

Summary of Tax Related Measures announced under the Special Announcement on Perlindungan Ekonomi & Rakyat Malaysia (PERMAI) Assistance Package

The Malaysian Institute of Certified Public Accountants ("MICPA") is pleased to summarise the tax related measures announced by the Prime Minister on January 18, 2021 which are aim to:

- Combat the COVID-19 pandemic
- Safeguard the welfare of the people
- Support the business community

The tax related measures announced are:

1) Special deduction for rental discount given to SME tenants

Previously, the Government has given a special tax deduction to any company that provides a reduction of rental on business premises to SMEs of at least 30 percent from the original rental rate from 1 April 2020 to 31 March 2021.

This special deduction will be expanded to cover the rental reduction also given to non-SMEs. This special deduction period will also be extended until 30 June 2021.

2) Personal tax relief for private COVID-19 screening

To support more individuals to do COVID-19 screening and detection tests privately, the scope for tax relief relating to full health screening expenses, which was increased from RM500 to RM1,000 with effect from Year of Assessment 2021 as announced in Budget 2021, has now been expanded to also cover COVID-19 screening.

3) Extension of special income tax relief on the purchase of personal computer, smartphone or tablet

A special tax relief of up to RM2,500 on the purchase of mobile phones, computers and tablets which expired on 31 December 2020, will be extended for another year until the end of 2021.

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4) Extension of sales tax exemption on passenger motor vehicles

The Government recently announced the extension of this exemption until 30 June 2021 from the initial exemption announced under the PENJANA package which has expired on 31 December 2020. The sales tax exemption of 100% is given to the sale of locally assembled passenger motor vehicles while sales tax exemption of 50% is given to the importation of passenger motor vehicles.