

INCOME TAX (COSTS OF RENOVATION AND REFURBISHMENT OF BUSINESS PREMISE) RULES 2020

PU (A) 381
28 December 2020

IN exercise of the powers conferred by paragraph 154(1)(b) read together with paragraph 33(1)d) of the Income Tax Act 1967 [Act 53], the Minister makes the following rules:

CITATION AND COMMENCEMENT

- 1(1)** These rules may be cited as the **Income Tax (Costs of Renovation and Refurbishment of Business Premises) Rules 2020**.
- 1(2)** These Rules have effect from the year of assessment 2020.

INTERPRETATION

- 2** In these Rules, “costs of renovation and refurbishment of business premise” means the costs of renovation and refurbishment of business premise incurred for the purposes specified in the First Schedule but shall not include the cost for the purposes specified in the Second Schedule, which is certified by external auditor.

DEDUCTION

- 3(1)** For the purpose of ascertaining the adjusted income of a person from its business in the basis period for a year of assessment, a deduction shall be allowed for the costs of renovation and refurbishment of business premise incurred by the person from 1 March 2020 until 31 December 2021 and used for the purposes of its business.
- 3(2)** The total amount of deduction allowed under subrule 3(1) is subject to the maximum amount of three hundred thousand ringgit.

NON-APPLICATION

- 4** These Rules shall not apply to a person who has made a claim in relation to the costs of renovation and refurbishment of business premise under –
 - (a) any allowable expenses under subsection 33(1) of the Act;
 - (b) any capital allowance under Schedule 2 of the Act; or
 - (c) any capital allowance under Schedule 3 of the Act.

FIRST SCHEDULE

1. General electrical installation
2. Lighting
3. Gas system
4. Water system
5. Kitchen fittings
6. Sanitary fittings
7. Door, gate, window, grill and roller shutter
8. Fixed partitions
9. Flooring (including carpets)
10. Wall covering (including paint work)
11. False ceiling and cornices
12. Ornamental features or decorations excluding fine art
13. Canopy or awning
14. Fitting room or changing room
15. Recreational room for an employee
16. Air-conditioning system
17. Children play area
18. Reception area
19. Surau

SECOND SCHEDULE

1. Designer fee
2. Professional fee
3. Purchase of antique (purchase of an object or work of art which, represents a previous era in human society, is a collectable item due to its age, rarity, craftsmanship or other unique features and appreciates in value over time)