

2009



Explanatory Notes

TP

RETURN FORM OF DECEASED PERSON'S ESTATE

Explanatory
Notes
TP 2009

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Self
Assessment
System

Amendments To The Income Tax Act For Year 2009:

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TOGETHER WE DEVELOP THE NATION

This Explanatory Notes is intended to provide assistance in completing the Form TP for Year of Assessment (Y/A) 2009. Read this Notes with care so that the return form and declarations made therein for Y/A 2009 are true and complete.

All records, working sheets and documents need not be enclosed when submitting the Form TP EXCEPT for the purpose of tax refund in which case you are required to submit:

- (i) Working Sheet HK-3 regarding tax deduction under section 51 of Finance Act 2007 (dividends);
- (ii) Working Sheet HK-6 pertaining to the claim for section 110 tax deduction (others); and
- (iii) Working Sheet HK-8/HK-9 (if relevant) relating to the tax deducted in the foreign country.

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

All items must be completed in BLOCK LETTERS within the boxes provided. Use black ink pen. Leave the box(es) blank if not applicable.

Declare in Ringgit Malaysia currency. Please indicate the amount to the value of sen in Part B35a to B36, C35a to C36, Part D and Part E, other items relating to amount only require the indication of ringgit.

WHO HAS TO DECLARE AND FILL OUT FORM TP

After someone dies, the deceased person's 'executor' or 'administrator' must deal with their money and property (known as the 'estate'). If the deceased person left a valid will, the person who deals with the estate is called the deceased person's 'executor'. If the deceased person left an invalid will or no will at all, the person who deals with the deceased person's estate is called an 'administrator'. For until the legal title is transferred to the beneficiaries, the executor/administrator is required to declare all sources of income in Form TP.

1 Fill in name of deceased person's estate as registered with LHDNM.

<div style="border: 1px solid black; border-radius: 10px; width: 30px; height: 30px; display: flex; align-items: center; justify-content: center; margin-bottom: 5px;">1</div> Name of Deceased Person's Estate	H A R T A P U S A K A Z A C H A R Y
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2 Fill in tax reference number of deceased person's estate as registered with LHDNM.

<div style="border: 1px solid black; border-radius: 10px; width: 30px; height: 30px; display: flex; align-items: center; justify-content: center; margin-bottom: 5px;">2</div> Name of Deceased Person's Estate	TP	0 1 2 3 4 5 6 7 0 0
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STATUS OF TAX		To facilitate the processing of the return forms, it is advised to complete this Section correctly based on the tax computed on page 7 of Form TP2009. Enter 'X' in one relevant box only.
PART A:		PARTICULARS OF DECEASED PERSON'S ESTATE
A1	Domicile in Malaysia at Time of Demise	<p>Fill '1' in the box provided if the tax payer is domiciled in Malaysia at the time of his demise and fill '2' if not domiciled in Malaysia.</p> <p>Domicile means a permanent residence of an individual during his lifetime and have in mind to stay permanently in that country until the end of life.</p>
A2	Country of Domicile at Time of Demise	Enter 'MY' if item A1 is '1' and if the tax payer is not domiciled in Malaysia at time of his demise, please use the country code provided on page 14 of this notes or from Attachment E from Guidebook for complete list.
A3	Date of Demise	Enter the demise date as per death certificate.
A4	Will	Fill '1' in the box provided if the deceased person testate and '2' if intestate before the time of demise.
A5	Letter of Administration/ Grant of Probate	Fill '1' in the box provided if already have the letter of authority. If the deceased person is testate, the Probate Registry will grant probate of the will or if the deceased person is intestate, the Probate Registry will issue a grant of letters of administration.
A6	Date of Letter of Administration/Grant of Probate	State date of Letter of Administration/Grant of Probate. If item A5 is "2" leave this item blank.
A7	Compliance with Public Rulings	<p>Enter '1' for full compliance or '2' for non-compliance with any Public Ruling.</p> <p>Please refer to Appendix H (Guidebook) for the list of Public Rulings. Details of each Public Ruling are available from the LHDNM website.</p>

