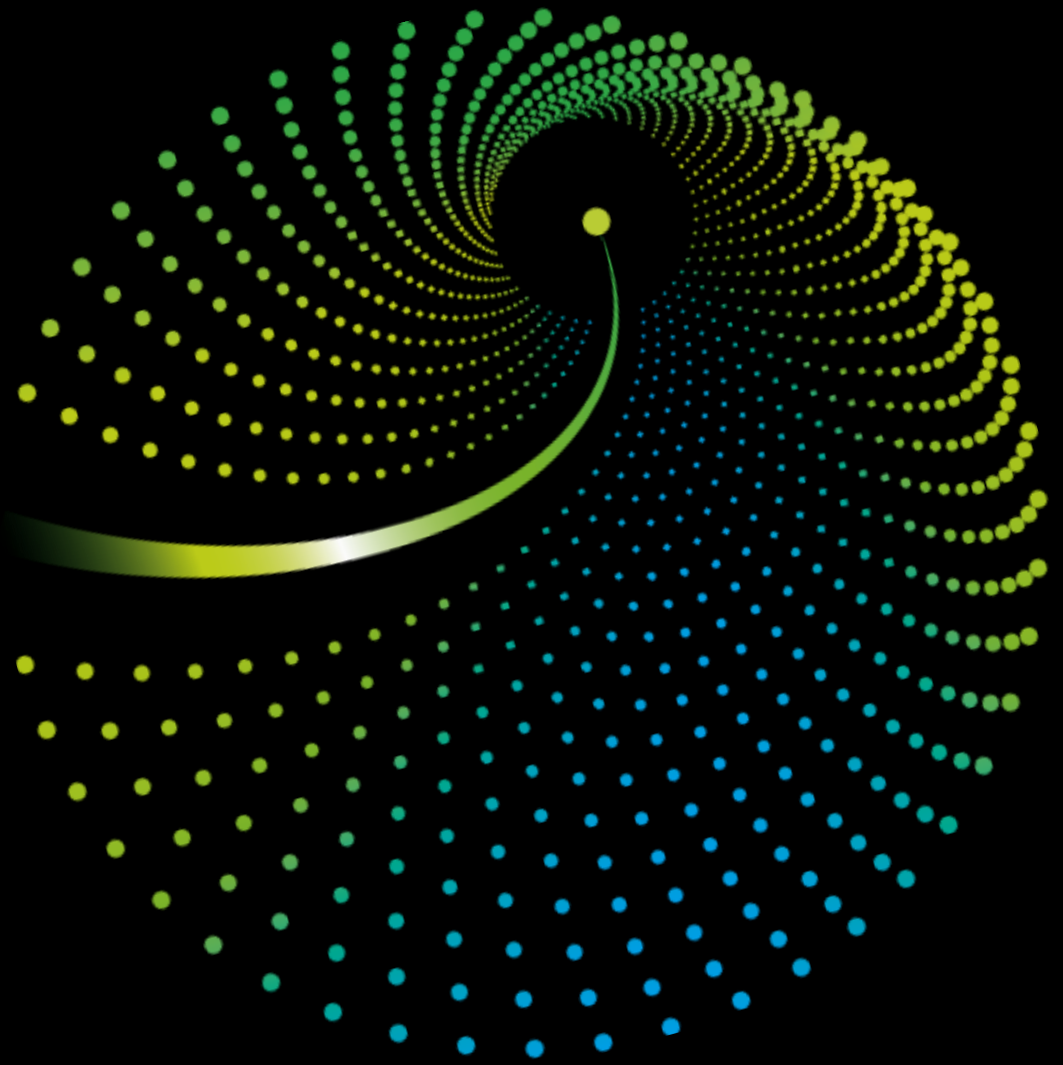
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Deloitte TaxMax – The 52nd series
Leading through change

Ang Weina & Chee Ying Cheng | Thursday, 12 November 2026



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Individual Tax

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Changes to individual income tax rates and personal relief

Changes in tax rates

Chargeable income (RM)	Current tax rate (%)	Chargeable income (RM)	Proposed tax rate (%)
35,001 – 50,000	6	35,001 – 50,000	6
50,001 – 70,000	11	50,001 – 70,000	11
70,001 – 100,000	19	70,001 – 100,000	↓ 1% 18
100,001 – 400,000	25	100,001 – 150,000	↓ 1% 24
		150,001 – 400,000	25
400,001 – 600,000	26	400,001 – 600,000	26
600,001 – 2,000,000	28	600,001 – 1,000,000	28
		1,000,001 – 2,000,000	↑ 2% 30
Exceeding 2,000,000	30	Exceeding 2,000,000	30

PERSONAL RELIEF

RM12,000

↑

RM9,000

Increase in individual personal relief

Effective: YA 2027

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Individual tax relief and income tax rates

