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Deloitte TaxMax - The 51st series

Building economic resilience through strategic tax reform

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Individual Tax



Tax Relief On Medical Treatment Expenses For Self, Spouse Or Child



Current

Proposed

The aggregate amount is restricted to RM10,000 for the following 4 categories:-

- 1. Serious disease incurred for taxpayer, spouse or children
- 2. Fertility treatment incurred for taxpayer or spouse
- 3. Diagnostic, early intervention program and rehabilitation treatment for children aged 18 and below with learning disabilities Limited to RM6,000
- 4. Limited to RM1,000 for each category (self, spouse or child)
- ✓ Dental examination & treatment
- ✓ Full medical check-up including mental health examination, fees for disease detection test and purchase of self-testing medical device
- √ Vaccination (8 types of vaccine)

No change

No change

- 3. Diagnostic, early intervention program and rehabilitation treatment for children aged 18 and below with learning disabilities Limited to RM10,000
- 4. Limited to RM1,000 for each category (self, spouse or child)
- ✓ Dental examination & treatment
- ✓ Full medical check-up including mental health examination, fees for disease detection test and purchase of self-testing medical device
- ✓ Vaccination expanded to cover all vaccines registered and approved for use by National Pharmaceutical Regulatory Agency, Ministry of Health





Tax Relief On Medical Treatment, Special Needs And Carer Expenses For Parents / Grandparents



Current

Proposed

The aggregate amount is restricted to RM8,000 for the following 3 categories:-

- 1. Dental treatment
- 2. Medical care and treatment at clinics and hospitals; treatment and homecare nursing, day care centers and nursing home
- 3. Full medical examination, including vaccination Limited to RM1,000

No change

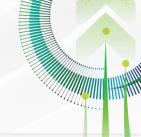
No change

3. Full medical examination, including vaccination expanded to cover all vaccines registered and approved for use by National Pharmaceutical Regulatory Agency, Ministry of Health





Tax Relief For Childcare And Kindergarten Fees



Current

Proposed

The amount is restricted to RM3,000 for:-

The childcare fees paid to registered centers and kindergarten with the Department of Social Welfare of Malaysia

For child up to 6 years of age

Claimed by either parent

Expanded to include daily care or after-school transit centers registered with the Department of Social Welfare of Malaysia

Increased age limit for child up to 12 years of age

No change





Tax Relief On Life Insurance Premium / Takaful Contributions



Current

Proposed

The amount is restricted to RM3,000 for:-

Life Insurance contracted on self, husband / wife only

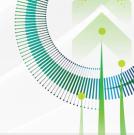
Expanded to include Children:

- 1. Aged below 18 and unmarried;
- Aged 18 and above, unmarried and pursuing tertiary education; or
- 3. No age limit for unmarried disabled children





Tax Relief On Medical And Education Insurance Premium



Current

Proposed

The amount is restricted to RM4,000 for premium of:-

Medical and education insurance contracted on self, husband/wife and children

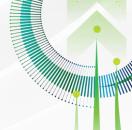
Provided clarity on eligibility for insured children:

- 1. Aged below 18 and unmarried;
- Aged 18 and above, unmarried and pursuing tertiary education; or
- 3. No age limit for unmarried disabled children





Tax Relief For Environmental Sustainability And Home Safety-related Expenditure



Current

The amount is restricted to RM2,500 for the expenses of:-

Purchase, rental & installation cost & hire-purchase/subscription fees for EV charging facilities for YA 2022 to YA 2027

Purchase of household composting machine, allowable once within a period of 3 years from YA 2025 to YA 2027

Proposed

No change

No change

Expanded to include:

- Household food waste grinders
- CCTV for home use

The claim is allowed once within 2 years of assessment from YA 2026 and YA 2027 only.





Tax Relief On Entrance Fees To Tourist Attraction And Cultural Programmes



Proposed

The amount is restricted to RM1,000 for the entrance fees to local tourist attractions which includes:-









Imposition of tax on Profit distributions received by Partners in a Limited Liability Partnership (LLP)



Currently, profit distribution from LLP to the Partners are exempted from Tax (Paragraph 12C, Schedule 6, Income Tax Act)

Proposed

Tax at 2% will be imposed on chargeable income from profit distribution from LLP

- i. After taking into account allowable relief and deduction
- ii. Received by resident and non- resident individual partners
- iii. On annual profit distribution exceeding RM100,000 based on the formula below

Profits distribution from LLP
Aggregate income of partners

X

Chargeable income of partners





Mandatory Electronic Delivery of Information and Document via Malaysia Income Tax Reporting System ("MITRS")



Current

Companies and individual taxpayers are required to provide information and furnish document through the MITRS

Submit within 30 days after the deadline for submission of the return form

Proposed

Extended to taxpayer under the category of Partnership





Appointment of employee of Partnership to furnish prescribed Form



Proposed

Principal Partner could appoint employees as representative to furnish prescribed forms on behalf of the partnership





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