A7a	Record-keeping	<p>This refers to the keeping of sufficient records as required under the provision of ITA 1967.</p> <p>Enter '1' for compliance; or '2' for non-compliance.</p>
A7b	Carry-back of Current Year Loss	<p>Current year loss for year of assessment 2009 not exceeding RM100,000 shall be allowed for carry-back as a deduction against the defined aggregate income of the year of assessment 2008.</p> <p>Conditions for claiming carry-back loss under section 44B of ITA 1967:-</p> <ul style="list-style-type: none"> • The amount of adjusted loss for the basis period for the year of assessment 2009 allowed for carry-back:- <ul style="list-style-type: none"> (i) shall not exceed RM100,000; or (ii) where the defined aggregate income is less than RM100,000 for the year of assessment 2008, shall not exceed the amount of the defined aggregate income • The current year loss can be carried back by making an irrevocable election in the box indicated under Item A7b; and stating the amount of loss carried back under Item G1a(i) and as well as the balance of loss carried forward in Item G1a(ii). <p>In the box indicated under item A7b,</p> <ul style="list-style-type: none"> - enter '1' for those who qualify and wish to make a claim. - enter '2' for those who qualify but do not wish to make a claim or not entitled to make a claim. • Revision is not allowed to be made on the amount of loss carried back after an election has been made; or when there is an increase in the amount of adjusted business loss for the basis period for year of assessment 2009 as a result of an appeal or audit. • Penalty shall be imposed for the year of assessment 2008 if the Director General discovers that the amount of adjusted loss brought from the year of assessment 2009 exceeds the actual amount. The amount of penalty imposed shall be equal to the amount of tax undercharged as a result of the discovery. Rate of penalty shall be in accordance with the Tax Audit Framework (Amendment 2009).

		<p>How to make a claim:-</p> <ul style="list-style-type: none"> Required to furnish <ul style="list-style-type: none"> copy of pages 1 and 8 of Form TP for Year of Assessment 2009 which indicate the election made as well as the amount of loss carried back; and the amended tax computation for Year of Assessment 2008 <p>to the LHDNM branch handling his income tax file on the same day as the date on which he furnished his Form TP for Year of Assessment 2009</p>
A8	Correspondance Address of Executor / Administrator	Address to be used for any correspondence with LHDNM.
A9	Business Premise Address of Deceased Person's Estate	Address of main business premise of the deceased person's estate.
A10	Address where records of the Deceased Person's Estate are maintained	Fill '1' in the box provided if the records of the deceased person's estate are kept at the correspondance address of executor / administrator or fill '2' if maintained at the address of business premise or '3' if kept at an address other than both.
A11	Other address (if A10 = 3)	State the address if the answer in item A10 is '3'.
A11a	Website / Blog Address	Website / Blog Address (if any)
A12	Particulars of Executors / Administrators	Enter the particulars of the Executors / Administrators where relevant.
A12a	Name	Enter the name of the Executors / Administrators as per identity card.
A12b	Identity Card/ Police/ Army/ Registration No *	Fill in relevant information only.
A12c	Passport No.	Passport number as per passport book if the Executors / Administrators in non citizen.
A12d	Reference No.	Enter the reference number of each Executors / Administrators, if any. Write the number from right to left.

A12e	Telephone No.	Telephone number of Executors / Administrators
Where there are more than 2 Executors / Administrators, list out as per item A12a to A12e by using attachment(s) and submit together with the Form TP.		
A13	Particulars of Executor's / Administrator's Bank	If entitled to a tax refund by LHDNM, state the name of the bank concerned through which the payment may be credited into the account of the Executors / Administrators.
A13a	Name of Bank	State the name of the bank concerned and the bank operations is in Malaysia only.
PART B:		STATUTORY INCOME, TOTAL INCOME AND TOTAL TAX CHARGEABLE
Fill in this part if the taxpayer is domiciled in Malaysia at the time of his demise (If A1=1)		
B1 – B9	BUSINESS	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. Amount J5 from Working Sheet HK-1, amount N from Working Sheet HK-1C and amount L from Working Sheet HK-1D.
	PARTNERSHIP	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. Amount E/G/J from Working Sheet HK-1B
	CAPITAL ALLOWANCE	This is granted in place of depreciation and the rate of allowance depends on the type of relevant asset. Refer to Working Sheet HK-1.2 to HK-1.2A for computation.
	BUSINESS LOSSES BROUGHT FORWARD	These are business/partnership losses suffered in earlier years of assessment and brought forward to the current year to be set off against business/partnership income. Amount B from Working Sheet HK-1.3. If the amount in B8 exceeds amount in B7 , enter the amount as per item B7 .

