

TECHNICAL - DIRECT TAXATION

e-CTIM TECH-DT 36/2021

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LHDNM FAQ ON TAX DEDUCTION FOR COST OF RENOVATION AND REFURBISHMENT OF BUSINESS PREMISE UNDER P.U. (A) 381/2020

Frequently Asked Questions (“FAQ”)	Remarks (Please access the FAQ for the full details)
<p>LHDNM FAQ on Tax Deduction for Cost of Renovation and Refurbishment of Business Premise under P.U. (A) 381/2020 (in Bahasa Malaysia only) (11 March 2021)</p>	<p>The Inland Revenue Board of Malaysia (“LHDNM”) FAQ provides answers to the following questions on the Income Tax (Cost of Renovation and Refurbishment of Business Premise) Rules 2020 [P.U. (A) 381/2020]: -</p> <ol style="list-style-type: none"> 1. Who is eligible for this tax deduction? 2. What is meant by business premise for the purpose of the taxpayer’s business? 3. What are the costs of renovation and refurbishment that qualify for this tax deduction and do not qualify for this tax deduction? 4. What is meant by an external auditor? 5. What is the format/ form of the certification by external auditor? 6. Is payment to external auditor included in costs of renovation and refurbishment and allowed tax deduction? 7. If I incur renovation and refurbishment expenditure exceeding RM300,000, is the entire renovation and refurbishment expenditure disallowed? 8. Is renovation and refurbishment expenditure that cannot be absorbed allowed to be carried forward as adjusted business loss? 9. If costs of renovation and refurbishment is allowed to be claimed as deduction under S.33(1) of the Income Tax Act 1967 (“ITA”) or capital allowance under Sch 2 or Sch 3 of the ITA, am I still eligible to claim this tax deduction? 10. What are the supporting documents required?

References:

- [LHDNM FAQ on Tax Deduction for Cost of Renovation and Refurbishment of Business Premise under P.U. \(A\) 381/2020](#); and
- [Income Tax \(Cost of Renovation and Refurbishment of Business Premise\) Rules 2020 \[P.U. \(A\) 381/2020\]](#) (see our [e-CTIM TECH-DT 3/2021](#) dated 8 January 2021).

You may write to the Institute at technical@ctim.org.my in respect of any suggestions, concern or comments you may have on the above FAQ.

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