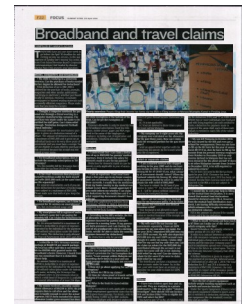


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# Broadband and travel claims

COMPILED BY HARIATI AZIZAN

**T**AXPAYERS have just one more week to go before the April 30 deadline for submitting income tax returns. In this last segment of *Sunday Star's* Income Tax series, a team from Inland Revenue Board's Corporate Communications Unit headed by director Mazlan Wan Chik answers your questions.

## Books, computers and broadband

**> My child is studying in a university overseas. Can the purchase of books needed for her degree be allowed for deductions?**

Total deduction of up to RM1,000 is allowed for the purchase of books, journals, magazines and other similar publications (hardcopy or electronic), whether purchased locally or overseas. However, it excludes newspapers or banned reading materials such as morally offensive magazines. Please make sure that you keep the receipts.

**> I bought a computer notebook for personal use through a friend working in a computer manufacturing company. The purchase was made under his name to be entitled for staff price. Can I claim relief through Pembelian Komputer Peribadi Untuk Individu?**

Personal computer for non-business purposes is given as a deduction instead of a rebate. The amount of deduction is limited to a maximum of RM3,000 and is given on an individual basis once in every three years of assessment and you must have a receipt. You are not eligible to claim relief for purchase of that notebook because the receipt was not issued in your name.

**> For broadband subscription, does it include the monthly subscription to TM Streamyx?**

Yes, the monthly bill for Streamyx line is deductible for tax from 2010-2012.

**> Is the relief Pembelian Buku/Majalah/Jurnal/Penerbitan usable for both myself and wife (RM1,000 each) at the same time if we file separately?**

For separate assessments, each of you can claim deductions for purchase of books/magazines subject to a maximum of RM1,000. Please make sure that both of you keep the receipts.

**> For broadband expenses, can I claim for payment for 3G services on smartphones?**

Yes. But on broadband usage only.

**> My smartphone bill is registered under my mother's name but I am paying the monthly bill. Can I claim for deductions for**

**broadband?**

No. An amount limited to a maximum of RM500 is deductible in respect of expenses expended by the individual for the payment of broadband subscription under the individual's name. This deduction is only allowed for Years of Assessment 2010, 2011 and 2012.

**> I subscribe to TM's Stréamymx Internet package at Rm60+10 per month package. My local tax office said this is not deductible for RM500 relief granted under the broadband scheme. However, I heard from one tax consultant that it is deductible. Please help.**

An amount limited to a maximum of RM500 is deductible in respect of expenses expended by the individual for the payment of broadband subscription under the individual's name, including the Streamyx line. Broadband refers to telecommunication in which a wide band of frequencies is available to transmit information of at least 256 kbps.

**> My cousin received a monthly mobile phone allowance of RM250 in 2010. His job requires him to call often and the allowance is hardly enough to cover the actual expenses. His EA form included the above allowance (under gross amount) but does not state exemption at the bottom of the form. Can he get the exemption of RM3,000?**

Expenses allowable is only for monthly bills for broadband subscription, fixed line telephone, mobile phone, pager and PDA registered in the name of the employee or employer, including cost of registration and installation. Telephone allowance is not exempted.

## Medical

**> I understand that I can claim a deduction of up to RM5,000 for parents' medical expenses. Does it include the salary for domestic maid to care for my parents?**

Deduction for domestic maids to care for parents is only applicable in year of assessment 2011.

**> I am an expatriate. I had renal transplant a few years ago in my home country and I am on immuno-suppression medications currently. I usually buy the medicines from my home country as my medical consultant is over there. I would appreciate if you could inform me whether I can claim tax deductions for the medicines and if so, what supporting documents should I have with me.**

Send your application to Jabatan Dasar Percukaian, Tingkat 12, Blok 9, Kompleks

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Bangunan Kerajaan, Jalan Duta, Peti Surat  
11833, 50758 Kuala Lumpur.

