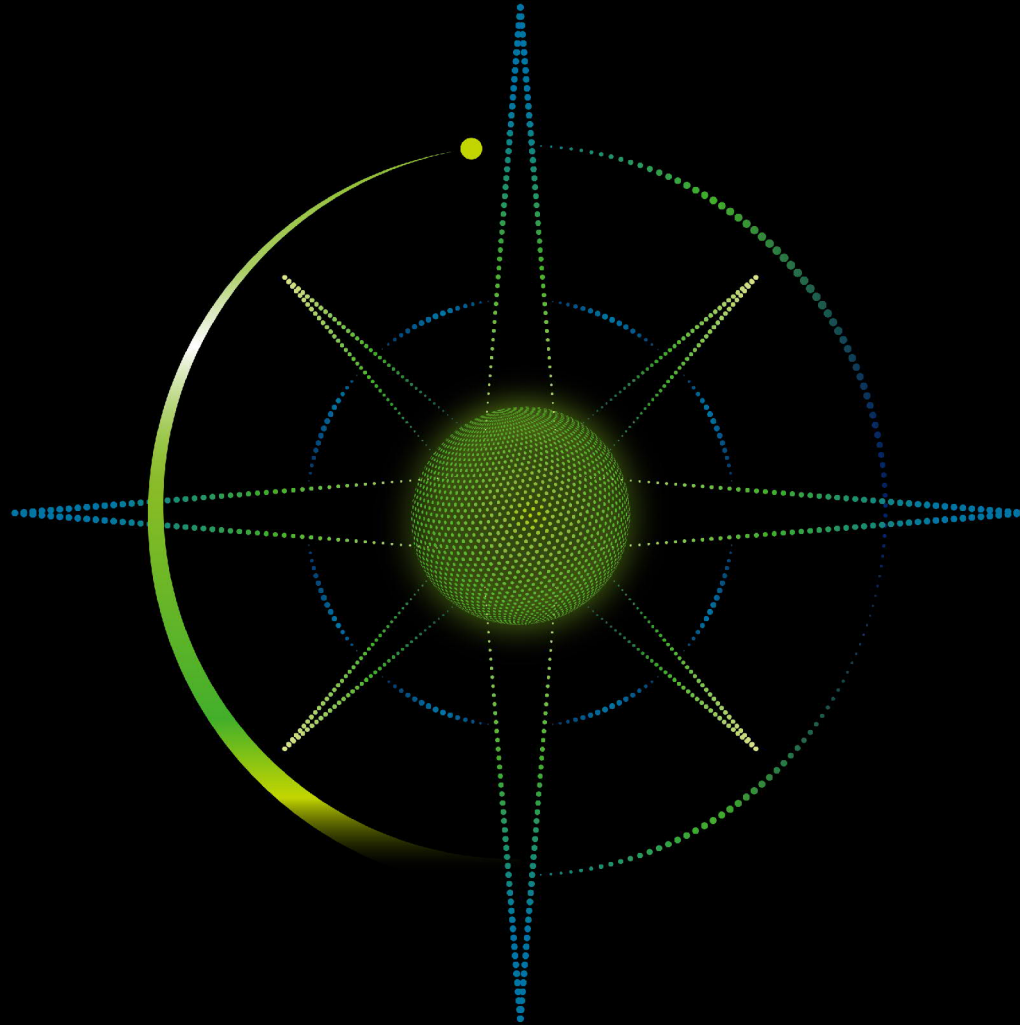


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Deloitte TaxMax
Sustaining growth for a better tomorrow

Au Yeong Pui Nee | 21 November 2023



Tax Relief

– What's new for 2024?

Tax relief on medical treatment expenses

Proposed amendment Section 46(1)(g) of the Income Tax Act, 1967

Current

- ✓ Serious disease incurred for taxpayer, spouse or children
- ✓ Fertility treatment incurred for taxpayer or spouse
- ✓ Vaccination for taxpayer, spouse or child limited to RM1,000
- ✓ Full medical check-up including mental health check-up or consultation, COVID-19 detection test inclusive for taxpayer, spouse or child limited to RM1,000
- ✓ Diagnostic and rehabilitation treatment for children with learning disabilities limited to RM4,000

Aggregate amount restricted to RM10,000

Proposed

Scope of tax relief be expanded to include dental examination and treatment expenses from dental practitioners registered in Malaysia limited to RM1,000

