

EXPLANATORY NOTES

B 2010



INCOME TAX OF AN INDIVIDUAL

**(RESIDENT WHO CARRIES
ON BUSINESS)**

Amendments to The Income Tax Act 1967 for Year
2009:

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SELF

ASSESSMENT

SYSTEM

TOGETHER WE DEVELOP THE NATION

This Explanatory Notes is intended to assist you, who is **resident in Malaysia** in accordance with section 7 Income Tax Act (ITA) 1967 or deemed to be resident under subsection 7(1B), in completing the Form B for Year of Assessment 2010. Please read this with care so that the return form and declarations made therein for Year of Assessment 2010 are true and complete.

In the case of a married individual who elects for joint assessment and has total income to be aggregated and assessed in the name of his/her spouse, both the husband and wife are still required to fill out separate tax forms (B/BE).

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

- (i) Working Sheet HK-3 in respect of the claim for tax deduction pursuant to section 51 of the 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 E and Part F. Other items relating to amount only require the indication of *ringgit*.

Example: Statutory Income for Business 1 (item C1) RM125,955.67
Total Income Tax (item E3) RM19,322.85

C1	Business 1	5 2 1 1 1	1 2 5 9 5 5
E3	TOTAL INCOME TAX (E2a + E2b + E2c)	E3	1 9 3 2 2 8 5

BASIC INFORMATION

1 - 7 Fill in relevant information only. For item "Income Tax No.", enter **SG** or **OG** followed by the income tax number in the boxes provided.

Example: For Income Tax No. OG 10234567080

O	G	1	0	2	3	4	5	6	7	0	8	0
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▲ Enter SG or OG

8	PASSPORT NO. REGISTERED WITH LHDNM	This refers to the last passport number filed with LHDNM prior to the current passport.
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STATUS OF TAX

To facilitate the processing of return forms, please complete this section correctly based on the tax computed on page 7 of Form B 2010. Enter 'X' in one relevant box only.

PART A		PARTICULARS OF INDIVIDUAL
A1	CITIZEN	Enter 'MY' if you are a citizen of Malaysia. If you are not a citizen of Malaysia, please use the relevant country code provided on page 22 of this Explanatory Notes or Appendix E of the Form B Guidebook.
A2	SEX	Enter '1' for male or '2' for female.
A3	STATUS AS AT 31-12-2010	Enter '1' for unmarried; '2' for married; '3' for divorcee / widow / widower or '4' for deceased.
A4	DATE OF MARRIAGE/ DIVORCE/DEMISE	Enter the date of marriage; or date of divorce/separation (in accordance with any law); or date of demise according to the sequence: day, month and year if it occurred in the current year.
A5	TYPE OF ASSESSMENT	<p>Enter:</p> <ul style="list-style-type: none"> (i) '1' if the wife elects for joint assessment to be raised in the name of the husband. She does not have to fill in items C35 and C36, Part D, Part E and Part F of her Form B; or (ii) '2' if the husband elects for joint assessment to be raised in the name of his wife. He does not have to fill in items C35 and C36, Part D, Part E and Part F of his Form B; or (iii) '3' if the individual and spouse elect for separate assessment; or (iv) '4' if the individual is married with a spouse who has no source of income or has income which is tax exempt. (v) '5' if the individual is single / a divorcee / a widow / a widower / a deceased person. <p>Note: Conditions on eligibility to elect for joint assessment:</p> <ul style="list-style-type: none"> (i) the husband and the wife were living together in the basis year for a year of assessment and did not in that basis year cease to live together; (ii) the husband or the wife must have total income to be aggregated with the total income of the spouse; (iii) must be a Malaysian citizen if not resident in Malaysia; (iv) the aggregation can be made with one wife only.
A6	COMPLIANCE WITH PUBLIC RULINGS	Public Ruling is a guide for the public which sets out the interpretation of the Director General of Inland Revenue in respect of a particular tax law, policy and procedure that are to be applied. Refer to Appendix H of the Form B Guidebook for the list of Public Rulings. Details of each Public Ruling are available from the LHDNM website. Enter '1' for full compliance with Public Rulings or '2' if one or more rulings are not complied with.
A7	RECORD-KEEPING	This refers to the keeping of sufficient records as required under the provision of ITA 1967. Enter '1' for full compliance or '2' for non-compliance.
A8	CARRY-BACK OF CURRENT YEAR LOSS	<p>Current year loss for year of assessment 2010 not exceeding RM100,000 shall be allowed for carry-back as a deduction against the defined aggregate income of the year of assessment 2009.</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 2010 allowed for carry-back:- <ul style="list-style-type: none"> (i) shall not exceed RM100,000; or

		<p>(ii) where the defined aggregate income is less than RM100,000 for the year of assessment 2009, shall not exceed the amount of the defined aggregate income.</p> <ul style="list-style-type: none"> The current year loss can be carried back by making an irrevocable election in the box indicated under Item A8; and stating the amount of loss carried back in item J1a(i) as well as the balance of loss carried forward in Item J1a(ii). <p>In the box indicated under Item A8:</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 2010 as a result of an appeal or audit. Penalty shall be imposed for the year of assessment 2009 if the Director General discovers that the amount of adjusted loss brought from the year of assessment 2010 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> <p>You are required to furnish:-</p> <ul style="list-style-type: none"> copy of pages 1 and 8 of Form B for Year of Assessment 2010 which indicate the election made as well as the amount of loss carried back; and the amended tax computation for Year of Assessment 2009 to the LHDNM branch handling his income tax file on the same day as the date on which he furnished his Form B for Year of Assessment 2010.
A9	APPROVED BY THE MINISTER AS A KNOWLEDGE WORKER	<p>Enter '1' if your application to be subject to tax under Paragraph 1 of Part XIV Schedule 1 of ITA 1967 as a knowledge worker is approved by the Minister; or '2' if not applicable.</p> <p>For further details, refer to P.U.(A) 344/2010 in the LHDNM website.</p>
A9a	DATE OF APPROVAL BY THE MINISTER	If A9 = 1, enter the date of approval by the Minister.
A10	CORRESPONDENCE ADDRESS	Address to be used for any correspondence with LHDNM.
A11	ADDRESS OF BUSINESS PREMISE	Address of the main business premise.
A12	TELEPHONE NO.	Telephone number of office/tax agent's firm/residence/handphone.
A13	EMPLOYER'S NO.	Enter the employer's E file reference number.
A14	e-mail	e-mail address (if any).
A15	WEBSITE / BLOG ADDRESS	Website / blog address (if any).