**> According to the IRB's website, the list of allowable deductions for medical expenses incurred for parents includes expenses in a nursing home. If my parents are both pensioners and I am footing the cost of my grandparents' stay in a nursing home, would I be able to claim the monthly expenses incurred for deductions?**

No. Deduction is only for parents.

### **Travel**

**> Upon browsing <http://www.hasil.gov.my/> for Tax Exemptions for Individuals, I noticed a provision for Tax Exemption that states: "Leave passage within Malaysia not exceeding three times in a year and one leave passage outside Malaysia not exceeding RM3,000.**

**i) How do I go about applying for this tax exemption?**

**ii) Where do I fill in my claims?**

**iii) How do I show proof of travels within Malaysia if I use my own means of transport?**

**iv) What is the limit for travel within Malaysia?**

i) This exemption is only applicable to staff whose employment agreement states that he/she is given leave passage. For details, refer to public Ruling 1/2003 in the IRB's website.

ii) Your employer will declare it under column G of your Annual Income Statement (EA) form.

iii) It is not applicable.

iv) You are limited to three times a year for travel within Malaysia.

**> My company car is eight years old. My company over-calculated on the allowance for the past three years. How can I claim back the overpaid portion for the past three years?**

Send an appeal letter together with the supporting documents to the branch where your file is registered.

### **Joint or separate claims**

**> I am a married woman who stopped working in the year 2009 and do not have any income in 2010. Do I need to submit a Borang BE for AY 2010? If yes, what category of assessment should I select? When my husband submits his Borang BE, what type of assessment should he select in order to obtain the wife relief of RM3,000?**

You have to submit the BE form if you receive it. Select "5". For husband's form, fill no. 4 - Self for spouse without source of income/tax exempted income.

**> Since I am not working, my husband pays for my insurance policy. Can he claim**

**this against the education and medical insurance relief?**

Your husband is not allowed to claim deduction for the premium payment on education or medical insurance if the receipts are issued under your name.

**> My wife and I file our income tax assessments separately. I have an SSPN account for my son under my name. For the year 2010, I deposited RM3,000 into my son's SSPN account. My wife also deposited RM3,000 into my son's SSPN account even though it is under my name. I claim child relief for my son but my wife does not. Can she claim tax rebate for the RM3,000 she contributed although the account is not under her name and she is not claiming child relief for my son? Can she claim tax rebate for the same if she were to claim child relief for my son?**

The beneficiary can have a maximum of three accounts under his name. So, in this case, your wife must have an account as a depositor for your child to claim for SSPN deduction.

### **Others**

**> I have two children aged four and six years old. They are studying in a private kindergarten. I file my tax under "Taksiran Berasingan". How should I fill out Section D16 and Section D16a? Who is eligible for 100% and who's for 50%?**

You have to put "2" in No. of children eligible for deduction (D16) and "2" at 100% D16A. Where two or more individuals (not husband and wife living together) are each entitled to claim a deduction for payment made in respect of the same child, each of those individuals is entitled to claim 50% of the whole deduction.

**> My son left Malaysia in October 2010. He was cleared by the IRB and even got a refund for overpayment. Does my son have to fill up the BE form for the year of assessment 2011? If so, does he have to fill up his income from his present overseas employer from October to December 2010 or only income derived in Malaysia that has not been declared for the above period? If there is no other Malaysian income from October to December 2010, is he still required to submit his return?**

No, he does not need to file the tax form again for year 2010. Clearance has been issued and the tax for year 2010 has been calculated. Income from overseas need not be reported to the IRB as it is not subject to Malaysian Tax.

**> I would like to seek your help in filling up the mutual fund declaration. It is mentioned that mutual fund declarations should be declared under HK-6. However,**

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**from the mutual fund distribution statement, I am having difficulty determining which columns refer to gross income and tax deducted columns.**

Fill in the amount in column D for taxable income and E for tax deduction.

