

2022 BUDGET

TAX SNAPSHOT

CORPORATES & ENTREPRENEURS

- Residents (including Malaysian citizens) in Malaysia be liable to tax on income derived from overseas and received in Malaysia.
- Introduction of prosperity tax at the rate of 33% on chargeable income in excess of RM100 million.
- Limitation of carry forward of tax losses be extended to 10 consecutive years of assessment.
- Double deduction on approved internship programme be extended to YA 2025 and expanded to cover students from Master Degree, Professional Certificate and Malaysian Skills Certificate Level 1 and 2.
- Tax deduction on cost of renovation and refurbishment of business premises be extended to 31st December 2022.

OIL & GAS

- Company that invests and carries out Late-Life Assets project from 1st January 2020 to 31st December 2029 be granted-
 - Petroleum income tax at the rate of 25%;
 - Accelerated capital allowance within 2 years;
 - Carryback losses from decommissioning activities to be set off with the income for the 2 consecutive immediate preceding years of assessment; and
 - Exemption on export duty on petroleum products.

AIRLINE & TOURISM

- Accelerated capital allowance for purchase of excursion bus be extended to YA 2024.
- Exemption on tourism tax be extended to 31st December 2022.
- Exemption on entertainment duty in the Federal Territories be extended to 31st December 2022.

TRANSPORTATION & LOGISTIC

- Exemption on import duty, excise duty and/or sales tax on purchase of electric vehicles and components.
- Exemption on sales tax for purchase of passenger cars be extended to 30th June 2022.
- Service tax to be imposed on goods delivery services provided by service providers including E-Commerce platform with effect from 1st July 2022.

INDIVIDUAL / RAKYAT

- Relief in respect of fees incurred on any course of study undertaken for the purpose of up-skilling and self-enhancement be increased to RM2,000 and extended to YA 2023.
- Relief for medical expenses for serious diseases be expanded to cover the cost of examinations / consulting services in relation to mental health.
- Relief for qualifying domestic travel expenses be extended to YA 2022.
- Relief of up to RM3,000 for fees paid to child care centres and kindergartens be extended to YA 2023.
- Special relief of up to RM2,500 for purchase of mobile phone, computer or tablet be extended to YA 2022.
- Relief for contributions to deferred annuities be extended to YA 2025.
- Relief of up to RM2,500 to be given for electric vehicles facilities related cost.
- Special income tax rate for non-resident individuals holding key positions in companies granted incentives for relocation of manufacturing activities to Malaysia be extended to YA 2022.

ICT

- Tax incentives be granted to digital technology and infrastructure providers under Digital Ecosystem Acceleration Scheme.

GREEN TECHNOLOGY

- Green investment tax allowance/exemption be expanded to include the Rainwater Harvesting System projects.

INDUSTRIAL

- Additional reinvestment allowance be extended to YA 2024.
- Further deduction on rental expenses on accommodation under Safe@Work programme be extended to 31st December 2022.
- Implementation of sales tax on low value goods effective 1st January 2023.
- Excise duty for all types of cigarettes and tobacco products be increased to the rate of RM1.2 per millilitre and be expanded to include liquid/gel containing non-nicotine used for electronic cigarettes effective 1st January 2022.
- Excise duty on sugary drinks be expanded to include pre-mixed chocolate or cocoa, malt, coffee and tea preparations effective 1st April 2022.

REAL ESTATE & PROPERTY

- Special tax deduction for rental reduction on business premises be extended to 30th June 2022.
- RPGT rate on disposal of real property and shares in RPC by Malaysian citizens / permanent residents after 5 years be reduced to 0%.

BURSA / SECURITIES COMMISSION

- Stamp duty rate on contract note be increased to RM1.50 for every RM1,000 and the maximum cap of RM200 be abolished.
- Service tax exemption on brokerage services related to trading of listed shares effective 1st January 2022.

FINANCIAL INSTITUTIONS

- Stamp duty exemption on financing/loan agreements for peer-to-peer ["P2P"] financing for 5 years.
- Stamp duty exemption on restructuring or rescheduling of a business loan/financing be extended to 31st December 2022.
- Stamp duty exemption for Micro Enterprises and SME on any instrument executed for M&A be extended for 1 year until 31st December 2022.