



The PERMAI assistance package, valued at RM15 billion was announced by the Prime Minister on 18 January 2021 to fulfil the following three main objectives:

Combat the COVID-19 Outbreak



Safeguard the Welfare of the People



Support the Business Continuity



We highlight below the tax-related measures that have been announced.

Income Tax Measures

<p>Personal tax relief for private COVID-19 screening</p>	<p>It was previously announced in Budget 2021 that tax relief for medical examination has been increased from RM500 to RM1,000, effective from Year of Assessment 2021.</p> <p>To support individuals to undergo COVID-19 screening privately, the above medical examination tax relief is expanded to include COVID-19 screening.</p>
<p>Extension of special personal tax relief on the purchase of personal computer, smartphone or tablet</p>	<p>It was previously announced under PENJANA that a special personal tax relief of up to RM2,500 is given to resident individuals for the purchase of personal computer, smartphone or tablet between 1 June 2020 to 31 December 2020.</p> <p>This is in addition to the existing lifestyle relief of RM2,500 which includes the following:</p> <ul style="list-style-type: none"> (a) purchase of books, journals, magazines, printed daily newspapers and other similar publications (excluding banned publications); (b) purchase of sports equipment for sports activities as defined under the Sports Development Act 1997; (c) purchase of personal computer, smartphone or tablet; (d) subscription for broadband internet; and (e) gymnasium membership fee. <p>The above special personal tax relief is now extended for another year until 31 December 2021.</p>
<p>Extension of special deduction for rental discount</p>	<p>It was previously announced that the special tax deduction equivalent to the amount of at least 30% rental reduction given to SME tenants has been extended until 31 March 2021.</p> <p>The above special tax deduction is now extended until 30 June 2021 and it also covers rental reduction given to non-SME tenants.</p> <p>The effective date (and further qualifying conditions, if any) in relation to non-SME tenants have yet to be announced.</p>

Indirect Tax Measures

Extension of sales tax exemption on passenger motor vehicles	It was previously announced under PENJANA that until 31 December 2020: – – Full sales tax exemption will be given on the sale of locally assembled passenger motor vehicles; and – 50% sales tax exemption will be given on imported passenger motor vehicles. To continue to drive the growth momentum of the automotive sector, the above exemption period is now extended until 30 June 2021.
Shortened ownership period for taxis granted excise duty and sales tax exemption	Previously, exemption from excise duty and sales tax are granted on the transfer, disposal or private use of a taxi, provided the taxi is owned for at least 7 years. The above minimum ownership period of the taxi is now shortened to 5 years, effective from 1 January 2021 to 31 December 2021.

Other Tax Measures

Exemption of Human Resources Development Fund (HRDF) levy	HRDF will exempt the employer levy for companies that are unable to operate during the Movement Control Order (MCO) and Conditional MCO periods.
---	--

COMMUNICATION



Ng Ah Bah
Executive Tax Director
T +603 2610 2827
E ngab@rsmmalaysia.my



Owen Wong
Tax Director | Corporate Tax
T +603 2610 2829
E owenwong@rsmmalaysia.my

RSM Tax Consultants (Malaysia) Sdn Bhd

5th Floor, Penthouse, Wisma RKT, Block A, No.2 Jalan Raja Abdullah Off Jalan Sultan Ismail, 50300 Kuala Lumpur, Malaysia

General Email askus@rsmmalaysia.my
Website www.rsmmalaysia.my

RSM Malaysia (AF:0768) is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network.

Each member of the RSM network is an independent accounting and advisory firm each of which practices in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction. The RSM network is administered by RSM International Limited, a company registered in England and Wales (company number 4040598) whose registered office is at 50 Cannon Street, London, EC4N 6JJ.

The brand and trademark RSM and other intellectual property rights used by members of the network are owned by RSM International Association, an association governed by article 60 et seq of the Civil Code of Switzerland whose seat is in Zug.

This article is not intended to provide specific business or investment advice. No responsibility for any errors or omissions nor loss occasioned to any person or organisation acting or refraining from acting as a result of any material in this website can, however, be accepted by the author(s) or RSM International. You should take specific independent advice before making any business or investment decision.

© RSM International Association, 2021