

INCOME TAX (EXEMPTION) (NO. 8) ORDER 2019

PU (A) 205
18 July 2019

IN exercise of the powers conferred by paragraph 127(3)(b) of the Income Tax Act 1967 [Act 53], the Minister makes the following rules:

CITATION AND COMMENCEMENT

- 1(1) This order may be cited as the Income Tax (Exemption) (No. 8) 2019.
- 1(2) This Order shall have effect for the year of assessment 2019.

INTERPRETATION

2 In this Order-

“Perbadanan” means the Perbadanan Tabung Pendidikan Tinggi Nasional which has been established under section 5 of the Perbadanan Tabung Pendidikan Tinggi Nasional Act 1997 [Act 566];

“educational loan” means a loan approved and issued by the Perbadanan under the Perbadanan Tabung Pendidikan Tinggi Nasional Act 1997.

APPLICATION

3 This Order shall apply to-

- (a) an employer who has sources of income consisting of a registered business only; and
- (b) an employee-
 - (i) who is a Malaysian citizen; and
 - (ii) who has received the educational loan from the Perbadanan.

EXEMPTION

- 4(1) The Minister exempts an employee from the payment of income tax in relation to the value of benefit which is received by the employee as a gift from his employer in ascertaining the gross income from his employment in the basis period for a year of assessment.
- 4(2) The value of benefit referred to in subparagraph (1), shall be the amount of educational loan of Perbadanan paid by the employer on behalf of his employee for a period not earlier than 1 January 2019 and not later than 31 December 2019.

4(3) The exemption allowed under this Order is subject to the following conditions:

- (a) the employee is employed on a full-time basis; and
- (b) the employee is not a relative of the employee, that is:
 - (i) a spouse;
 - (ii) a parent, including a step parent or a parent in law;
 - (iii) a child, including a step child or a child adopted in accordance with any law;
 - (iv) a brother or a sister, including a step brother or a step sister; or
 - (v) a grandparent or a grandchild, including a step grandparent or a step grandchild.

RETURN OR STATEMENT OF ACCOUNT TO BE FURNISHED

5 Nothing in paragraph 4 shall absolve or deemed to have absolved the employee from complying with any requirement to submit any return or statement or statement of accounts or to furnish any other information under the provisions of the Act.