	TYPE OF ALLOWANCES / PERQUISITIES / GIFTS / BENEFIT	EXEMPTION LIMIT (PER YEAR)
(i)	Perquisite (whether in money or otherwise) provided to the employee pursuant to his employment in respect of:- (a) past achievement award; (b) service excellence award, innovation award or productivity award; or (c) long service award provided that the employee has exercised an employment for more than 10 years with the same employer. (Paragraph 25C Schedule 6 of ITA 1967)	Restricted to RM2,000
(ii)	Gift of new personal computer. 'Personal computer' means a desktop computer, laptop computer and handheld computer but does not include computer accessories. Income Tax (Exemption) (No. 4) Order 2008 [P.U. (A) 191/2008]. Up to year of assessment 2010	Restricted to one unit only
(iii)	Petrol card, petrol allowance or travelling allowance or any of its combination for travelling between the home and place of work. Up to year of assessment 2010	Restricted to RM2,400
(iv)	Petrol card, petrol allowance, travelling allowance or toll payment or any of its combination for official duties . If the amount received exceeds RM6,000 a year, the employee can make a further deduction in respect of the amount spent for official duties. Records pertaining to the claim for official duties and the exempted amount must be kept for a period of 7 years for audit purpose.	Restricted to RM6,000
(v)	Child care allowance in respect of children up to 12 years of age .	Restricted to RM2,400 per year
(vi)	Gift of fixed line telephone, mobile phone, pager or <i>Personal Digital Assistant</i> (PDA) registered in the name of the employee or employer including cost of registration and installation.	Limited to only <u>1 unit</u> for each category of assets
(vii)	Monthly bills for subscription of broadband, fixed line telephone, mobile phone, pager and PDA registered in the name of the employee or employer including cost of registration and installation.	Limited to only <u>1 line</u> for each category of assets
(viii)	Consumable business products of the employer provided free of charge or at a partly discounted price to the employee, his spouse and unmarried children. The value of the goods is based on the sales price. Benefits received by the employee from a company within the same group of companies as his employer are not exempted from tax .	Restricted to RM1,000
(ix)	Services provided free or at a discount by the business of the employer to the employee, his spouse and unmarried children. Benefits received by the employee from a company within the same group of companies as his employer are not exempted from tax .	Restricted to the amount of discount or amount of services provided free

(x)	Parking rate and parking allowance. This includes parking rate paid by the employer directly to the parking operator.	Restricted to the actual amount expended
(xi)	Meal allowance received on a regular basis and given at the same rate to all employees. Meal allowance provided for purposes such as overtime or outstation / overseas trips and other similar purposes in exercising an employment are only exempted if given based on the rate fixed in the internal circular or written instruction of the employer.	
(xii)	Tax exempt medical benefits are extended to include traditional medicine and maternity expenses. Traditional medicine means Malay, Chinese and Indian Traditional Medicine given by a medical practitioner registered with bodies which are certified or registered in accordance with the rules governing traditional medicine as laid down by the Ministry of Health. <i>Examples:</i> Malay traditional massage, ayurvedic or acupuncture. Complimentary medicine and homeopathy such as aromatherapy, reflexology, spa and Thai traditional massage are not included in this exemption.	
(xiii)	<p>Subsidised interest for housing, education or car loan is fully exempted from tax if the total amount of loan taken in aggregate does not exceed RM300,000. If the total amount of loan exceeds RM300,000, the amount of subsidised interest to be exempted from tax is limited in accordance with the following formula:</p> <p style="text-align: center;">Where; $A \times \frac{B}{C}$</p> <p>A = is the difference between the amount of interest to be borne by the employee and the amount of interest payable by the employee in the basis period for a year of assessment;</p> <p>B = is the aggregate of the balance of the principal amount of housing, education or car loan taken by the employee in the basis period for a year of assessment or RM300,000, whichever is lower;</p> <p>C = is the total aggregate of the principal amount of housing, education or car loan taken by the employee</p>	
<p>THE ABOVE EXEMPTIONS ARE NOT APPLICABLE TO AN EMPLOYEE HAVING CONTROL OVER HIS EMPLOYER</p> <p>If the employee has control over his employer, the allowances / perquisites / gifts / benefits received by him is taken to be part of his employment income and subject to tax.</p> <p>‘Control over his employer’ means:</p> <p>(a) for a company, the power of the employee to secure, by means of the holding of shares or the possession of voting power in or in relation to that or any other company, or by virtue of powers conferred by the articles of association or other document regulating that or any other company, that the affairs of the first mentioned company are conducted in accordance with the wish of the employee;</p> <p>(b) for a partnership, the employee is a partner of the employer; or</p> <p>(c) for a sole proprietor, the employee and the employer is the same person.</p>		
<p>Others Tax Exempt Benefits-In-Kind:</p> <p>Please refer to Appendix B3 of the Form B Guidebook for the list of tax exempt benefits-in-kind.</p>		

Gratuity – This refers to a sum received upon retirement/termination of a contract of employment. Refer to Working Sheet HK-2.2 and Appendix B1 for computation.

Gratuity is exempted in the following circumstances:

1. Retirement gratuity

- (a) The Director General is satisfied that the retirement is due to ill-health; Or
- (b) Retirement on or after reaching the age of 55 years/compulsory age of retirement and the individual has worked 10 years continuous employment with the same employer or companies within the same group; Or
- (c) The retirement takes place on reaching the compulsory age of retirement pursuant to a contract of employment or collective agreement at the age of 50 but before 55 and that employment has lasted for 10 years with the same employer or with companies in the same group.