Aggregate amount restricted to RM10,000



Effective
Year of assessment (YA) 2024

Tax relief on medical treatment, special needs and carer expenses for parents

Proposed amendment Section 46(1)(c) of the Income Tax Act, 1967

Current

- ✓ Medical care and treatment provided by a nursing home
- ✓ Dental treatment limited to tooth extraction, filing, scaling and cleaning but exclude cosmetic dental expenses
- ✓ Carer shall not include the taxpayer, or spouse or children of taxpayer
- ✓ Parents shall be tax residents in Malaysia

Aggregate amount restricted to RM8,000

Proposed

Scope of tax relief be expanded to include:

- ✓ Full medical examination for parents limited to RM1,000

Aggregate amount restricted to RM8,000



Effective
YA 2024

Tax Relief for lifestyle

Proposed amendment Section 46(1)(p) of the Income Tax Act, 1967

Current

- ✓ Reading materials
- ✓ Printed daily & subscription of electronic newspapers
- ✓ Computer, smartphone or tablet
- ✓ Subscription of broadband internet
- ✓ Sports equipment
- ✓ Gym membership fee

Aggregate amount restricted to RM2,500



Proposed

- ✓ Scope of tax relief be expanded to include self-enhancement/upskilling course
- ✗ Sports equipment and gym membership is removed from the scope. See "sports equipment and activities" relief in the next slide

Aggregate amount restricted to RM2,500

Effective
YA 2024

Tax relief on expenses for sports equipment and activities

Proposed amendment Section 46(1)(u) of the Income Tax Act, 1967

Current

- ✓ Purchase of sports equipment
- ✓ Rental or entrance fees to any sports facility
- ✓ Registration fee for any sports competition where the organizer is approved and licensed by Commissioner of Sports under the Sports Development Act 1997

Aggregate amount restricted to RM500

Proposed

Scope of tax relief be expanded to include:

- ✓ Payment of gym membership fee or
- ✓ sports training activity under Sports Development Act 1997 which is provided by sports club/society registered with the Commissioner of Sports or Companies incorporated under Companies Act

