respect of the same child – subsection 48(4) of the ITA.

Raimi is not entitled to claim child deduction in respect of the same child even though he has also paid for the expenses for the child because his wife, Ayu (who is assessed separately) elects that the child deduction be wholly allowed to her – proviso subsection 48(1) of the ITA.

6.17.7 Additional information pertaining to the deduction for child

- (a) "Full-time instruction" means the curriculum of the educational establishment requires the child to devote full time to his studies. Where the child is required to spend part of his time away for reading or practice as in the case of musical studies, the deduction for child can be allowed if the course of study is a full-time course.

- (b) "Other similar educational establishment" refer to an establishment which is similar to a university, college or school (where applicable).
- (c) "Serving under articles or indentures" means the child who is studying and working at the same time under articles is required to devote the whole of his time to the training for a period of not less than two years.

6.17.8 The deduction for child is not allowed to an individual or spouse if the child is in receipt of his own income which his total income exceeds the amount of deduction otherwise due – subsection 48(5) ITA.

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

- (a) amount received as a scholarship, grant or allowance of a similar nature – paragraph 24 Schedule 6 ITA; and
- (b) payments received by a child who is serving an employer under articles or indentures. At the commencement of the training, an amount of premium is payable by the individual or the spouse to enable the child to undergo training with that employer. Payments received by the child from his employer is treated as a return of premium and not his salary.

Example 25

Fariz has a child, Julia who is currently studying at a private institution recognized by the government. Julia received a total income of RM15,000 in year 2016 as an agent selling online nutritional food.

Fariz and his wife are not entitled to claim a deduction for their child as Julia's total income for the YA 2016 exceeds the allowable deduction for that YA which is RM8,000.

6.18 Deduction for insurance premiums and contribution to an approved scheme

6.18.1 Subsection 49(1) of the ITA provides that a deduction up to RM6,000 can be claimed by an individual on –

- (a) payment of premium on life insurance policy;
- (b) contribution to an approved provident fund or approved pension scheme made by the employee or by a self employed person within the meaning of the Employees Provident Fund Act 1991; or

- (c) contribution made under any written law relating to widows, widowers and orphans' pensions or under any approved scheme within the meaning of any such law.

6.18.2 Only obligatory contribution to an approved provident/pension fund can be allowed as a deduction because of –

- (a) a contract of employment; or
- (b) any provision of the rules and regulations of the scheme.

6.18.3 A voluntary contribution made by an individual to an approved provident is not allowed as a deduction.

However, the 'voluntary contribution' restriction does not apply to a self employed person who contributed to the EPF.

6.18.4 For the purpose of claims under this deduction, 'insurance' means an insurance contracted by the individual –

- (a) on the individual's life;
- (b) on the life of the wife, or where the individual is a female, on the life of her husband; or
- (c) on the joint lives of the individual and his wife/wives or on the joint lives of two or more wives of his or, where the individual is a female, on the joint lives of –
 - (i) the individual and her husband;
 - (ii) the individual, her husband and any other wife or wives of his; or
 - (iii) the individual and any other wife or wives of her husband; or
 - (iv) her husband and any other wife or wives of his.

The insurance must be contracted for with –

- (a) an insurance company for securing on death either a capital sum or a deferred annuity or both; or
- (b) a government, a public body or the controlling authority of any nationalized insurance business.

6.18.5 “Premiums” in relation to insurance includes contributions or instalment payable under a takaful scheme pursuant to the Takaful Act 1984. Premium on an insurance policy purchased from an overseas company not having a branch in Malaysia is also treated as an allowable premium.

Insurance premiums are not deemed to have been paid unless the actual payment has been made by the taxpayer. Therefore, only insurance premium actually paid are allowable as deduction. However, a deduction is not allowable for –

- (a) premiums which are not in fact paid although treated by the insurance company as having been paid because of a non-forfeiture clause in the policy; and
- (b) premiums or arrears of premiums which are not in fact paid but carried forward as a debt and deducted from the capital sum due on the maturity or surrender of the policy.

6.19 **Premium for deferred annuity and contribution to private retirement scheme**

Effective YA 2012 to 2021, section 49(1D) of the ITA provides that a deduction not exceeding RM3,000 can be claimed by an individual who has

- (a) paid premiums for a deferred annuity; or
- (b) made or suffered the making of a contribution to a private retirement scheme approved by the Securities Commission.

For further information, please refer to PR No. 4/2014 titled “Deferred Annuity” and PR No. 9/2014 titled “Private Retirement Scheme”.

6.20 **Premium for insurance on education or for medical benefits**

6.20.1 Subsection 49(1B) of the ITA provides that a deduction of up to RM3,000 can be allowed to an individual for premiums paid for insurance on education or medical benefits.

An education policy must satisfy the following criteria –

- (a) the policy must be contracted by the individual for himself/herself, his/her spouse or child;
- (b) the beneficiary should be the child;
- (c) where the insured is the parent, the child must be the nominee;

- (d) where the child is the insured,
 - (i) it is compulsory that the life of the person paying the premium (parent) must be covered (payor benefit rider);
 - (ii) the rider must also have the same duration as the basic policy;
 - (iii) where the rider is packaged together with the basic policy in a single premium, the whole premium paid will qualify for deduction; and
 - (iv) where the payee of the policy does not qualify for payee benefit, the premium paid for the basic policy will not qualify for deduction.
- (e) In respect of a takaful policy, the participant is the parent and proceeds of the policy must be made “hibah” (*gift*) to the child;
- (f) The maturity amount in respect of both conventional or takaful policy must be scheduled to be payable when the child is between the ages of 13 and 25.