2. Gratuity paid out of public funds - Gratuity paid out of public funds on retirement from an employment under any written law.

3. Gratuity paid to a contract officer - Gratuity paid out of public funds to a contract officer on termination of a contract of employment regardless of whether the contract is renewed or not.

4. Death gratuity - Sums received by way of death gratuity.

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

Benefits-In-Kind (BIK) - These refer to the annual value of the benefits-in-kind provided by the employer such as motorcars, petrol, driver, household furnishings, apparatus and appliances, handphones, entertainment and recreational club. Working Sheet HK-2.4 and Appendix B3 are provided for reference.

Value Of Living Accommodation Provided - This refers to the value of living accommodation in Malaysia provided by the employer. Working Sheet HK-2.5 and Appendix B4 are provided for reference.

Refund From Unapproved Pension Or Provident Fund, Scheme Or Society - This refers to the employer's contributions made to an unapproved pension or provident fund from which payment is made to the employee before or after the cessation of his employment. Working Sheet HK-2.6 is provided for computation.

Compensation For Loss Of Employment - This is payment made by an employer to his employee as compensation for loss of employment or other cases. Compensation is exempted in the following circumstances:

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

Working Sheet HK-2.7 and Appendix B5 are provided for computation.

Subscriptions To Professional Bodies – Membership Subscription paid to professional bodies to ensure the continuance of a professional standing for practice such as the medical or legal profession, can be claimed as a deduction.

C11	DIVIDENDS	Enter dividends / distribution of income received from companies and unit trust [other than real estate investment trust (REIT) and property trust funds (PTF)] which have been charged to tax at 25%. Please submit Working Sheet HK-3 together with your Form B if you are entitled to a tax refund in item E15. Amount C(iii) from Working Sheet HK-3.
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		<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.
C19	CURRENT YEAR BUSINESS LOSSES	<p>Current year business losses can be deducted from the same year's aggregate income from all sources. Example: Business losses for the year 2010 can be deducted from the aggregate income of the year 2010. Amount E from Working Sheet HK-1.3. Amount in C19 is restricted to the amount in C18. If the amount in C19 exceeds the amount in C18, enter the amount as per C18 in this box.</p>
C21	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 C20. The balance not absorbed by item C20 (if any) is to be entered in item L3.</p>
C22	QUALIFYING FARM EXPENDITURE - SCHEDULE 4A AND PARAGRAPH 44(1)(b)	<p>Refer to the saving and transitional provision for Schedule 4A relating to the balance of capital expenditure not fully claimed. This amount is restricted to the amount in C20. The balance not absorbed by item C20 (if any) is to be entered in item L4.</p>
C24 – C31		DONATIONS AND GIFTS
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)		
<div> <div> 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 </div> <div> 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) </div> <div> 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) </div> </div> <div> Restricted to 7% of the Aggregate Income in item C18 </div>		
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)		
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)		
Gift of Money or Contribution In Kind for the Provision of Facilities in Public Places for the Benefit of Disabled Persons Gift of money or contribution in kind for providing public facilities for the benefit of disabled persons will be determined by the relevant local authority. Subsection 44(9)		

Gift of Money or Medical Equipment to Any Healthcare Facility Approved by the Ministry of Health
 Gift of money or medical equipment not exceeding RM20,000 in value given by an individual to any healthcare facility approved by the Ministry of Health. Subsection 44(10)

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)

C33	TAXABLE PIONEER INCOME	Pioneer status is a tax incentive as defined in section 5 to section 25 of the Promotion of Investments Act (PIA) 1986. When granted to an individual, his business income from participating in a promoted activity or producing a promoted product in relation to agriculture (agro-based) shall be fully/partially tax exempt. Refer to Working Sheet HK-1E for the amount to be entered in this item.
C35	TOTAL INCOME TRANSFERRED FROM HUSBAND / WIFE FOR JOINT ASSESSMENT * TYPE OF INCOME TRANSFERRED FROM HUSBAND / WIFE	ITEMS C35 AND C36 HAVE TO BE FILLED IN BY THE INDIVIDUAL IN WHOSE NAME THE JOINT ASSESSMENT IS TO BE RAISED. Transfer the total income of the spouse which is to be aggregated with the total income of the individual to this item. Note: Enter '1' if the income transferred from husband / wife includes income from a business source or '2' if not. Items C35 and C36 NEED NOT be filled if: (i) the individual is single/a divorcee/a widow/a widower (ii) the spouse of the individual does not have any source of income or has income which is tax exempt (iii) elects for separate assessment (iv) elects for joint assessment to be raised in the name of his/her spouse
PART D		DEDUCTIONS
D1	INDIVIDUAL AND DEPENDENT RELATIVES	Relief of RM9,000 for an individual in respect of himself and his dependent relatives is granted automatically. Paragraph 46(1)(a)
D2	MEDICAL EXPENSES FOR OWN PARENTS	Medical expenses incurred on parents is limited to RM5,000. Paragraph 46(1)(c) Medical expenses which qualify for deductions would include: (i) medical care and treatment provided by a nursing home; and (ii) 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.
D3	BASIC SUPPORTING EQUIPMENT	The purchase of any supporting equipment for use by a disabled individual, husband, wife, child or parent, may be claimed up to a maximum of RM5,000. Basic supporting equipment includes haemodialysis machine, wheel chair, artificial leg and hearing aids but exclude optical lenses and spectacles. Paragraph 46(1)(d)
D4	DISABLED INDIVIDUAL	An individual will be allowed an additional personal relief of RM6,000 if he is a disabled person. Paragraph 46(1)(e)
D5	EDUCATION FEES (SELF)	An amount limited to a maximum of RM5,000 is deductible in respect of fees expended on any course of study up to tertiary level in any institution in Malaysia recognised by the Malaysian Government or approved by the Minister for the purpose of acquiring any skills or qualifications:

		<p>(i) up to tertiary level (other than a degree at Masters or Doctorate level), for the purpose of acquiring law, accounting, Islamic financing, technical, vocational, industrial, scientific or technological skills or qualifications; or</p> <p>(ii) any course of study for a degree at Masters or Doctorate level.</p> <p>Paragraph 46(1)(f)</p>
D6	MEDICAL EXPENSES ON SERIOUS DISEASES	Medical expenses on serious diseases includes the treatment of acquired immune deficiency syndrome (AIDS), Parkinson's disease, cancer, renal failure, leukaemia and other similar diseases such as heart attack, pulmonary hypertension, chronic liver disease, fulminant viral hepatitis, head trauma with neurological deficit, brain tumour or vascular malformation, major burns, major organ transplant and major amputation of limbs. Amount expended on own self, husband/wife or child is deductible up to a maximum of RM5,000. Paragraph 46(1)(g)
D7	COMPLETE MEDICAL EXAMINATION	Complete medical examination refers to thorough examination. Amount expended on own self, husband/wife or child is deductible up to a maximum of RM500 but the total of both deductions (D6 and D7) is limited to a maximum of RM5,000. Paragraph 46(1)(h)
D8	PURCHASE OF BOOKS/MAGAZINES/JOURNALS/SIMILAR PUBLICATIONS	An amount limited to a maximum of RM1,000 is deductible in respect of the purchase of books, magazines, journals or other similar publications (in form of hardcopy or electronic but exclude newspapers or banned reading materials) for enhancing the knowledge of the individual, husband/wife or child. Paragraph 46(1)(i)
D9	PURCHASE OF PERSONAL COMPUTER FOR INDIVIDUAL	An amount limited to a maximum of RM3,000 is deductible in respect of the purchase of personal computer. No deduction will be granted if the computer is used for business purpose. This deduction is allowed once in 3 years. Paragraph 46(1)(j)
D10	NET DEPOSIT IN SKIM SIMPANAN PENDIDIKAN NASIONAL (SSPN)	<p>Amount deposited in SSPN by an individual for his children's education is deductible up to a maximum of RM3,000. The allowable deduction is limited to the net amount deposited in that basis year only.</p> <p>Example: For year 2010, Balance brought forward: RM4,500. Total deposit: RM2,000. Total withdrawal: RM1,500.</p> <p>Allowable deduction is RM500 (RM2,000 – RM1,500). The balance brought forward of RM4,500 is not taken into account. Paragraph 46(1)(k)</p>
D11	PURCHASE OF SPORTS EQUIPMENT	An amount limited to a maximum of RM300 is deductible in respect of expenses expended by the individual for the purchase of sports equipment for any sports activity as defined under the Sports Development Act 1997. Sports equipment includes equipment with short lifespan e.g. golf balls and shuttlecocks but excluding sports attire, e.g. swimsuits and sports shoes. Paragraph 46(1)(l)

D12	PAYMENT OF BROADBAND SUBSCRIPTION	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. Paragraph 46(1)(m)
D13	INTEREST ON HOUSING LOAN	<p>An amount limited to a maximum of RM10,000 is deductible for each basis year for a period of three consecutive years of assessment beginning from the date in which the interest is first expended.</p> <p>Conditions for eligibility:</p> <ul style="list-style-type: none"> (i) an individual who is a citizen and resident; (ii) the purchase of the residential property is limited to one unit only; (iii) the Sale and Purchase Agreement has been executed from 10 March 2009 to 31 December 2010; and (iv) that residential property must not be rented out <p>Where:</p> <ul style="list-style-type: none"> (a) 2 or more individuals are each entitled to claim deduction in respect of the same residential property; and (b) the total amount of interest expended by those individuals exceed the amount of deduction allowable for that relevant year, <p>there shall be allowed to each of those individuals for that relevant year an amount to be determined in accordance with the following formula:</p> $A \times \frac{B}{C}$ <p>Where;</p> <p>A = total amount of deduction allowed for that relevant year;</p> <p>B = total interest expended in the basis year for the relevant year by that individual; and</p> <p>C = total interest expended in the basis year for that relevant year by all such individuals.</p> <p>Section 46B</p>
D14	HUSBAND / WIFE / PAYMENT OF ALIMONY TO FORMER WIFE	<p>Relief of RM3,000 is given in respect of a husband living together in the basis year on condition that the husband has no total income or has elected for joint assessment. Section 45A</p> <p>Relief of RM3,000 is given in respect of a wife living together in the basis year on condition that the wife has no income/total income or has elected for joint assessment. Paragraph 47(1)(a)</p> <p>Payment to a former wife is also deductible provided that the deduction for wife and alimony payments shall not exceed RM3,000. Voluntary alimony payments under a mutual agreement but without any formal agreement do not qualify. Subsection 47(2) and 47(3)</p>
D15	DISABLED HUSBAND/WIFE	Additional deduction of RM3,500 is given in respect of a disabled husband/wife living together with the individual. Paragraph 47(1)(b) and section 45A