**> What is Anuiti Tertunda and how much is it? How can I make use of this relief and which company sells this?**

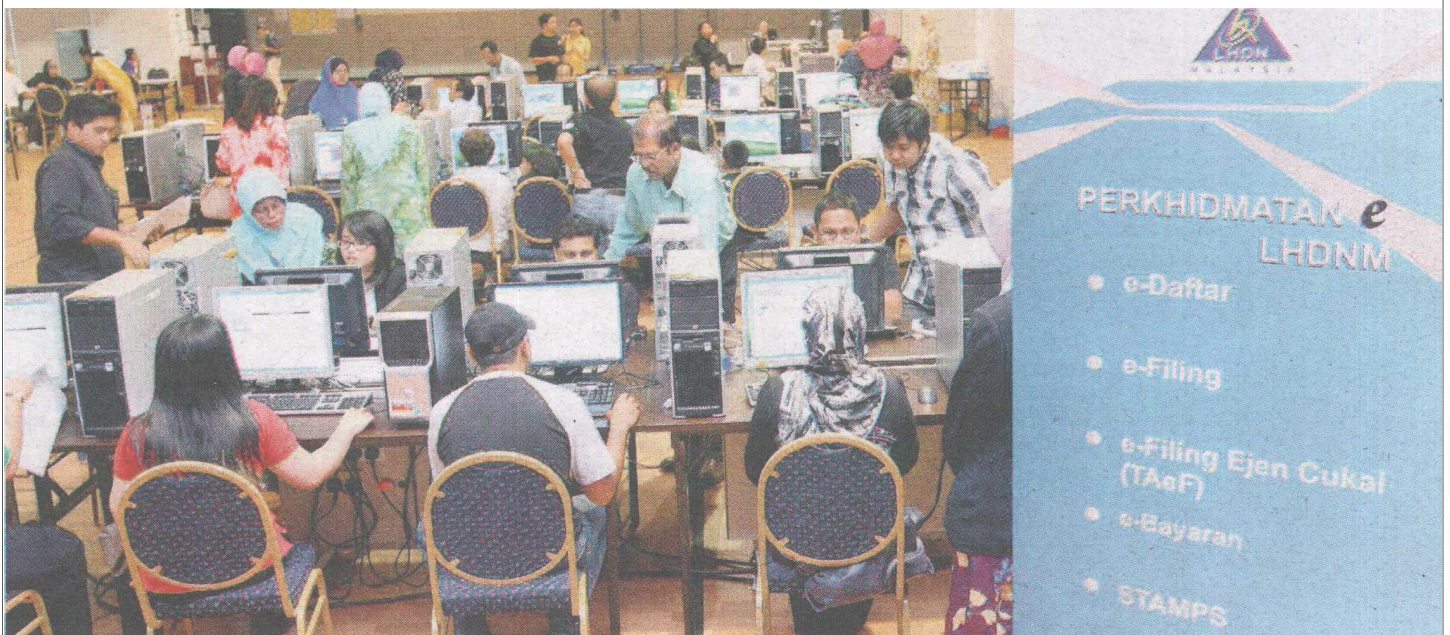
Anuiti Tertunda or the annuity scheme is under section 49 (1A) ACP 1967.

It refers to a contract between an individual and a life insurance company in which the individual pays a lump sum or a series of premiums and the insurance company pays it back in instalments spread over a long period of time in the future as agreed upon. You can buy from any insurance company that offers the scheme.

A further deduction is given in respect of any payment of premium for deferred annuity contracted on or after Jan 1, 2010. The total deduction for D17 and D18 is limited to a maximum of RM7,000. However, the total deduction in respect of life insurance premium and EPF contribution (item D17) is limited to RM6,000. Subsection 49(1A).

**> Does the list of sports equipment include weight-training equipment such as barbells and exercise benches?**

Under the Sports Equipment (Fitness) relief, any sports equipment related to sports activities is entitled to a deduction, including exercise equipment like the treadmill, exercise bike and air-walker.



**Yearly exercise:** People filing their income tax forms via the IRB's e-Filing system at Menara Mustapha Kamal in Petaling Jaya.