B10 – B22	DIVIDENDS	If the deceased person's estate has dividend income and is entitled to a tax refund, original dividend vouchers and Working Sheet HK-3 must be furnished with the Form TP. Amount C (iii) from Working Sheet HK-3.
	INTEREST	Interest is money paid for the use of money or the creditor's share of the profit which the borrower or the debtor is presumed to make from the use of money. Gross income from interest must be declared when it first becomes receivable in the relevant period. Amount E from Working Sheet HK-5.
	DISCOUNTS	Earnings from discounting transactions such as dealings in treasury bills.
	RENTS	These are rental received in respect of houses, shophouses, land, plant, machines, furniture and other similar assets. Amount E from Working Sheet HK-4B.
	ROYALTIES	Royalties refer to:- (a) any sum paid as consideration for the use of, or the right to use: (i) copyright, artistic or scientific works, patents designs or models, plans, secret processes or formulae, trademarks or tapes for radio or television broadcasting, motion picture films, films or video tapes or others means or reproduction where such films or tapes have been or are to be used or reproduced in Malaysia or other like property or rights; (ii) know-how or information concerning technical, industrial, commercial or scientific knowledge, experience or skill; (b) income derived from the alienation of any property, know-how or information mentioned in paragraph (a) of this definition. Amount H from Working Sheet HK-5.
ANNUITIES	These are sums of money received in accordance with a will or an investment of money entitling the annuitants or investors to a series of annual payments, whether or not received regularly or for a limited period only.	

	PERIODICAL PAYMENTS	These refer to recurring payments received at fixed times.
	OTHER GAINS OR PROFITS	Other income not falling under any of the above categories. Working Sheet HK-6 must be submitted with the return form if entitled to a tax refund.
	ADDITIONS PURSUANT TO PARAGRAPH 43(1)(c)	<p>The following earnings/proceeds are deemed income and must be taken into account as aggregate income.</p> <ul style="list-style-type: none"> <input type="checkbox"/> Earnings/proceeds in relation to expenditure on prospecting operations under Schedule 4 of ITA 1967. <input type="checkbox"/> These earnings/proceeds are taken into account in the tax computation if claims for such expenditure have previously been made. <input type="checkbox"/> Refer to paragraph 43(1)(c), paragraph 16 of Schedule 4 for computing the amount of income to be included as aggregate income. <input type="checkbox"/> Computations must be properly kept for examination.
	CURRENT YEAR BUSINESS LOSSES	<p>Current year business losses can be deducted from the same year's aggregate income from all sources.</p> <p>Example: Business losses for the year 2009 can be deducted from the aggregate income of the year 2009.</p> <p>Amount E from Working Sheet HK-1.3. Amount in B18 is restricted to the amount in B17. If the amount in B18 exceeds the amount in B17, enter the amount as per B17 in this box.</p>
	QUALIFYING PROSPECTING EXPENDITURE - SCHEDULE 4 AND PARAGRAPH 44(1)(b)	<p>Expenditure on prospecting operations in searching for, discovering or winning access to mineral deposits in an eligible area or in testing such deposits, is deductible if incurred and claimed by the individual. This amount is restricted to the amount in B19. The balance not absorbed by item B19 (if any) is to be entered in item J3.</p>
B22	ANNUITIES PAYABLE / PERIODICAL PAYMENTS	Amount as fixed by the terms of a will which entitles the heirs or beneficiaries to receive annual payments, whether for a lifetime or certain period.