D16	<div>No. of children eligible for deduction</div> <div>No. of children claimed by own self</div> <div>No. of children claimed by husband/wife</div>	<div>Enter the total number of children eligible for claim of child relief by the individual and husband/wife (including 50%* eligibility).</div> <div>Enter the total number of children in respect of the deduction claimed by the individual in this item.</div> <div>Enter the total number of children in respect of the deduction claimed by the husband/wife for separate assessment.</div> <div>Refer to Working Sheet HK-13 for computation.</div> <div>100% Eligibility - This part has to be filled in by the individual who is entitled to claim the whole deduction.</div> <div>* 50% Eligibility - 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. Subsection 48(4)</div> <div>For Separate Assessment, the deduction in respect of each child may be claimed by either the individual or his spouse. Example: Ali and his wife may claim the deduction in respect of their children as follows:</div> <table><tr><td></td><td>Ali</td><td>Wife</td><td></td><td>Ali</td><td>Wife</td></tr><tr><td>(i)</td><td>5</td><td>0</td><td>(iv)</td><td>2</td><td>3</td></tr><tr><td>(ii)</td><td>4</td><td>1</td><td>(v)</td><td>1</td><td>4</td></tr><tr><td>(iii)</td><td>3</td><td>2</td><td>(vi)</td><td>0</td><td>5</td></tr></table>		Ali	Wife		Ali	Wife	(i)	5	0	(iv)	2	3	(ii)	4	1	(v)	1	4	(iii)	3	2	(vi)	0	5
	Ali	Wife		Ali	Wife																					
(i)	5	0	(iv)	2	3																					
(ii)	4	1	(v)	1	4																					
(iii)	3	2	(vi)	0	5																					
D16a	CHILD - UNDER THE AGE OF 18 YEARS	Child relief of RM1,000 is allowed if the individual pays for the maintenance of each unmarried child under the age 18 years at any time in that year. Paragraph 48(1)(a) & 48(2)(a)																								
D16b	CHILD - 18 YEARS & ABOVE AND STUDYING	<div><input type="checkbox"/> Relief for each unmarried child of 18 years and above who is receiving full-time education is RM1,000. Paragraph 48(1)(b) & 48(2)(a); or</div> <div><input type="checkbox"/> Relief of RM4,000 for each unmarried child of 18 years and above on condition that:<div><div>(i) receiving further education in Malaysia in respect of an award of diploma or higher (excluding matriculation/preparatory courses).</div><div>(ii) receiving further education outside Malaysia in respect of an award of degree or its equivalent (including Master or Doctorate).</div><div>(iii) the instruction and educational establishment shall be approved by the relevant government authority.</div></div>Subparagraph 48(3)(a)(i)</div>																								
D16c	CHILD - DISABLED CHILD	<div>An individual is entitled to a relief of RM5,000 if the child is disabled. Paragraph 48(1)(d) & 48(2)(b).</div> <div>An additional relief of RM4,000 is given for each disabled child of 18 years and above on condition that:<div><div>(i) receiving further education in Malaysia in respect of an award of diploma or higher (excluding matriculation/preparatory courses).</div><div>(ii) receiving further education outside Malaysia in respect of an award of degree or its equivalent (including Master or Doctorate).</div></div></div>																								

		(iii) the instruction and educational establishment shall be approved by the relevant government authority. An individual is entitled to a total relief of RM9,000 if the above condition is complied with. Subparagraph 48(3)(a)(ii)																				
D17	LIFE INSURANCE AND PROVIDENT FUND Refer to Working Sheet HK-14 for computation. <ul style="list-style-type: none"> <input type="checkbox"/> Insurance premiums paid for policies taken on the life of an individual, husband or wife are allowable deductions. Insurance premiums on the life of the child do not qualify. <input type="checkbox"/> Contributions to the Employees Provident Fund or other provident funds or pension schemes approved by the Director General of Inland Revenue. <input type="checkbox"/> Total relief for the payment of life insurance premiums and contributions to the Employees Provident Fund (EPF) or other approved schemes is limited to RM6,000 for an individual and RM6,000 for the wife who has total income. If the husband or wife elects for joint assessment, the insurance premiums and EPF contributions are limited to RM6,000. Paragraphs 49(1)(a), 49(1)(b), 49(1)(c), 49(1A)(b) <p><i>Example:</i> The taxpayer elects for joint assessment and the insurance premiums paid by the husband and wife are RM300 and RM6,500 respectively. The allowable deduction is limited to RM6,000 and not RM6,800. In situations where the husband has no total income and the wife is assessed separately as an individual, any expenditure on insurance premium incurred by the husband shall be deemed to have been paid by the wife and is allowable up to the limited amount only.</p> <p>However, if the husband has no total income but contributes to EPF, the wife is not allowed to claim a deduction from her own income in respect of the husband's EPF contribution. Likewise if the wife has no total income. Subsections 50(2) and 50(3)</p>																					
D18	DEFERRED ANNUITY A further deduction is given in respect of any payment of premium for deferred annuity contracted on or after 01/01/2010 , 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). Example: <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width: 15%;">Individual</th> <th style="width: 20%;">Life Insurance and EPF (RM)</th> <th style="width: 20%;">Deduction Allowed [Item D17] (RM)</th> <th style="width: 20%;">Deferred Annuity (RM)</th> <th style="width: 25%;">Total Deduction Allowed (RM)</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>6,500</td> <td>6,000</td> <td>1,200</td> <td>7,000</td> </tr> <tr> <td>B</td> <td>8,000</td> <td>6,000</td> <td>800</td> <td>6,800</td> </tr> <tr> <td>C</td> <td>5,000</td> <td>5,000</td> <td>1,500</td> <td>6,500</td> </tr> </tbody> </table>		Individual	Life Insurance and EPF (RM)	Deduction Allowed [Item D17] (RM)	Deferred Annuity (RM)	Total Deduction Allowed (RM)	A	6,500	6,000	1,200	7,000	B	8,000	6,000	800	6,800	C	5,000	5,000	1,500	6,500
Individual	Life Insurance and EPF (RM)	Deduction Allowed [Item D17] (RM)	Deferred Annuity (RM)	Total Deduction Allowed (RM)																		
A	6,500	6,000	1,200	7,000																		
B	8,000	6,000	800	6,800																		
C	5,000	5,000	1,500	6,500																		
D19	EDUCATION AND MEDICAL INSURANCE	A relief not exceeding RM3,000 is available on insurance premiums in respect of education or medical benefits for an individual, husband, wife, or child. Subsection 49(1B). Refer to Working Sheet HK-14 for computation.																				
PART E		TAX PAYABLE																				
E1	CHARGEABLE INCOME	C34 minus D20 or C36 minus D20. Enter "0" if value is negative.																				
E2a	Chargeable Income Subject to Part XIV of Schedule 1	FILL IN THIS ITEM IF A9 = 1. Only an individual who has been approved by the Minister as knowledge worker is qualified to fill in this item. This item need not be completed if A9 = 2																				

E2b & E2c	Income Tax Computation In Respect of Chargeable Income Subject to Part I of Schedule 1	Match the chargeable income which is not subject to Part XIV of Schedule 1 (E2a) with the range of chargeable income as provided in the tax schedule on page 22 of this Explanatory Notes.
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EXAMPLE ON HOW TO FILL IN THE ITEMS E2a, E2b AND E2c

Example I:

A9 = 2

Chargeable income (E1) : RM220,000

Item E2a need not be completed as it is not applicable.

