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**TECHNICAL**

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**Direct Taxation**

**Concession to defer the 2015 Monthly Tax Deduction (MTD) calculation on the Benefit-in-Kind (BIK) and the Value of Living Accommodation (VOLA) until the March Salary**

The Institute has recently received a [letter from the Inland Revenue Board of Malaysia \(LHDNM\) dated 11 February 2015](#) on the LHDNM's concession to defer the MTD 2015 calculation on the BIK and the VOLA until the March salary. The main points of the letter are listed in the table below.

Paragraph	Main points
2	The <a href="#">Income Tax (Deduction from Remuneration) (Amendment) (No. 2) Rules 2014</a> hereinafter called MTD Rules, was gazetted on 31 December 2014 and is effective from 1 January 2015. (Our <a href="#">e-CTIM TECH-DT 4/2015</a> refers)
3	The MTD Rules in the said gazette order are on the formulas and regulations relating to the MTD. The explanatory notes, examples of calculation and MTD Scheduler (for employers who do NOT use the computerized payroll software) can be found in the MTD Guidelines. The MTD Rules and MTD Guidelines can be downloaded from the official portal of the LHDNM at <a href="http://www.hasil.gov.my">www.hasil.gov.my</a> by selecting <b>Employer &gt; MTD &gt; MTD 2015</b> .
4	The amendment of the MTD Rules which is effective from 1 January 2015 requires all employers to take into account the BIK and the VOLA in calculating the MTD starting from the January 2015 salary.
5	Please be informed that the LHDNM's concession to defer the MTD 2015 calculation on the BIK and the VOLA is granted until the March salary to ensure that employers have sufficient time to prepare for its implementation.  Employers are required to determine the MTD for the BIK and the VOLA by the April salary at the latest.
6	The formulas for determining the MTD for the BIK and the VOLA for the month other than January are listed in <a href="#">paragraph 6 of the LHDNM's letter dated 11 February 2015</a> .

Members can read the [LHDNM's letter dated 11 February 2015](#) in full at the Institute's website.

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