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Deloitte TaxMax – The 51st series

Building economic resilience through strategic tax reform

Au Yeong Pui Nee | 20 November 2025

Individual Tax

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

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

Current	Proposed
1. Serious disease incurred for taxpayer, spouse or children	No change
2. Fertility treatment incurred for taxpayer or spouse	No change
3. Diagnostic, early intervention program and rehabilitation treatment for children aged 18 and below with learning disabilities Limited to RM6,000	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 (8 types of vaccine)	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**

Effective: from YA 2026

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	No change
2. Medical care and treatment at clinics and hospitals; treatment and homecare nursing, day care centers and nursing home	No change
3. Full medical examination, including vaccination Limited to RM1,000	3. Full medical examination, including vaccination **expanded to cover all vaccines registered and approved for use by National Pharmaceutical Regulatory Agency, Ministry of Health**

Effective: **from YA 2026**

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	**Expanded to include daily care or after-school transit centers** registered with the Department of Social Welfare of Malaysia
For child up to 6 years of age	Increased age limit for child up to **12** years of age
Claimed by either parent	No change

Effective: from YA 2026

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;** **2. Aged 18 and above, unmarried and pursuing tertiary education; or** **3. No age limit for unmarried disabled children**

Effective: from YA 2026

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;** **2. Aged 18 and above, unmarried and pursuing tertiary education; or** **3. No age limit for unmarried disabled children**

Effective: from YA 2026

Tax Relief For Environmental Sustainability And Home Safety-related Expenditure

Current	Proposed
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	No change
Purchase of household composting machine, allowable once within a period of 3 years from YA 2025 to YA 2027	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.**

Effective: **from YA 2026**

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:-

- **Museums, theme parks, national parks, marine parks, zoo, geopark**
- **Cultural and art programmes**

Effective: from YA 2026

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

$$\frac{\text{Profits distribution from LLP}}{\text{Aggregate income of partners}} \times \text{Chargeable income of partners}$$

Effective: from YA 2026

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

Current	Proposed
Companies and individual taxpayers are required to provide information and furnish document through the MITRS	**Extended to taxpayer under the category of Partnership**
Submit within 30 days after the deadline for submission of the return form	

Effective: from YA 2027

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

This is to facilitate taxpayer in carrying out his duty

Effective: from YA 2026

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