

TECHNICAL

Direct Tax

[Amendment to Public Ruling \(PR\) No. 2/2012 on Income Tax Treatment of GST Part II - Qualifying Expenditure for Purposes of Claiming Allowances](#)

Example 8 of the above PR was amended on 12 July 2017. The original PR was reported to members in our [e-CTIM TECH-DT 43/2017](#) dated 13 June 2017. The amendment is highlighted in yellow as follows:-

Example 8 – Adjustment to QE after CGA – Additional QE

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Computation of Capital Allowance where Additional Amount of QE Arises after CGA

Year of Assessment	Details	RM	RM
2016	QE		1,024,000 ¹
	Initial allowance (20%)	204,800	
	Annual allowance (80%)	<u>819,200</u>	<u>1,024,000</u>
			Nil
2017	Annual allowance		Nil
			Nil
2018	Annual allowance		Nil
2019	Annual allowance		Nil
2020	QE after CGA		1,027,600 ²
	QE YA 2016		<u>1,024,000¹</u>
	Additional QE		3,600
	Initial allowance (20% X 3,600)	720	
	Annual allowance (80% X 1,027,600) restricted	<u>2,880</u>	<u>3,600</u>
	Residual expenditure		<u>Nil</u>

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Members may view the amended PR at the websites of the [Institute](#) and the [LHDNM](#).

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