
TECHNICAL

Direct Taxation

[LHDNM MEDIA RELEASE RELATING TO TAX TREATMENT OF A DECEASED INDIVIDUAL](#)

The Inland Revenue Board of Malaysia (LHDNM) has issued a Media Release (MR) dated 28 July 2017 which also provides the following information relating to the taxation of income of deceased individuals:

1. Under S74 and S106 of the Income Tax Act 1967 (ITA), the LHDNM is empowered to make a claim for arrears of tax owing by a deceased individual from the legal representative/ heir of the deceased individual. If the representative/ heir is unable to settle such arrears in one lump sum, he/she is advised to discuss with the LHDNM on payment by instalments.
2. The tax treatment of a deceased individual is as follows:
 - When an individual dies, the income accruing to the deceased individual up to the date of death will be assessed as income of the individual, but the assessment will be raised in the name of the legal representative. (See [Example](#) in the MR.)
 - All income accruing after the date of death will not be treated as income of the deceased individual, but as income of the estate of the deceased, and will be assessed in the name of the executor or administrator of the estate. A new file will be registered for the purpose of assessing the income of the estate of the deceased.
 - The rate of tax charged on an executor or administrator of the estate of a deceased individual is the same as the rates that apply to an individual.
 - The Form for making a return of income of the estate of a deceased individual is Form TP, which is to be filed by the executor or administrator of the estate.
3. Any balance of tax due from, or tax credit repayable to, a deceased individual is dealt with as follows:
 - Where there is a tax credit (excess tax paid) the legal representative of the deceased may apply for a repayment of the excess by submitting the following documents:
 - (a) Death certificate
 - (b) Grant of probate which is certified by a Commissioner of Oath, or Magistrate or a Civil Servant in Category A;
 - (c) In a case where repayment is made to the heir/ representative or administrator, the name of these persons must be stated, followed by the name of the estate.
 - (d) Where there are more than one administrator of the estate, the repayment will be made in the name of one administrator only.
 - (e) If the deceased individual did not own any property/ assets, "Surat Akuan Sumpah" (Borang Am 80) which is signed by a Commissioner of Oaths or Magistrate is acceptable.
 - (f) If the deceased was a non-resident taxpayer, the "Surat Akuan" must be signed

before a Notary Public.

The repayment will be processed only after all assessments have been duly raised.

4. If there are arrears of tax owing by the deceased taxpayer, the administrator of the estate is responsible for settlement of the debt due. This is provided for under S74 and S106 of the ITA.

Members may read the Media Release in full at the websites of the [Institute](#) and the [LHDNM](#).

You may write to the Institute at technical@ctim.org.my or secretariat@ctim.org.my in respect of any suggestions, concern or comments you may have on the contents of the above [Media Release](#).

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