Chargeable Income Subject to Part I of Schedule 1 = RM220,000

[Refer category I of the tax schedule]

Enter in items E2a, E2b, E2c and E3 in Form B as follow:

E2a	=	<input type="text"/>	At Rate 15%	<input type="text"/>
E2b	Tax on the first	<input type="text" value="100000"/>		<input type="text" value="1432500"/>
E2c	Tax on the balance	<input type="text" value="120000"/>	At Rate (%) 26	<input type="text" value="3120000"/>
E3	TOTAL INCOME TAX (E2a + E2b + E2c)		E3	<input type="text" value="4552500"/>

Example II:

A9 = 1

Chargeable income (E1) : RM220,000

Chargeable income from employment with a designated company : RM250,000

Total gross income from all sources : RM250,000

Chargeable income subject to Part XIV of Schedule 1 (15%)

$$= \frac{250,000}{250,000} \times 220,000$$

$$= 220,000$$

Items E2b and E2c need not be completed as it is not applicable.

Enter in items E2a, E2b, E2c and E3 in Form B as follow:

E2a	=	<input type="text" value="220000"/>	At Rate 15%	<input type="text" value="3300000"/>
E2b	Tax on the first	<input type="text"/>		<input type="text"/>
E2c	Tax on the balance	<input type="text"/>	At Rate (%) <input type="text"/>	<input type="text"/>
E3	TOTAL INCOME TAX (E2a + E2b + E2c)		E3	<input type="text" value="3300000"/>

Contoh III:

A9 = 1

Chargeable income (E1)	:	RM220,000
Chargeable income from employment with a designated company	:	RM180,000
Total gross income from all sources	:	RM250,000

Chargeable income subject to Part XIV of Schedule 1 (15%)

$$= \frac{180,000}{250,000} \times 220,000$$

$$= \text{RM}158,400$$

Chargeable income subject to Part I of Schedule 1

$$= \text{RM}220,000 - \text{RM}158,400$$

$$= \text{RM}61,600 \text{ [Refer category G of the tax schedule]}$$

Enter in items E2a, E2b, E2c and E3 in Form B as follow:

E2a	=	<input type="text" value="158400"/>	At Rate 15%	<input type="text" value="237600"/>
E2b	Tax on the first	<input type="text" value="50000"/>		<input type="text" value="332500"/>
E2c	Tax on the balance	<input type="text" value="11600"/>	At Rate (%) <input type="text" value="19"/>	<input type="text" value="220400"/>
E3	TOTAL INCOME TAX (E2a + E2b + E2c)			E3 <input type="text" value="292890"/>

E4	TAX REBATE FOR INDIVIDUAL	A rebate of RM400 is granted to an individual whose chargeable income does not exceed RM35,000. Paragraph 6A(2)(a)
E5	TAX REBATE FOR HUSBAND/WIFE	A rebate of RM400 is granted to an individual whose chargeable income does not exceed RM35,000 and where he/she has been allowed a deduction of RM3,000 for the spouse. Paragraph 6A(2)(b) / Paragraph 6A(2)(c)
E6	ZAKAT OR FITRAH	A rebate is granted for payments of any zakat, fitrah or other obligatory Islamic religious dues in the basis year. Subsection 6A(3)
E7	FEES / LEVY	A rebate for any fee paid under the Fees Act 1951 to the Government for an Employment Pass, Visit Pass (Temporary Employment) or Work Pass can be claimed. Section 6c
E10	TAX DEDUCTION UNDER SECTION 51 OF FINANCE ACT 2007 (DIVIDENDS)	Please submit Working Sheet HK-3 if you are entitled to a tax refund as per item E15 of the Form B. Amount D from Working Sheet HK-3
E11	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 Working Sheet HK-6 if you are entitled to a tax refund. Amount B from Working Sheet HK-6

E12	SECTION 132 TAX RELIEF	Relief from double taxation on foreign income brought into Malaysia. Refer to Appendix F (Guidebook B) 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.
E13	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 F		STATUS OF TAX FOR YEAR OF ASSESSMENT 2010
F1	TAX PAYABLE	Amount from E14. Enter "0" in this box if entitled to a tax refund as per item E15.
F2	INSTALMENTS/ MONTHLY TAX DEDUCTIONS PAID FOR 2010 INCOME - SELF AND HUSBAND / WIFE IF JOINT ASSESSMENT	<p>Use Working Sheet HK-10 for computation. This excludes payments made in respect of outstanding tax for previous years of assessment.</p> <p>Monthly Tax Deductions made in 2010 in respect of bonus or director's fee (including bonus or director's fee for previous years of assessment paid in 2010) has to be included in this item.</p> <p>Transfer the amount from item E of Working Sheet HK-10 to this item.</p> <p>For Joint Assessment - enter the total amount of instalment / Monthly Tax Deductions paid by the husband/wife in this item.</p>
F3	BALANCE OF TAX PAYABLE	<p>The balance of tax payable must be paid within the stipulated period.</p> <p>Payment can be made as follows:</p> <p>(a) Bank</p> <ul style="list-style-type: none"> - Counters of CIMB Bank Berhad (CIMB), Public Bank Berhad (PBB), Malayan Banking Berhad (Maybank) and EON Bank by using the bank payment slip. - CIMB, PBB, Maybank, EON Bank internet banking and Maybank phone banking. - Auto Teller Machine (ATM) of PBB and Maybank. <p>(b) LHDNM</p> <ul style="list-style-type: none"> - e-Payment through FPX (Financial Process Exchange) at LHDNM website, http://www.hasil.gov.my - Payment counters of LHDNM or by mail and use the Remittance Slip (CP501) provided with the form <p>(c) Pos Malaysia Berhad - counter and Pos Online</p> <p>If the sum of amounts in F2 exceeds the amount in F1, enter "0" in this item.</p>
F4	TAX PAID IN EXCESS	F2 minus F1
<p>After computing the tax up to Part F, you are reminded to complete the 'Status of Tax' section on page 1 of Form B by entering 'X' in one relevant box only.</p>		