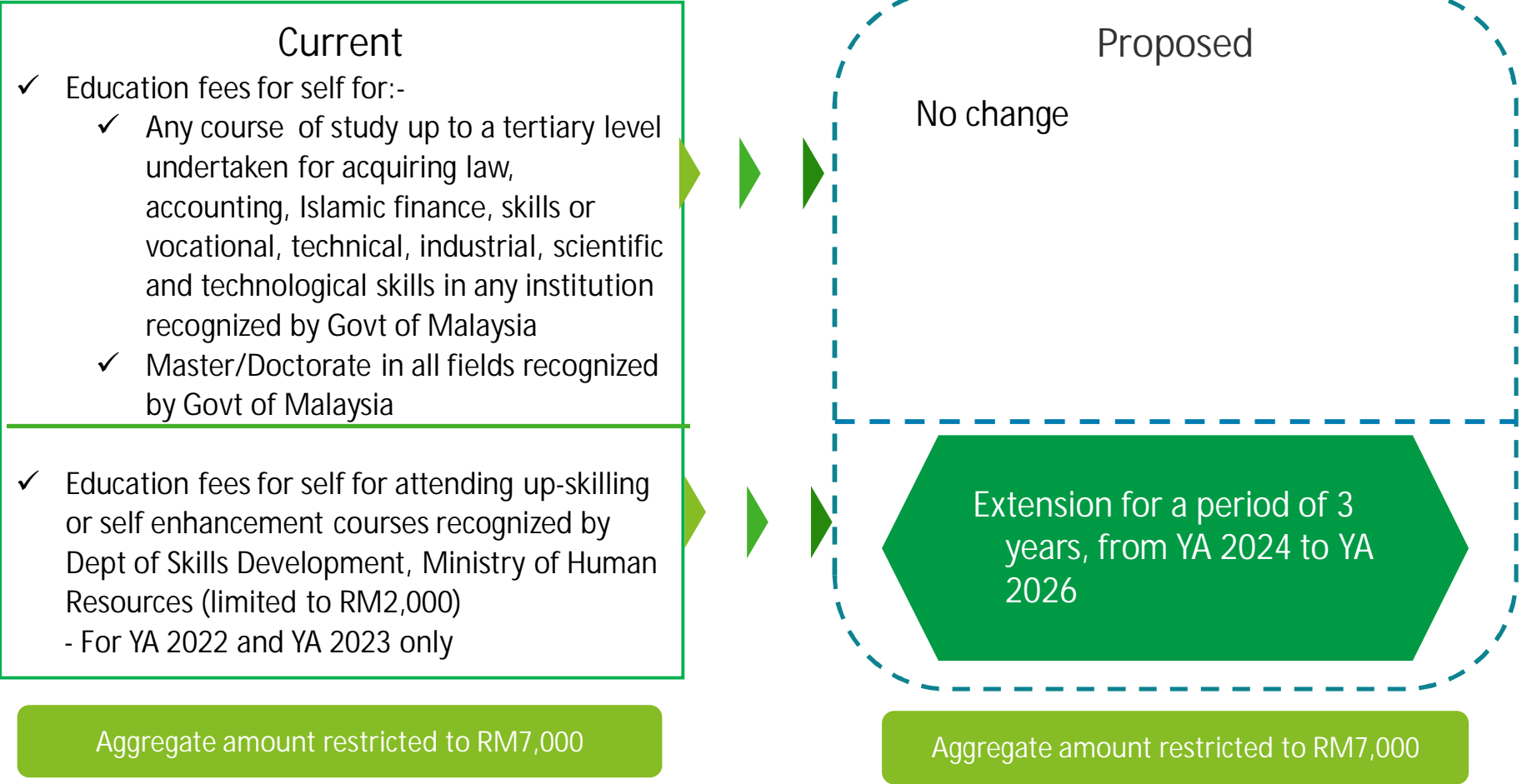
Aggregate amount restricted to RM1,000



Effective
YA 2024

Tax relief for up-skilling and self enhancement courses fee

Proposed amendment Section 46(1)(f)(iii) of the Income Tax Act, 1967



Tax relief in relation to installation costs, rental, purchase costs or subscription fees for charging facilities of Electric Vehicles (EV)

Proposed amendment Section 46(1)(v) of the Income Tax Act, 1967

Current

Expenses incurred on charging facilities of EV:

- ✓ Cost of installation
- ✓ Rental
- ✓ Purchase of equipment
- ✓ Hire purchase of equipment
- ✓ EV charging facilities subscription fees

The EV must be for own use and not used for purposes of business.

Applicable YA 2022 and YA 2023 only.

Aggregate amount restricted to RM2,500

Proposed

Extension for a period of 4 years, from YA 2024 to YA 2027

Aggregate amount restricted to RM2,500

Tax Exemptions/incentives

– What's new for 2024?

Exemption

Childcare allowances

Current

Income tax exemption given up to RM2,400 a year:

- Childcare allowances received by employees
- Childcare allowances paid directly by employer to childcare centers
- The above is applicable for childcare allowance received for children aged 12 and below

Proposed

Increase the tax exemption from
RM2,400 to RM3,000 per year



Effective YA 2024

Tax Incentive

Women returning to workforce after career break

Current

Income tax exemption on employment income for a period not exceeding 12 consecutive months for Malaysian women who rejoin the workforce after a career break:

- has ceased employment and has not derived any employment income for a continuous period of at least 24 months prior to or as at 27 October 2017
- has at least three (3) years full-time employment experience prior to the cessation of employment
- age not exceeding 58 years on the date of application
- has signed a full-time employment contract in Malaysia with a qualifying employer for a period of at least 24 months receiving employment income of at least RM5,000 per month

Proposed

- ✓ Amended the criteria on women returning to work after a career break of at least 2 years before the date of application received by Talent Corp
- ✓ Extended for employment income received from YA 2025 to YA 2028
- ✓ Applications to be received by Talent Corp from 1 January 2024 to 31 December 2027

Tax Incentive

Returning Expert Program

Current

Income tax at a fixed rate of 15% on employment income for 5 consecutive YAs

- ✓ Is a Malaysian and resident citizen
- ✓ Is an expert in a field specified by the Minister
- ✓ Has not derived any employment income in Malaysia for at least a continuous period of 36 months prior to the date of application to Talent Corp

The purpose of the program is to promote and facilitate the return of a Malaysian citizen who works as a professional overseas to establish a sustainable expert workforce in Malaysia.

Proposed

Extended for applications to be received by Talent Corp from 1 January 2024 to 31 December 2027



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