

MALAYSIAN TAX INFORMATION

1. Any income derived from Malaysia is subject to Malaysia income tax each Year.
2. Income from sources outside Malaysia is exempted from tax , e.g. pension & dividend.
3. Types of income subject to tax :
 - a. Business , trade or profession
 - b. Employment
 - c. Dividend , interest or discounts
 - d. Rents , royalties or premiums
 - e. Pensions , annuities or periodical payments
 - f. Gains or profits not falling under any of the foregoing paragraph
 - g. Income of a non resident in respect of technical advice , assistance or services rendered in connection with any technical management or administration of any scientific , industrial or commercial undertaking , venture , project or scheme.
4. Tax rate :
 - a. The tax rate for an individual will depend on his/her residence status. Generally , a non resident individual is taxed at a flat rated of 27% without any personal deductions. Income under (g) above is taxed at 10% on gross income.
 - b. A resident individual is taxed at a scale rate of tax from 0% - 27% on chargeable income after personal deductions.
5. Residence status of an individual for tax purposes is determined not by nationality but by the length of stay in Malaysia. The status is determined for each calendar year. For example , the individual will be considered as a resident if he / she stay :-
 - a. in a year amounting to 182 days or more in Malaysia; OR
 - b. if less than 182 days in a year but that period is linked to another period of more than 182 consecutive days ;
e.g. from 01/03/2003 to 31/12/2003 = more than 182 days
from 01/01/2004 to 31/01/2004 = 31 days
therefore he is tax resident for 2003 and 2004 ; OR
 - c. if 90 days or more in a year and stayed 90 days or more / resident for three out of four preceding years of assessment

e.g. 2000 , 2001 , 2002 – stayed 90 days or resident 2003 – stayed 90 days or more. Therefore he is tax resident for year of assessment 2003 ; OR

d. is stayed less than 90 days or did not stay in Malaysia at all in a year but stayed as resident for three preceding years and the following year

e.g. 2000 , 2001 , 2002 - resident
Therefore he is tax resident in the year 2003

6. How to inform IRBM regarding the chargeability to tax ?

If you are in receipt of income , you must notify your chargeability to tax to the nearest tax office and request for the tax return form.

Submit the following personal particulars :

- a. Full name as in passport
- b. Date of birth
- c. Passport number (please attach a copy)
- d. Nationality
- e. Sex
- f. Present correspondence address
- g. Statement of income earned / derived from Malaysia

7. The individual who does not carry on a business will need to submit the tax return by 30 April of the following year

The individual who carries on a business such as a sole proprietor or a partnership will need to submit the tax return form by 30 June of the following year.

NOTE :

For further information , kindly contact

Inland Revenue Board Malaysia

Public Relations Unit

10th Floor , Block 9

Government Office Complex

Jalan Duta , 50592 Kuala Lumpur

Tel : 603-6203 1380

Fax : 603-6201 2430

Email : lhdn@hasil.gov.my

Website : www.hasil.gov.my