B24 – B30	DONATIONS AND GIFTS			
<p>Gift of Money to the Government, State Government or Local Authorities Gift of money to the Government, a State Government or local authority. Subsection 44(6)</p>				
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%; padding: 5px;"> <p>Gift of Money to Approved Institutions or Organisations Gift of money to institutions / organizations 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 Approved Project of National Interest Approved by the Ministry of Health Gift of money or cost of contribution in kind for any project of national interest approved by the Minister. Subsection 44(11c)</p> </td> <td style="width: 30%; padding: 5px; vertical-align: middle; text-align: center;"> <p>} Restricted to 7% of the Aggregate Income in item B17</p> </td> </tr> </table>			<p>Gift of Money to Approved Institutions or Organisations Gift of money to institutions / organizations 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 Approved Project of National Interest Approved by the Ministry of Health Gift of money or cost of contribution in kind for any project of national interest approved by the Minister. Subsection 44(11c)</p>	<p>} Restricted to 7% of the Aggregate Income in item B17</p>
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<p>Gift of Artefacts, Manuscripts or Paintings Gift of artefacts, manuscripts or paintings to the Government will be based on the value determined by the Director General of the National Museum or the National Archives. Subsection 44(6A)</p>				
<p>Gift of Money for the Provision of Library Facilities or to Libraries Gift of money not exceeding RM20,000 for the provision of library facilities to public libraries or libraries of schools / institutions of higher learning. Subsection 44(8)</p>				
<p>Gift of Paintings to the National Art Gallery or Any State Art Gallery An amount equal to the value of the gift of paintings as determined by the National Art Gallery or any state art gallery. Subsection 44(11)</p>				
<p>ZAKAT PERNIAGAAN The amount which can be claimed is restricted to 2.5% of the aggregate income in B17. Subsection 44(11A)</p>				
B33	PERSONAL RELIEF	<p>The estate of an individual who was domiciled in Malaysia at the time of his death, the deduction allowed for any year of assessment shall be made from the total income of the executor for that year whether or not the executor is an individual and whether or not the executor is resident for the basis year for that year. This amount is equivalent to the personal deduction given in the case of an individual.</p>		

B35 **METHOD OF TAX COMPUTATION**
 –
B36 Tax on the first

Match the chargeable income from item **B34** Form TP with the range of chargeable income as provided in the tax schedule (page 14 of this Explanatory Notes).

Tax on the balance

Example:
 Chargeable income as per **B34**: **RM15,550**
 Use **category D** of the tax schedule to compute as follows:
 Tax on the first **RM10,000** **RM175.00**
 Tax on the balance **RM5,550 @ 3%** **RM166.50**
 Total income tax **RM341.50**
 Enter in items **B35a** and **B35b** of the Form TP as shown below:

B35 COMPUTATION OF TAX (Refer to the tax schedule)

B35a Tax on the first

B35b Tax on the balance At Rate (%)

B36 TOTAL TAX CHARGEABLE (B35a + B35b) B36

PART C: STATUTORY INCOME, TOTAL INCOME AND TOTAL TAX CHARGEABLE

Fill in this part if the taxpayer is not domiciled in Malaysia at the time of his demise (If A1=2)

C1 – C30 Refer to the explanation for Part B (except interest and royalties) from item **B1** to **B30**

C33 For a taxpayer who is not domiciled in Malaysia at the time of his demise.
 – Income such as interest, royalties, special classes of income under section 4A and other relevant income are subject to tax on gross at rates other than 25%.
 C34

SPECIAL CLASSES OF INCOME UNDER SECTION 4A Special classes of income includes amount received in respect of:
 amounts paid in consideration of services rendered in connection with the use of property or rights belonging to, or the installation

or operation of any plant, machinery or other apparatus from, such non-resident person;

- amounts paid in consideration of technical advise, assistance or services rendered in connection with 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.

OTHER INCOME

Other income not mentioned above.

Enter the amount of other gross income subject to tax at rates other than 25%.

C35 COMPUTATION OF TAX CHARGEABLE
Division of chargeable income according to the rate applicable.

C36 Refer to Appendix F of the Guidebook or Income Tax Act 1967 if there is no DTA.

