



HIGHLIGHTS:

1. Inland Revenue Board Malaysia (IRBM) will consider appeals against penalties imposition and rescheduling payment of outstanding taxes
2. Extension of special tax deduction to any landlord that provides a reduction of rental on business premises to SMEs and non-SMEs
3. Extension of stamp duty exemption under the Home Ownership Campaign (HOC)
4. Extension of sales tax exemption on passenger vehicles
5. Extension of Wage Subsidy Program 3.0
6. Exemption on Human Resources Development (HRD) levy

PEMERKASA+

On 31 May 2021, the Government unveiled Program Strategik Memperkasa Rakyat dan Ekonomi Tambahan (PEMERKASA+) valued at RM40 billion, including RM5 billion of direct fiscal injection to help alleviate the challenges faced following the enforcement of Full Movement Control Order (MCO) or total lockdown.

The main objectives:

- Enhancing public health capacity
- Continuing the Prihatin Rakyat Agenda
- Supporting business continuing

Key tax related measures under PEMERKASA+

1. Inland Revenue Board Malaysia (IRBM) will consider appeals against penalties imposition and rescheduling payment of outstanding taxes

To reduce the cash flow burden of businesses, the IRBM will consider appeals against the imposition of penalties, defer the payment of penalties to year 2022, as well as reschedule payments of outstanding tax for affected taxpayers and businesses.

2. Extension of special tax deduction to any landlord that provides a reduction of rental on business premises to SMEs and non-SMEs

A special tax deduction is given to SME tenants that provide rental deduction of at least 30% from the original rate effective on April 2020 to 31 March 2021 previously. Under PERMAI, it was announced that the special deduction is to be expended to cover rental deduction by landlords to non-SME tenants and the special deduction period is to be extended to 30 June 2021.

It is announced that this special deduction will be extended for another 6 months until 31 December 2021.

3. Extension of stamp duty exemption under the Home Ownership Campaign (HOC)

Under PENJANA, stamp duty exemption was given for the purchase of residential properties priced RM300,000 to RM2.5 million by Malaysian citizens as follow:

- Loan agreement - Full stamp duty exemption.
- Instrument of transfer - Up to first RM1 million on the value of the residential property.

The above stamp duty exemptions were subject to the following conditions:

- The property developer must give at least 10% discount on the price of the residential property.
- Sale and purchase agreement signed during 1 June 2020 to 31 May 2021.

It is announced that the above stamp duty exemptions will be extended to 31 December 2021

4. Extension of sales tax exemption on passenger vehicles

Currently, a 100% sales tax exemption for locally assembled passenger vehicles and 50% sales tax exemption for imported passenger vehicles are given from 15 June 2020 to 30 June 2021.

It is announced that the sales tax exemptions will be extended to 31 December 2021.

5. Extension of Wage Subsidy Program 3.0

Under PEMERKASA, the Wage Subsidy Program 3.0 under SOCSO has been extended for another 3 months from 1 April 2021 to 30 June 2021 in a more targeted manner for the tourism, wholesale and retail traders, and other business sectors which were closed during the MCO, such as gymnasiums and spas. The subsidy of RM600 is given to each employee with monthly earning RM4,000 and below, limited to 500 employees per employer.

It is announced that the Wage Subsidy Program will be extended for 1 month until 31 July 2021 to all economic sectors which are affected by the MCO, limited to 500 employees per employer.

6. Exemption on Human Resources Development (HRD) levy

Under PERMAI, it was announced that companies which were unable to operate during MCO and Conditional MCO periods are to be exempted from HRDF levy. Subsequently under PEMERKASA, it was announced that companies in the tourism and retail sectors are to be exempted from HRDF levy up to June 2021.

It is announced that all employers registered with the HRDF will be exempted from paying the mandatory levy for the month of June 2021. Employees can also improve their knowledge and skills through the free e-LATiH learning portal with over 400 modules and skills courses earning RM4,000 and below, limited to 500 employees per employer.

[Note: The exemption of HRD levy for employers of new sectors has been extended from 1 June 2021 to 31 December 2021 under the (Exemption of Levy) (No. 2) Order 2021 (gazetted on 31 May 2021). It applies to employers of new sectors who register with the HRD Corporation from 1 March 2021 to 30 June 2021.]

Disclaimer:

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