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TO ALL MEMBERS

TECHNICAL

Direct Taxation

PERLINDUNGAN EKONOMI DAN RAKYAT MALAYSIA (PERMAI) ASSISTANCE PACKAGE - DIRECT TAX MEASURES

The [Perlindungan Ekonomi dan Rakyat Malaysia \(PERMAI\) Assistance Package](#) was announced by the Prime Minister on 18 January 2021 and includes the following **direct tax measures**:

1. Tax relief relating to full health screening expenses expanded to cover COVID-19 screening
To support more individuals to do COVID-19 screening and detection tests privately, the scope for tax relief relating to full health screening expenses, which was increased from RM500 to RM1,000 in [Budget 2021](#), has now been expanded to also cover COVID-19 screening.
2. Tax deduction for donors assisting in cash and kind those impacted by the pandemic
In appreciation of the noble efforts of those who would like to make contributions towards curbing the spread of the COVID-19 pandemic, the Government has announced several incentives in the form of tax deductions for donors who have been assisting in cash and kind those impacted by the pandemic. Such donors are eligible for a tax deduction based on their gross business income or aggregate income.
3. Special tax relief on the purchase of mobile phones, computers and tablets extended
A special tax relief of up to RM2,500 on the purchase of mobile phones, computers and tablets which expired on 31 December 2020*, will be extended for another year until the end of 2021. (*Note: See Lampiran 4 of the [PENJANA Tax Measures dated 5 June 2020](#).)
4. Special tax deduction for reduction of rental on business premises to SMEs extended
To alleviate the burden of small and medium enterprises ("SMEs"), the Government has given a special tax deduction to any company that provides a reduction of rental on business premises to SMEs of at least 30 percent from the original rental rate from 1 April 2020 to 31 March 2021**. Based on current economic conditions, this special deduction will be expanded to cover the rental reduction also given to non-SMEs. This special deduction period will also be extended until 30 June 2021. (**Note: See Lampiran 11 of the [PENJANA Tax Measures dated 5 June 2020](#). The Finance Minister was reported by media on 27 November 2020 as announcing in his winding up speech on Budget 2021 that the special tax deduction for reduction of rental on business premises to SMEs will be extended for another six months until March 2021.)

Members may read the full text of the Prime Minister's speech on the PERMAI Assistance Package at the websites of the [Institute](#) and the [Prime Minister's Office](#).

More details on the above direct tax measures will be circulated to members via e-CTIM upon release by the relevant authorities.

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