Contoh: *A taxpayer is not domiciled in Australia at the time of his demise and the deceased person's estate received income from interest and royalty.*

Total income subject to tax at rate 25% in item **C35a**: **RM50,500**
 Total income subject to tax at rate 15% in item **C35f**: **RM10,000**
 Total income subject to tax at rate 10% in item **C35d**: **RM25,000**

Enter in items **C35a**, **C35d**, **C35f** dan **C36** of the Form TP as shown below:

	Chargeable Income	Rate (%)	Tax Chargeable
C35a	5 0 5 0 0	25	1 2 6 2 5 0 0
	Gross Income subject to tax at other rates		
C35d	2 5 0 0 0	10	2 5 0 0 0 0
C35f	1 0 0 0 0	15	1 5 0 0 0 0
C36	TOTAL TAX CHARGEABLE (C35a to C35g)		C36 1 6 6 2 5 0 0

PART D :		TAX PAYABLE / REPAYABLE
D1 – D7	Total tax chargeable is from item B36 in Part B or item C36 in Part C .	
	TAX DEDUCTION SECTION 51 OF FINANCE ACT 2007 (DIVIDENDS)	Please submit Working Sheet HK-3 if the association is entitled to a tax refund as per item D7 of the Form TP. Amount D from Working Sheet HK-3.
	TAX DEDUCTION UNDER SECTION 110 (OTHERS)	Compute the tax deducted under section 110 by using Working Sheet HK-6 in respect of other income such as interest, royalties, section 4A income and income from trust bodies. Please submit relevant documents and Working Sheet HK-6 if you are entitled to a tax refund. Amount B from Working Sheet HK-6.
	SECTION 132 TAX RELIEF	Relief from double taxation on foreign income brought into Malaysia. Refer to Appendix F (Guidebook TP) for the list of countries which have Avoidance of Double Taxation Agreements (DTA) with Malaysia. Refer to Schedule 7 of ITA 1967 and Working Sheet HK-8 to compute the amount of credit.
	SECTION 133 TAX RELIEF	Relief from double taxation on foreign income brought into Malaysia. These countries do not have Avoidance of Double Taxation Agreements (DTA) with Malaysia. Refer to Schedule 7 of ITA 1967 and Working Sheet HK-9 to compute the amount of credit.
PART E:		STATUS OF TAX FOR YEAR OF ASSESSMENT 2009
<p>The tax payable and tax paid (through the instalment scheme) are adjusted in this section. Enter “0” in this box if entitled to a tax refund as per item D7. Enter the amount of instalment payments made for current year income in item E2. The balance of tax payable must be paid within the stipulated period. Use the Remittance Slip (CP501) provided with the Form TP when making payment at the LHDNM payment counter.</p> <p>Payment also can be made at the counters of CIMB Bank Berhad (CIMB), Public Bank Berhad (PBB), Malayan Banking Berhad (Maybank) and EON Bank by using the payment slip provided by the bank.</p>		
<p>Due date for balance of tax payable is 30 April 2010 for those who do not carry on any business and 30 June 2010 for those who carry on business.</p>		

PART F:		INCOME OF PRECEDING YEARS NOT DECLARED
F1 – F3	Income received in respect of any earlier year not previously declared. In case of insufficient writing space, prepare the information in the same format as per items F1 to F3 by using attachment and furnish together with the return form.	
PART G:		PARTICULARS OF BUSINESS INCOME
G1 – G3e	Method of calculation and details regarding this part available from Working Sheet of the Guidebook available at the LHDNM website	
PART H:		SPECIAL DEDUCTION, FURTHER DEDUCTION AND DOUBLE DEDUCTION
Use the claim codes provided on page 15 of this explanatory notes.		
PART J:		INCENTIVE CLAIM
J1 – J4	SCHEDULE 7A ALLOWANCE	<p>This incentive is given to the deceased person's estate which undertakes a project in transforming its business of rearing chicken and ducks from an opened house system to a closed house system; or in expanding its existing business of rearing chicken and ducks in a closed house system as verified by the Minister responsible for agriculture and agro-based industry. Only a business which has been in operation for not less than 36 months is entitled to apply for this incentive.</p> <p>Refer to section 133A and paragraph 1C Schedule 7A of the Income Tax Act 1967 to determine the eligibility; paragraph 1 and paragraph 3 Schedule 7A of the same Act and Working Sheets HK-1B and HK-1C for computation.</p> <p>Retain original documents pertaining to the qualifying capital expenditure, application form and computation of the allowance for examination.</p>
	INCREASED EXPORTS ALLOWANCE FOR QUALIFYING SERVICES	Refer to the Income Tax (Exemption) (No. 9) Order 2002 [P.U. (A) 57/2002] and Income Tax (Exemption) (Amendment) Order 2006 [P.U. (A) 275/2006] to determine the eligibility and Working sheets HK-1B and HK-1D for computation.
	SCHEDULE 4 EXPENDITURE	Expenditure not fully absorbed in the current year (balance to be carried forward) has to be entered in this box.