PART G		INCOME OF PRECEDING YEARS NOT DECLARED
G1 – G3	Income received in respect of any earlier year not previously declared such as payment of salary in arrears. Please use attachment in case of insufficient writing space. Bonus or director's fee shall, when received in the basis year, be treated as part of the gross income from employment for the basis year in which it is received and assessed as such.	
PART H		PARTICULARS OF EXECUTOR OF THE DECEASED PERSON'S ESTATE
H1 – H6	Fill in relevant information only.	
PART J		PARTICULARS OF BUSINESS INCOME
J1a	BALANCE FROM CURRENT YEAR LOSSES	Current year's business/partnership losses not absorbed.
J1a(i)	Amount Carried Back	Amount G from Working Sheet HK-1.3
J1a(ii)	Balance Carried Forward	Amount H from Working Sheet HK-1.3
J1b	BALANCE FROM PREVIOUS YEARS' LOSSES	Balance from previous years' business/partnership losses not absorbed. Amount C from Working Sheet HK-1.3
J1c	LOSSES CARRIED FORWARD	J1a(ii) plus J1b Amount J from Working Sheet HK-1.3
J1d	PIONEER LOSS Amount absorbed Balance carried forward	As pioneer business loss can only be absorbed by income from other pioneer business, its accounts must be kept separate from that of non-pioneer business. Enter the amount of pioneer loss that has been absorbed in this item. Amount D from Working Sheet HK-1.4 Enter the amount of unabsorbed balance of pioneer loss in this item. Amount E from Working Sheet HK-1.4
J2a – J2f	CAPITAL ALLOWANCES Allowance absorbed Balance carried forward	Claim for capital allowances in the computation of statutory income from business and partnership. Capital allowance absorbed in the current year. Amount K5 from Working Sheet HK-1 / amount K4 from Working Sheet HK-1B / amount Q5 from Working Sheet HK-1C / amount N5 from Working Sheet HK-1D Amount K6 from Working Sheet HK-1 / amount K5 from Working Sheet HK-1B / amount Q6 from Working Sheet HK-1C / amount N6 from Working Sheet HK-1D
J3a – J3d		PARTICULARS OF WITHHOLDING TAXES
Section 107A - Payment to non-resident contractors for services under a contract. Withholding tax rate according to ITA 1967: 10 % of gross amount on account of tax which is or may be payable by that non-resident contractor Plus 3% of gross amount on account of tax which is or may be payable by the employees of that non-resident contractor.		

Section 109 - Payment of interest or royalties to non-resident persons. Withholding tax rate according to Part II Schedule 1 of ITA 1967. Refer to Appendix F (Form B Guidebook) for rates according to the Avoidance of Double Taxation Agreements.

Section 109A - Payment in respect of services performed/rendered in Malaysia by public entertainers. Withholding tax rate according to Part II Schedule 1 of ITA 1967: 15% of gross.

Section 109B - Payment of kind classified under section 4A to non-resident persons. Withholding tax rate according to Part V Schedule 1 of ITA 1967. Refer to Appendix F (Form B Guidebook) for rates according to the Avoidance of Double Taxation Agreements.

Section 109F - Payment to a non-resident person in relation to income under paragraph 4(f) of ITA 1967, is subject to withholding tax at the rate of 10% on gross as specified in Part XIII Schedule 1 of ITA 1967.

TOTAL GROSS AMOUNT PAID

Total gross amount paid before any deduction.

TOTAL TAX WITHELD AND REMITTED TO LHDNM

Regulations and procedures for payment set out by the Collections Branch must be complied.

PART K		SPECIAL DEDUCTION, FURTHER DEDUCTION AND DOUBLE DEDUCTION
K1 – K5		Please use the claim codes provided on page 23 of this Explanatory Notes.
PART L		INCENTIVE CLAIM / EXEMPT INCOME
L1	SCHEDULE 7A ALLOWANCE	<p>This incentive is given to an individual who undertakes a project in transforming his business of rearing chicken and ducks from an opened house to a closed house system; or in expanding his 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 ITA 1967 to determine the eligibility; paragraph 1 and paragraph 3 Schedule 7A ITA 1967; and Working Sheet HK-1B / HK-1C on the method of computation.</p> <p>Retain original documents pertaining to the qualifying capital expenditure, application form and detailed computation of the allowance for examination.</p>
L2	INCREASED EXPORTS ALLOWANCE FOR QUALIFYING SERVICES	Refer to paragraphs 2, 3 and 6 of the Income Tax (Exemption) (No. 9) Order 2002 [P.U.(A) 57] and Income Tax (Exemption) (Amendment) Order 2006 [P.U.(A) 275] to determine the eligibility. Refer to Working Sheet HK-1B / HK-1D for computation.
L3	SCHEDULE 4 QUALIFYING EXPENDITURE	Expenditure not fully absorbed in the current year (residual expenditure to be carried forward) has to be entered in this item.
L4	SCHEDULE 4A QUALIFYING EXPENDITURE	Enter the expenditure not fully absorbed in the current year (residual expenditure to be carried forward) in this item.