Current position, proposals and tax impact

Illustration Combined tax payable and net impact

Current chargeable income (RM)	Current tax payable (RM)	Proposed tax payable (adjusted chargeable income after proposals in the earlier slide) (RM)	Net saving / (increase) (RM)	Impact
70,000	3,700	3,370	**330**	**Tax saving**
100,000	9,400	8,560	**840**	**Tax saving**
150,000	21,900	20,380	**1,520**	**Tax saving**
400,000	84,400	82,850	**1,550**	**Tax saving**
600,000	136,400	134,820	**1,580**	**Tax saving**
1,000,000	248,400	246,760	**1,640**	**Tax saving**
1,500,000	388,400	396,700	**(8,300)**	**Increase in tax payable**
2,000,000	528,400	546,700	**(18,300)**	**Increase in tax payable**

Note: Assumes the taxpayer is single; both proposals on the previous slide apply (i.e., the proposed changes to tax rates and personal relief); all other income and reliefs remain unchanged.

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Tax impact flips at higher income levels

RM1,350 saving at RM150k income; RM1,960 increase at RM1.2m income



TAXPAYER A

Annual Income RM150,000

RELIEFS CLAIMED RM17,000 → RM20,000

CHARGEABLE INCOME RM133,000 → RM130,000

BEFORE	AFTER
RM17,650	**RM16,300**
Effective rate 11.77%	Effective rate 10.87%

NET SAVING

RM1,350

–0.90 ppt in effective tax rate



TAXPAYER B

Annual Income RM1,200,000

RELIEFS CLAIMED RM17,000 → RM20,000

CHARGEABLE INCOME RM1,183,000 → RM1,180,000

BEFORE	AFTER
RM299,640	**RM301,600**
Effective rate 24.97%	Effective rate 25.13%

NET INCREASE

RM1,960

+0.16 ppt in effective tax rate

Assumptions: Resident individual; spouse relief RM4,000; EPF relief RM4,000; no other reliefs or rebates.

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Tax relief for parents and grandparents

Expanding the scope

Proposed



LIMIT UP TO

RM8,000

All types of carer expenses, not limited to medical care

Supporting documents

- ✓ **Carer's written declaration or work permit copy**
- ✓ **Expense receipts required**

No medical verification required

** Carer excludes the taxpayer, spouse or children*

Effective: YA 2027

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Health and well-being relief

Expanding the scope

Existing relief

+ Serious medical expenses
+ Fertility treatment
+ Vaccinations (limit up to RM1,000)
+ Dental (limit up to RM1,000)
+ Medical/mental health check-up or diagnostic test (limit up to RM1,000)
+ Diagnostic tests/early intervention for children with learning disabilities

Existing relief

Breastfeeding equipment (limit up to RM1,000) for children under 2

Proposed new relief

Postpartum care services by confinement centres and qualified individuals (limit up to RM3,000)

Overall relief limited to RM10,000

Effective: YA 2027

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Education and Skills Training Fees

Enhancing the scope

Current

Education and skills training

For self: limit of up to RM7,000

- Any course of study up to tertiary level, for acquiring legal, accounting, Islamic financing, technical, vocational, industrial, scientific or technological qualification or skill, in any institution or professional body in Malaysia recognized by Government or approved by Minister
- Master's or doctoral degree in any field
- Course of study undertaken for the purpose of upskilling or self-enhancement, conducted by a body recognized by the Director General of Skills Development

Lifestyle relief

Limit up to RM2,500

- Skills courses unrelated to employment (e.g., hobbies and languages)

Proposed

LIMIT UP TO

RM7,000

Scope revised to

Applies to	Category	Limit
Self & spouse	Non-employment courses or self-enhancement	RM2,000
Child	Courses/classes/training/ tuition in STEM, arts, languages or religion	
Self	Certificate, diploma, bachelor's, Master's or PhD courses in any field at recognised Malaysian institutions or professional bodies	
Self & spouse	TVET upskilling or self-enhancement	RM3,000