PART K:		FINANCIAL PARTICULARS OF DECEASED PERSON'S ESTATE
K1 – K50	<p>This section should only be filled if there are items related to the deceased person's estate income and expenses.</p> <p>Enter relevant particulars from the current year's Statement of Income and Expenses, and Balance Sheet in the boxes provided.</p>	
PART L:		PARTICULARS OF EXEMPT INCOME
L1 – L5	<p>This section is to be completed only if the deceased person's estate has tax exempt income for the current year.</p>	
DECLARATION BY EXECUTOR / ADMINISTRATOR		
<p>This section should only be completed by one of executor / administrator. However, every executor / administrator is responsible in respect of the deceased person's estate matters.</p> <p>If the return form is not affirmed and duly signed, it shall be deemed incomplete and returned to you. Penalty will be imposed in case of late resubmission of the return form to LHDNM.</p>		
PARTICULARS OF THE FIRM AND SIGNATURE OF THE PERSON WHO COMPLETES THIS RETURN FORM		
<p>This section is to be filled in, affirmed and duly signed by the tax agent who completes the return form.</p>		

TAX SCHEDULE							
CATEGORY	RANGE OF CHARGEABLE INCOME (a)			COMPUTATION RM (b)		RATE % (c)	TAX RM (d)
A	0	-	2,500	First	2,500	0	0
B	2,501	-	5,000	Next	2,500	1	25
C	5,001	-	10,000	First	5,000	3	25
				Next	5,000		150
D	10,001	-	20,000	First	10,000	3	175
				Next	10,000		300
E	20,001	-	35,000	First	20,000	7	475
				Next	15,000		1,050
F	35,001	-	50,000	First	35,000	12	1,525
				Next	15,000		1,800
G	50,001	-	70,000	First	50,000	19	3,325
				Next	20,000		3,800
H	70,001	-	100,000	First	70,000	24	7,125
				Next	30,000		7,200
I	100,001	-	150,000	First	100,000	27	14,325
				Next	50,000		13,500
J	150,001	-	250,000	First	150,000	27	27,825
				Next	100,000		27,000
K	Exceeding 250,000			First 250,000 For every next ringgit		27	54,825

COUNTRY CODES

The following are some of the codes for countries identified. Please refer to Appendix E of the Form TP 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

Nota: R.O. = Republic of;

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

CLAIM CODE	
CLAIMS / SPECIAL DEDUCTION	
Code	Claim
101	Equipment or alteration/ renovation of premises to assist disabled employees
102	Translation into or publication in the nasional language of books approved by the Dewan Bahasa dan Pustaka
103	Provision of library facilities or contributions to libraries (maximum RM100,000)
104	Expenditure on public welfare/amenities
105	Revenue expenditure on the provision and maintenance of child care centre for employees' benefit
106	Establishment and management of approved musical or cultural groups
107	Expenditure incurred for sponsoring any approved local and foreign arts, cultural or heritage activity: <ul style="list-style-type: none"> • not exceeding RM500,000 in aggregate • not exceeding RM200,000 for sponsoring foreign arts, cultural or heritage activity
110	Revenue expenditure on scientific research directly undertaken and related to the business
114	Deduction for information technology-related expenditure
117	Provision of practical training in Malaysia to resident individuals who are not own employees
120	Investment in a venture company
122	Cost of developing website
137	Deduction for investment in a Bionexus status company
140	Deduction of pre-commencement of business expenses relating to employee recruitment
141	Deduction for the benefit and gift from employer to employee
FURTHER DEDUCTIONS	
Code	Claim
201	Premiums on imported cargo insured with an insurance company incorporated in Malaysia
202	Remuneration of disabled employees
204	Premiums paid for the export of cargo insured with an insurance company incorporated in Malaysia
205	Freight charges incurred for the export of rattan and wood-based products (excluding veneer and sawn timber)
208	Premiums paid on export credit insurance taken with Malaysia Export Credit Insurance Bhd
212	Freight charges for shipping goods from Sabah/Sarawak to Peninsular Malaysia
216	Deduction for promotion of Malaysia International Islamic Financial Centre
217	Deduction for expenses relating to remuneration of employee
218	Deduction for cost of training for employees
DOUBLE DEDUCTIONS	
Code	Claim
301	Revenue expenditure incurred on approved research
302	Cash contributions to an approved research institute or payment for the use of services of an approved research institute/company, a research and development company or contract research and development company
306	Expenditure incurred for the promotion of export of professional services

