

**TECHNICAL - DIRECT TAXATION**

e-CTIM TECH-DT 38/2021

29 March 2021

**Income Tax Amendment Rules & Amendment Order 2021 [P.U. (A) 123/2021 & P.U. (A) 134/2021]**

P.U. (A)	Remarks (Please access the Amendment Rules & Amendment Order for the full details)
<p>123/2021</p> <p><b>Income Tax (Deduction from Remuneration) Rules 1994 (Amendment) 2021</b></p> <p>(Gazetted on 19 March 2021)</p>	<p>Income Tax (Deduction from Remuneration) Rules 1994 (Amendment) 2021 [P.U. (A) 123/2021] ("Amendment Rules") amends Income Tax (Deduction from Remuneration) Rules 1994 [P.U. (A) 507/1994] in the Schedule as follows:</p> <ol style="list-style-type: none"> <li>Paragraph 1: <ul style="list-style-type: none"> <li>1.1 "Table of Monthly Tax Deduction" means the Table of Monthly Tax Deduction ("MTD") issued <u>in an electronic medium</u> by the Inland Revenue Board of Malaysia for employers who do not use Computerised Calculation. (Amendment with effect from 1 March 2019)</li> </ul> </li> <li>Paragraph 4 on 'Determination of amount of MTD based on Table of MTD': <ul style="list-style-type: none"> <li>2.1 Table 1 on the value of P (Total chargeable income for a year), M (Amount of the first chargeable income for every range of chargeable income for a year), R (Percentage of tax rates) and B (Amount of tax on M after deduction of tax rebate for individual and husband or wife, if qualified) in paragraph 4(1) is updated. (Amendment with effect from 1 January 2021)</li> </ul> </li> <li>Paragraph 5 on 'Determination of amount of MTD based on Computerised Calculation': <ul style="list-style-type: none"> <li>3.1 K, K<sub>1</sub> and K<sub>2</sub> (in respect of Employees Provident Fund or other approved scheme) in paragraph 5(1), 5(2) for the Returning Expert Programme and 5(3) for the knowledge worker in a specified region, excludes life insurance premium paid / claimed. (Amendment with effect from the year of assessment 2019)</li> <li>3.2 Includes a new paragraph 5(4) which states that the minimum amount of MTD based on Computerised Calculation under paragraph 5 is RM10. (Amendment with effect from 1 January 2021)</li> </ul> </li> </ol>
<p>134/2021</p> <p><b>Income Tax (Exemption) 2021 (Amendment) Order 2021</b></p>	<p>Income Tax (Exemption) 2021 (Amendment) Order 2021 [P.U. (A) 134/2021] ("Amendment Order") amends Income Tax (Exemption) Order 2021 [P.U. (A) 30/2021] in paragraph 1(2) so that it shall have effect <u>from</u> the year of assessment ("YA") 2020.</p> <p>The P.U. (A) 30/2021 exempts an employee from the payment of income</p>

(Gazetted on 25 March 2021)	tax in relation to the value of benefit (for the purpose to acquire smartphone, tablet or personal computer) which is received by the employee from his employer limited to an amount not exceeding RM5,000 in ascertaining the gross income from his employment in the basis period for a YA.
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References:

- 1 - [Income Tax \(Deduction from Remuneration\) Rules 1994 \(Amendment\) 2021 \[P.U. \(A\) 123/2021\]](#);
- 2 - [Income Tax \(Exemption\) 2021 \(Amendment\) Order 2021 \[P.U. \(A\) 134/2021\]](#); and
- 3 - [Income Tax \(Exemption\) Order 2021 \[P.U. \(A\) 30/2021\]](#).

Members may read the above Amendment Rules and Amendment Order in full at the official website of the [Attorney-General's Chambers](#).

You may write to the Institute at [technical@ctim.org.my](mailto:technical@ctim.org.my) in respect of any suggestions, concern or comments you may have on the above Amendment Rules and Amendment Order.

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