

INTERMEDIATE LEVEL BUSINESS TAXATION

OBJECTIVE:

To examine the principles and application of Malaysian income tax law on businesses.
Reference is also made to case law

CONTENTS:

Business Source

- Definition of business
- Badges of trade
- Commencement and cessation of business
- Basis of assessment
- Capital and revenue receipts where cases are included
- Deductibility of expenses; cases are included
- Computation of business income

Deductions for Capital Expenditure

- **Capital Allowances and Charges:**
 - definition of plant and machinery
 - determination of Initial allowance, Annual allowance, Balancing allowance and Balancing charge
 - 10% rule
 - Claw back of Capital Allowances and the exception
- **Controlled sales:**
 - controlled transfer
- **Industrial Building Allowances (IBA):**
 - definition of Industrial Building
 - determination of Initial allowance, Annual allowance, Balancing allowance and Balancing charge
 - 75% rule
- **Agriculture Allowance**
- **Forest Allowance**
- **Mining allowance**
- **Disposals subject to control**

Basis Periods

- Commencement of accounting period
- Changes of accounting date
- Failure year and overlapping period
- Legislative changes

Single-tier Dividend System

- Advantages and disadvantages

Partnerships

- Existence of a partnership
- Characteristics of a partnership
- Ascertainment of provisional adjusted income/ loss, divisible income/ loss
- Limited Liability partnership
- Change in partners
- Computation of partners total income, chargeable income and tax payable

Corporate Taxation

- Determination of residence status of companies
- Significance of residence status
- Self-assessment system

Computation of Tax Liability

- Treatment of losses
- Determination of chargeable income
- Computation of tax payable
- Allowable and disallowed expenses
- Double deductions
- Specific deductions

READING LIST - BUSINESS TAXATION**COMPULSORY READING**

1. Jeyapalan Kasipillai. (2009). A Comprehensive Guide to Malaysian Taxation - Under Self-Assessment 4th Edition. Kuala Lumpur: McGraw-Hill.
OR
2. Veerinderjeet Singh (2013). Veerinder on Taxation 3rd Edition. Kuala Lumpur: CCH.

REFERENCES

1. CCH Tax Editors (2014), Malaysian Master Tax Guide, 31st Edition, CCH Asia.
2. 2014 Budget Commentary & Tax Information by CTIM-MIA-MICPA
3. Tax Guardian, Journal of the Chartered Tax Institute of Malaysia