



# eNewsletter 17/2021

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Personal tax – Year of assessment 2021

# Tax residence status of individuals

An individual is regarded as tax resident if he meets any of the following conditions, i.e., if he is:

in Malaysia for at least 182 days in a calendar year;



in Malaysia for a period of less than 182 days during the year but that period is linked to a period of physical presence of 182 or more “consecutive” days in the following or preceding year. Temporary absences from Malaysia due to the following reasons are counted as part of the consecutive days, provided that the individual is in Malaysia before and after each temporary absence:

business trips



treatment for ill-health









social visits not exceeding 14 days



in Malaysia for 90 days or more during the year and, in any 3 of the 4 immediately preceding years, he was in Malaysia for at least 90 days or was resident in Malaysia; or

resident for the year immediately following that year and for each of the 3 immediately preceding years.

# Personal reliefs for resident individuals

Types of relief	YA 2021 (RM)
Self 	9,000
Disabled individual – additional relief for self 	6,000
Spouse 	4,000
Disabled spouse – additional spouse relief 	5,000
<b>Child:</b>	
per child (below 18 years old) 	2,000
per child (over 18 years old): receiving full-time instruction of higher education in respect of: <ul style="list-style-type: none"> <li>◆ diploma level and above in Malaysia; or</li> <li>◆ degree level and above outside Malaysia; or</li> <li>◆ serving under articles or indentures in a trade or profession in Malaysia</li> </ul> 	8,000
per physically / mentally disabled child	6,000
physically / mentally disabled child (over 18 years of age) receiving full-time instruction at institution of higher education in respect of: <ul style="list-style-type: none"> <li>◆ diploma level and above in Malaysia; or</li> <li>◆ degree level and above outside Malaysia; or</li> <li>◆ serving under articles or indentures in a trade or profession in Malaysia</li> </ul>	14,000
Life insurance premiums	3,000*
EPF contributions	4,000*
Private Retirement Scheme contributions and Deferred annuity scheme premium (until YA 2025)	3,000*

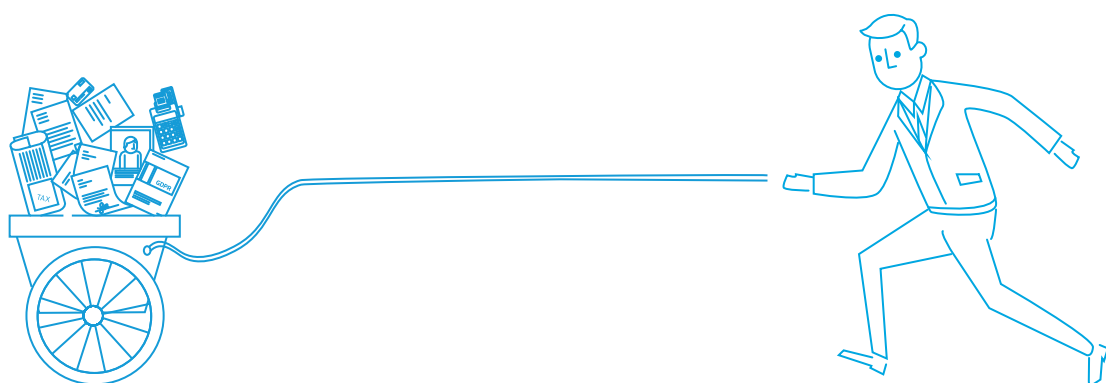
# Personal reliefs for resident individuals (Cont)

Types of relief	YA 2021 (RM)
Expenses on medical treatment, special needs or carer expenses for parents (evidenced by medical certification) <ul style="list-style-type: none"> <li>◆ Parental care (RM 1,500 each)</li> </ul>	8,000*
Employee's contribution to Social Security Organisation (SOCSO)	250*
Medical expenses for self, spouse or child suffering from a serious disease, expenses incurred on fertility treatment, or vaccination up to RM1,000 (including fees of up to RM1,000 incurred by self, spouse or child for complete medical examination )	8,000*
Fee expended for any course of study up to tertiary level other than a degree at Masters or Doctorate level, undertaken for the purpose of acquiring legal, accounting, Islamic financing, technical, vocational, industrial, scientific or technological skills or qualifications or any course of study for a degree at Masters or Doctorate level undertaken for the purpose of acquiring any skill or qualification or approved courses with professional bodies including professional courses in accounting, finance, and ESG-related. This includes fees for attending upskilling and self-enhancement courses, limited to: <b>RM1,000 (YA 2021)</b>	7,000*
Purchase of supporting equipment for self (if a disabled person) or for disabled spouse, child or parent	6,000*
Lifestyle relief consolidated with the following: <ul style="list-style-type: none"> <li>◆ purchase or subscription of books, journals,</li> <li>◆ magazines, newspaper and other similar publications (in the form of hardcopy or electronic) for the purpose of enhancing knowledge</li> <li>◆ purchase of personal computer, smartphone or tablet</li> <li>◆ purchase of sports equipment and gym memberships,</li> <li>◆ internet subscription</li> </ul>	2,500*