L5	PIONEER INCOME	Amount exempted - Enter the amount/portion of income which is tax exempt from item M4 Working Sheet HK-1E in this item.
L6	APPROVED FOOD PRODUCTION PROJECT	Refer to Income Tax (Exemption) (No. 10) Order 2006 [P.U.(A) 51]. Enter the statutory income which is tax exempt in this item.
PART M		FINANCIAL PARTICULARS OF INDIVIDUAL
M1	NAME OF BUSINESS	Fill in the name of business for the main business only. If there is more than one (1) main business, enter the name of business for the business with the highest turnover.
M1A	BUSINESS CODE	Fill in the business code (refer to Appendix G of the Form B Guidebook) for the main business only. If there is more than one (1) main business, enter the code for the business with the highest turnover.
M2	SALES OR TURNOVER	Gross income including accrued income from sales, fees and other receipts.
M3	OPENING STOCK	Opening stock of finished goods as per Trading Account.
M4	PURCHASES AND COST OF PRODUCTION	<ul style="list-style-type: none"> Gross amount of purchases minus discounts/rebates received pertaining to the main business. Cost of production as per Manufacturing Account.
M5	CLOSING STOCK	Closing stock of finished goods as per Trading Account.
M6	COST OF SALES	M3 plus M4 minus M5. Enter "0" if none.
M7	GROSS PROFIT/ GROSS LOSS	M2 minus M6.
M8	OTHER BUSINESS INCOME	Sum of gross income from businesses other than M1.
M9 – M11	DIVIDENDS, INTEREST AND DISCOUNTS, RENTS, ROYALTIES AND PREMIUMS	Gross income from respective sources.
M12	OTHER INCOME	Sum of gross income from other non-business sources not mentioned above.
M14 – M23	EXPENSES	Amount as per Profit and Loss Account. Loan Interest - Total expenditure on interest excluding interest on hire-purchase/lease.
M25	NET PROFIT/LOSS	Net profit or loss as per Profit and Loss Account.
M26	NON-ALLOWABLE EXPENSES	Amount F1 from Working Sheet HK-1, HK-1C, HK-1D or HK-1E
M27-M30	FIXED ASSETS	Net book value as per Balance Sheet.

M32	INVESTMENTS	Cost of investments and fixed deposits.
M33-M38	CURRENT ASSETS	Amount as per Balance Sheet.
M41-M43	LIABILITIES	Amount as per Balance Sheet.
M45	CAPITAL ACCOUNT	Amount as per Balance Sheet.
M46	CURRENT ACCOUNT BALANCE BROUGHT FORWARD	Current account balance carried forward from last year, excluding capital.
M47	CURRENT YEAR PROFIT/LOSS	Amount as per Profit and Loss Account.
M48	NET ADVANCE/DRAWING	Takings of cash, stock in trade, etc. from the business by the proprietor for personal use/advance of cash.
M49	CURRENT ACCOUNT BALANCE CARRIED FORWARD	Sum of amounts from items M46 to M48

DECLARATION

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.

PARTICULARS OF TAX AGENT WHO COMPLETES THIS RETURN FORM

This section has to be filled in, affirmed and duly signed by the tax agent who completes this return form.

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 Next 5,000	3	25 150
D	10,001 - 20,000	First 10,000 Next 10,000	3	175 300
E	20,001 - 35,000	First 20,000 Next 15,000	7	475 1,050
F	35,001 - 50,000	First 35,000 Next 15,000	12	1,525 1,800
G	50,001 - 70,000	First 50,000 Next 20,000	19	3,325 3,800
H	70,001 - 100,000	First 70,000 Next 30,000	24	7,125 7,200
I	Exceeding 100,000	First 100,000 For every next ringgit	26	14,325

COUNTRY CODES					
The following are some of the codes for countries identified. Please refer to Appendix E of the Form B Guidebook for the full list.					
Country	Code	Country	Code	Country	Code
Australia	AU	Iran (Islamic R.O.)	IR	Philippines	PH
Bangladesh	BD	Iraq	IQ	Saudi Arabia	SA
Brunei	BN	Japan	JP	Singapore	SG
Cambodia	KH	Korea, D.P.R.	KP	South Africa	ZA
Canada	CA	Korea, R.O.	KR	Sri Lanka	LK
China	CN	Laos, D.P.R.	LA	Taiwan	TW
Denmark	DK	Malaysia	MY	Thailand	TH
Hong Kong	HK	Myanmar	MM	United Kingdom	GB
India	IN	New Zealand	NZ	United States	US
Indonesia	ID	Pakistan	PK	Vietnam	VN

Note: R.O. = Republic of;

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

CLAIM CODES	
SPECIAL DEDUCTIONS	
Code	Claim
101	Equipment for disabled employees; or expenditure on the alteration or renovation of premises for the benefit of disabled employees
102	Translation into or publication in the national language of books approved by the Dewan Bahasa dan Pustaka
103	Provision of library facilities/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
116	Contribution to an approved benevolent fund/trust account in respect of individuals suffering from serious diseases
117	Provision of practical training in Malaysia to resident individuals who are not own employees
120	Investment in a venture company
121	Deduction for gifts of new personal computer and monthly broadband subscription fee to employees
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 benefit and gift from employer to employee
142	Deduction for investment in an approved consolidation of management of smallholding and idle land project
144	Expenditure on registration of patent and trade mark
FURTHER DEDUCTIONS	
Code	Claim
201	Premiums on imported cargo insured with an insurance company incorporated in Malaysia
202	Remuneration of disabled employees
204	Premiums on exported 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 for 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 employees
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

[illegible][illegible][illegible]

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

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											

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 regressed 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)**

$$\begin{aligned} &= \text{Net dividend} \times \frac{1}{(1 - Z^*)} \\ &= \frac{\text{Net dividend}}{(1 - Z^*)} \\ &= \textbf{(X)} \end{aligned}$$

(ii) Tax deemed deducted **(Y)**

$$\begin{aligned} &= \textbf{X} \times Z^* \\ &= \textbf{(Y)} \end{aligned}$$

* 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)