

# eNewsletter

05/2021

## Tax updates

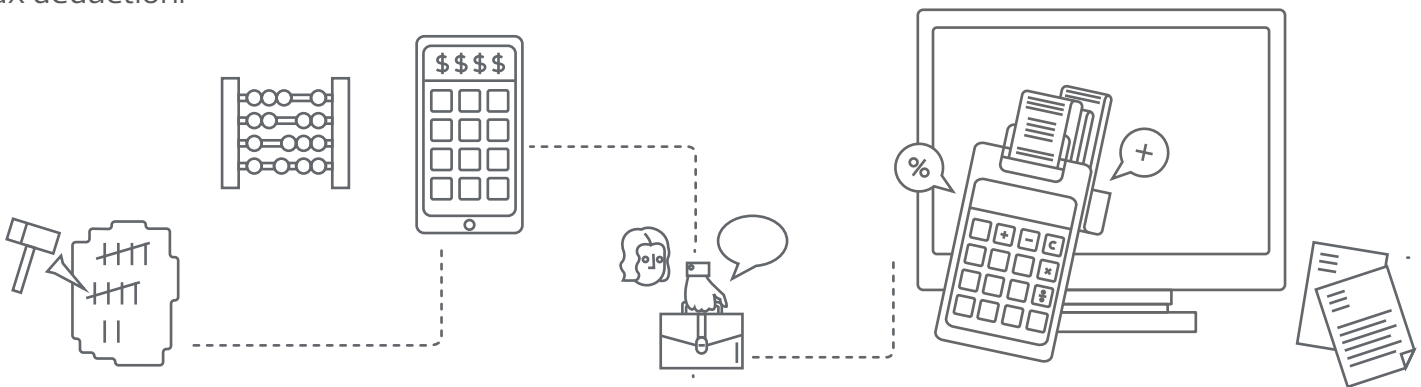


### 1.0 Double tax deduction on employee screening cost

Further to the Perlindungan Ekonomi dan Rakyat Malaysia (PERMAI) assistance package announced by the Prime Minister on 18 January 2021, the Finance Minister issued a media statement dated 21 January 2021 in relation to the PERMAI assistance package which includes an additional income tax measure on COVID-19 screening costs.

From the media statement, employers who bear the cost of COVID-19 screening for employees are eligible to claim double tax deduction on the payment of screening costs made in the period from 1 January to 31 December 2021.

However, such incentive was not mentioned in the aforementioned Prime Minister's PERMAI announcement and no gazette order has been issued to-date to enact the rules on the above double tax deduction.



### 2.0 Extension of effective period for further tax deduction on employment of senior citizen, ex-convict, parolee, supervised person and ex-drug dependent

Currently, further tax deduction is given to an employer on remuneration paid to a full-time employee who is a senior citizen (at least 60 years old), ex-convict, parolee, supervised person or ex-drug dependent whose remuneration does not exceed RM4,000, from the year of assessment (YA) 2019 until YA 2020.

Further to the announcement in Budget 2021, the Income Tax (Deduction for Employment of Senior Citizen, Ex-convict, Parolee, Supervised Person and Ex-drug Dependant) (Amendment) Rules 2021 [P.U.(A) 47/2021] has been gazetted by the Government to extend the effective period for the above further tax deduction by another 5 years i.e. until YA 2025.

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