# Personal reliefs for resident individuals (Cont)

Types of relief	YA 2021 (RM)
Purchase of breastfeeding equipment	1,000*
Fees paid to child care centre and kindergarten	3,000*
Deposit for child into the Skim Simpanan Pendidikan 1Malaysia account established under Perbadanan Tabung Pendidikan Tinggi Nasional Act 1997 (until YA 2022)	8,000*
Domestic travelling expenses (payment for accommodation and fee for entrance to tourist attractions) (Special Relief) (Note 1)	1,000*
Additional relief (on top of lifestyle relief) for purchase of personal computer, smartphone or tablet (Special Relief)	2,500*
Additional relief (on top of lifestyle relief) for expenditure related to cost of purchasing sports equipment, entry/ rental fees for sports facilities and registration fees for sports competitions	500*

\* *Maximum relief*



## Note 1:

W.e.f March 2021, the scope of this relief has been expanded to include expenses relating to purchase of tourism packages through MOTAC-registered local travel agencies, including:

- ◆ payment of services of local tourist drivers
- ◆ purchase of local handicraft products
- ◆ food and drink, and
- ◆ hop-on hop-off transportation

# Rates of tax – Year of assessment 2021

Chargeable Income	Calculations (RM)	Rate %	Tax(RM)
0 – 5,000	On the First 5,000	0	0
5,001 – 20,000	On the First 5,000 <b>Next 15,000</b>	1	0 <b>150</b>
20,001 – 35,000	On the First 20,000 <b>Next 15,000</b>	3	150 <b>450</b>
35,001 – 50,000	On the First 35,000 <b>Next 15,000</b>	8	600 <b>1,200</b>
50,001 – 70,000	On the First 50,000 <b>Next 20,000</b>	13	1,800 <b>2,600</b>
70,001 – 100,000	On the First 70,000 <b>Next 30,000</b>	21	4,400 <b>6,300</b>
100,001 – 250,000	On the First 100,000 <b>Next 150,000</b>	24	10,700 <b>36,000</b>
250,001 – 400,000	On the First 250,000 <b>Next 150,000</b>	24.5	46,700 <b>36,750</b>
400,001 – 600,000	On the First 400,000 <b>Next 200,000</b>	25	83,450 <b>50,000</b>
600,001 – 1,000,000	On the First 600,000 <b>Next 400,000</b>	26	133,450 <b>104,000</b>
1,000,001 – 2,000,000	On the First 1,000,000 <b>Next 1,000,000</b>	28	237,450 <b>280,000</b>
Exceeding 2,000,000	On the First 2,000,000 <b>Next ringgit</b>	30	517,450 .....



# Rates of tax – Year of assessment 2021 (Cont)

## Resident individuals

Types of rebate	Rate
A qualified person (defined) who is a knowledge worker residing in Iskandar Malaysia with a designated company engaged in a qualified activity in that specified region.	15%
An approved individual under the Returning Expert Programme who is a resident for 5 consecutive YAs.	15%
A non-citizen receiving a monthly salary of not less than RM25,000 and holding key positions / C-Suite positions for a period of 5 consecutive years. This incentive is limited to 5 non-resident individuals employed in each company that has been granted relocation tax incentive under PENJANA initiative (applications received by the Malaysian Investment and Development Authority (MIDA) by 31 December 2021, extended to 31 December 2022)	15%

## Non-resident individuals

Types of rebate	Rate
Business, employment income, discounts, rents, premiums, pensions, annuities, other periodical payments and other gains or profits (includes payments received for part-time / occasional broadcasting, lecturing, writing, etc.)	30%



## Tax rebates for resident individuals

Types of rebate	RM
Individual's chargeable income does not exceed RM35,000	400
If husband and wife are separately assessed and each chargeable income does not exceed RM35,000	400 (each)
If husband and wife are jointly assessed and the joint chargeable income does not exceed RM35,000	800
Rebate for Zakat, Fitrah or other Islamic religious dues paid	Actual amount expended
Rebate for departure levy paid for performing umrah and pilgrimage to holy places.	Actual amount expended (twice in a lifetime)

The above rebate granted is deducted from tax charged and any excess is not refundable.

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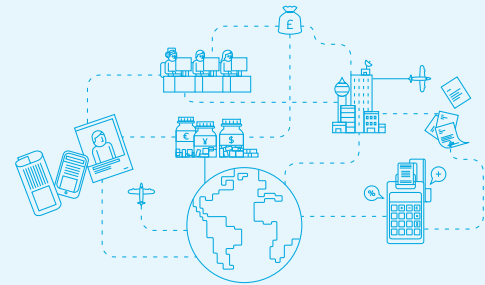


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