HK-3:

TAX DEDUCTION UNDER SECTION 51 OF FINANCE ACT 2007 (DIVIDENDS)

Name																																								
Reference No.											I/C No.																													
Year of Assessment					Business Registration No.																																			

Submit this Working Sheet if entitled to a tax refund (Use separate HK-3 for dividends regressed)

A. List of dividend income:

No.	Date of Payment	For Year Ended	Warrant No. / Serial No.	Name of Company	Gross Dividend		Tax Rate	Tax Deducted		Net Dividend	
					RM	sen		RM	sen	RM	sen
1											
2											
3											
4											
5											
6											
7											
8											
9											
10											
11											
12											
13											
14											
15											
TOTAL NET DIVIDEND											
Total Regressed											
					X [amount from B(i)]			Y [amount from B(ii)]			

Note: Proceed with the computation overleaf if the rate of tax deducted on dividend received as per voucher / certificate differs from the tax rate for current year of assessment

B. Computation of regrossed dividend and tax deemed deducted

If the rate of tax deducted as per dividend voucher / certificate differs from the current year's tax rate for corporations, please use the following formula to regross the net dividend received and compute the tax deemed deducted:-

(i) Dividend regrossed (X)

$$= \text{Net dividend} \times \frac{1}{(1 - Z^*)}$$

$$= \frac{\text{Net dividend}}{(1 - Z^*)}$$

$$= \text{(X)}$$

(ii) Tax deemed deducted (Y)

$$= \text{X} \times Z^*$$

$$= \text{(Y)}$$

* Where Z is the current year's tax rate for corporations

C. Computation of Statutory Income from Dividends

- (i) Gross Dividend (X)
- Less:**
- (ii) Interest on loan employed in the production of the above dividend income
- (iii) Statutory Income

D. Tax deduction under section 51 of Finance Act 2007 (dividends) (as per amount Y above)

Example of dividend regrossed:

Details of dividend voucher:

VOUCHER NO.	DIVIDEND NO.	TYPE OF DIVIDEND	FOR YEAR ENDED	FOR SHARES REGISTERED ON	DATE OF PAYMENT
12345	67	FOURTH INTERIM	30 JUNE 2009	23 MARCH 2009	4 MAY 2009

SHAREHOLDING	GROSS DIVIDEND RATE	INCOME TAX RATE	GROSS DIVIDEND (RM)	INCOME TAX (RM)	NET DIVIDEND (RM)
5000	16%	26%	800.00	208.00	592.00

Year ended - 30/06/2009
 Date of payment of dividend - 04/05/2009
 Basis period of company which paid the dividend - 01/07/2008 - 30/06/2009

The date of payment of dividend i.e. 04/05/2009 falls within the basis period 01/07/2008 - 30/06/2009 which is year of assessment 2009 whereby the tax rate for corporations is 25%. As the tax deducted from the dividend is at the rate of 26%, therefore the dividend has to be regrossed using the rate of **25%**.

Computation of regrossed dividend and tax deemed deducted:

(i) Dividend regrossed (X)

$$= 592 \times \frac{1}{(1 - 0.25)}$$

$$= \frac{592}{0.75}$$

$$= 789.33^*$$

* The amount to be entered in the return form as Statutory Income from Dividends is **RM789** (takes the Ringgit value into account only)

(ii) Tax deemed deducted (Y)

$$= 789.33 \times 25\%$$

$$= 197.33$$