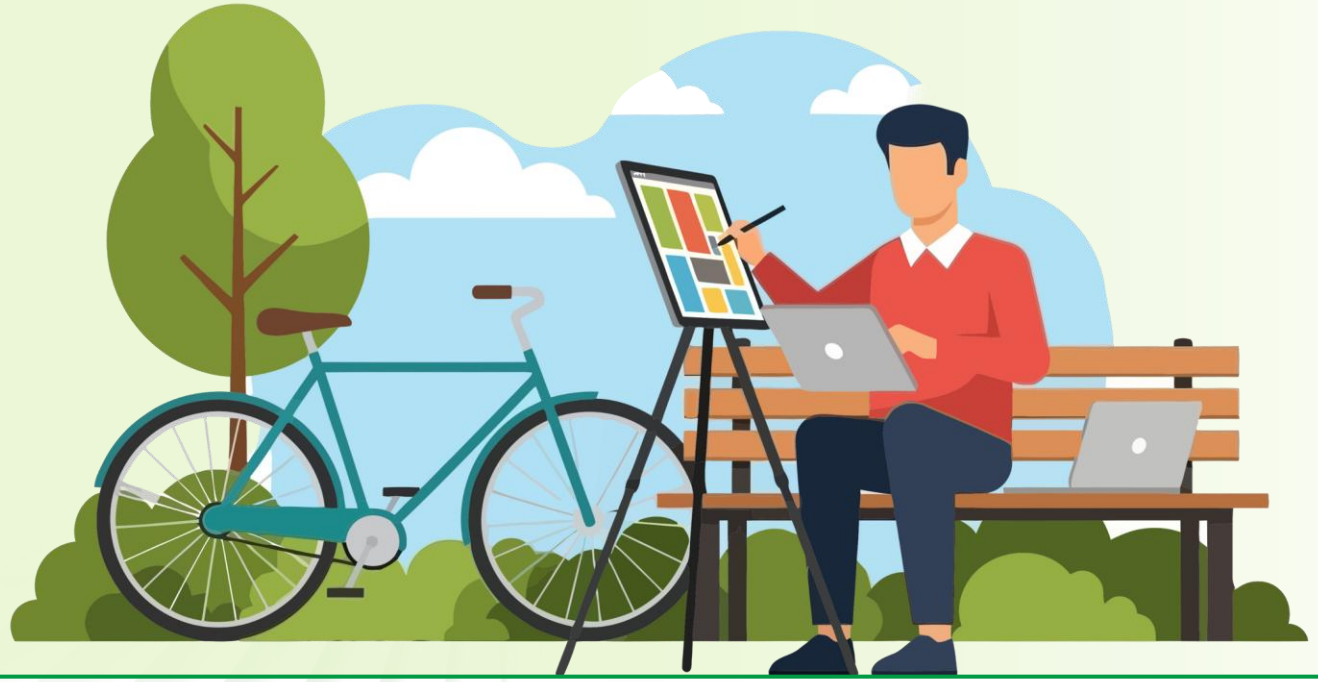
Effective: YA 2027

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Lifestyle and sports-related tax relief

Expanding the scope

Proposed



Lifestyle relief (limited to RM2,500) is expanded to include:

- **Subscriptions to AI software and applications**
- **Costs for pet adoption from registered animal shelters and for vaccination, spaying or neutering at registered veterinary service providers**

Sports-related lifestyle relief (limited to RM1,000) is expanded to include:

- **Purchase of sports shoes (capped at RM300)**

Effective: YA 2027

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Tax relief for Social Security Organisation contributions (SOCSO)

Expanding the scope

Current

Relief up to RM350

For employee contributions to the SOCSO scheme and Employment Insurance System (EIS)

Proposed

ADDITIONAL RELIEF

RM150

- Voluntary contributions to the Non-Employment Injury Scheme (LINDUNG 24 JAM)
- Contributions in 17 non-mandatory sectors under LINDUNG KENDIRI*

Expanded scope

- Mandatory contributions to LINDUNG KENDIRI in three mandatory sectors (passenger transport, goods or food transport and hawkers)

** LINDUNG KENDIRI: SOCSO for self-employed and gig workers*

Effective: YA 2027

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Tax relief for tourism expenses

Extension

Proposed



EXTENDED DURATION

RM1,000

Qualifying entrance fees for:

- Tourist attractions such as museums, theme parks, national parks, marine parks, zoos and geoparks; and
- Cultural and arts programmes
- Relief extended for one year to YA 2027

Effective: YA 2027

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Malaysia Budget 2027

Takeaway

01

Personal tax relief

RM12,000

Increase of RM3,000

02

Decrease in personal tax rates

1 percentage point lower

- **RM70k–RM100k:** 19% to 18%
- **RM100k–RM150k:** 25% to 24%

03

Increase in personal tax rate

2 percentage point higher

Exceeding RM1million: 28% to 30%

04

Child tuition fees/ self-enhancement courses

RM2,000

*Shared limit with other qualified education and skills training fees

05

Postpartum care

RM3,000

New relief. *Shared limit with other qualified health and well-being expenses

06

AI subscriptions

RM2,500

Expanded scope. *Shared limit with other qualified lifestyle relief expenses

07

Pet adoption / vaccination / neutering

RM2,500

Expanded scope *Shared limit with other qualified lifestyle relief expenses

08

Sports shoes

RM300

Expanded scope. *Shared limit with other qualified sports-related relief, up to RM1,000

09

Parents'/ grandparents' carer fees

RM8,000

- No doctor's certification required
- Not limited to medical care

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