6.20.2 A medical policy must satisfy the following criteria –

- (a) the expenses should be related to the medical treatment resulting from a disease or an accident or a disability;
- (b) the policy coverage should be for a period of 12 months or more;
- (c) the policy can be a stand-alone policy or as a rider to a life insurance policy. If it is a rider, only the rider premium can qualify for deduction;
- (d) where a dreadful disease cover is attached to a basic policy, the whole amount of the rider premium paid is allowed as a deduction;
- (e) where a dreadful disease cover is packaged together with a term life/personal accident cover, 60% of the package premium is allowed as a deduction;
- (f) group medical policy where the employee pays the premium for the medical benefit also qualifies for deduction; and
- (g) premium for waiver benefit rider and travel and medical expenses insurance are not allowable as a deduction.

7. Updates and Amendments

This PR replaces PR No. 2/2005 dated 6.6.2005, Addendum to PR No. 2/2005 dated 6.7.2006 and Second Addendum to PR 2/2005 dated 3.1.2008)			
Act	New paragraph	Item	Effective date
Finance Act 2007 [Act 683]	46(1)(k)	Net deposit in Skim Simpanan Pendidikan Nasional (SSPN)	From YA 2007
Finance Act 2007 [Act 683]	46(1)(l)	Purchase of sports equipment	From YA 2008
Finance Act 2010 [Act 702]	46(1)(m)	Bill for broadband subscription	YA 2010 to 2012
Finance Act 2015 [Act 773]	46(1)(n)	Contribution to the Social Security Organization (SOCISO)	From YA 2016
Finance Act 2015 [Act 773]	46(1)(o)	Parents	YA 2016 to 2020
Finance Act 2017 [Act 785]	46(1)(p)	Lifestyle	From YA 2017
Finance Act 2017 [Act 785]	46(1)(q)	Breastfeeding equipment	From YA 2017
Finance Act 2017 [Act 785]	46(1)(r)	Child care centre and pre-school fees	From YA 2017

8. Disclaimer

The examples in this PR are for illustration purposes only and are not exhaustive.

**Director General of Inland Revenue,
Inland Revenue Board of Malaysia**

APPENDIX 1

LIST OF EQUIPMENT FOR MEDICAL AND SPECIAL NEEDS

1. Portable automatic blood pressure monitor
2. Silicone ryles tube
3. Common chair
4. Detachable arm rest wheel chair (much easier for patient to transfer position)
5. Standard wheel chair
6. Walking frame
7. Quadripod
8. Rollator with 2 wheel and brake
9. Roller with elbow support
10. Automatic adjustable bed
11. Ripple mattress
12. J-cushion (relieves pressure for those with risk of pressure sore while sitting)
13. Transfer board
14. Accapella (for lung physiotherapy)
15. Long term oxygen therapy
16. Portable suction machine
17. Food thickener (for patients with swallowing problems especially post stroke)
18. Clean intermittent catheterization
19. Moist dressings (examples are Duoederm including hydrocolloids dressing)
20. Glucometer
21. Diapers
22. Urinary condom and bag
23. Backpan
24. Nebulizer
25. Inhalers
26. Insulin pen
27. Urinary cathether

APPENDIX 2

DELETED TAX DEDUCTIONS

Item	Tax Deduction	Provisions of the ITA	Effective YA
1.	Reading materials	Para 46(1)(i)	Deduction limited to RM1,000 prior to YA 2017 (this provision was deleted as the new provision under paragraph 46(1)(p) ITA was introduced from YA 2017)
2.	Bill for broadband subscription	Para 46(1)(m)	Deduction limited to RM500 for YA 2010 to 2012 (this provision was deleted as the new provision under paragraph 46(1)(p) ITA was introduced from YA 2017)
3.	Deferred annuity	Subsection 49(1A)	Further deduction in respect of payments of premium for any deferred annuity contracted by an individual on or after 1.1.2010 provided that the total of the aggregate amount of deduction for EPF contribution, premium for life insurance and deferred annuity shall not exceed RM7,000 (for YA 2010 and 2011) and this provision is replaced with the provision under section 49(1D) ITA.
4.	Insurance policy determined by EPF Board	Subseksyen 49(1C)	Deduction not exceeding RM1,000 (this provision was deleted from YA 2011)

DELETED TAX REBATES

Item	Tax Deduction	Provisions of the ITA	Effective YA
1.	Personal computer	Subsection 6A(3A)	RM400 prior to YA 2005 RM500 prior to YA 2007 (This provision was deleted as the new provision under paragraph 46(1)(j) was introduced starting from YA 2007)
2.	Fee for the issuance of working permit for foreign workers	Section 6C	An amount paid to the government for the issue of an employment pass or visit pass (This provision was deleted starting from YA 2011)