



GES NewsFlash

Malaysia – Newly Introduced Amended Tax Return Form

August 6, 2010

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Background

At present, taxpayers in Malaysia can submit their tax return electronically, although the option is not mandatory. Where there is a need to revise the tax return subsequent to the submission, the general norm is to notify the Malaysian Inland Revenue Board (MIRB) of the amendment. There is no specific form or template to use.

Major changes in practice

The amended tax return form has now been introduced following the introduction of Section 77B of the Malaysian Income Tax Act (MITA), 1967. The said section will now impose an increase in tax or additional tax on the chargeable income of an individual as a result of the amendment made. Aligned to the said legislation, the new amended tax return will facilitate the calculation of the tax or additional tax more expeditiously.

Increase in tax / penalty

The tax or additional tax payable is as follows:

(a) if the amended return is furnished within a period of sixty (60) days after the due date specified in subsection 77(1) or 77a(1) of the MITA, the tax or additional tax shall be increased by a sum equal to 10% of the amount of such tax or additional tax; or

(b) if the amended return is furnished after the period of sixty (60) days from the due date specified in subsection 77(1) or 77a(1) of the MITA, but not later than six months from that date, the tax or additional tax payable shall be increased by a sum determined in accordance with the following formula:

$$B + [(A + B) \times 5\%]$$

Where:

A is the amount of such tax payable or additional tax payable; and

B is 10% of the amount of such tax payable or additional tax payable (A x 10%) and the amount of the increased shall constitute part of the amount of tax or additional tax payable

Deloitte's View

Tax payers should exercise due care in the initial submission of the tax return to avoid the additional tax to be imposed on subsequent amendments.

People to Contact

If you have any questions concerning the issues in this GES NewsFlash, please contact one of the tax professionals as follows:

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