

INTERMEDIATE LEVEL PERSONAL TAXATION

OBJECTIVE:

- To introduce to the students about the basic principles of taxation.
- To have a better understanding about the basic concepts of taxation.
- To examine the basic concepts (including reference to case law) of Malaysian income tax and its application to individuals as well as ethical practice

CONTENTS:

Scope and Basis

- Taxation as a source of government revenue
- Understanding of general system of taxation in Malaysia
- Scope of charge
- Classes of income chargeable to tax
- Exemptions
- Chargeable persons
- Tax rates
- Special classes of income

Residence of Individuals

- Determination of residence status
- Significance of residence status

Sources of Income:

Employment

- Meaning of employment
- Distinction between contract of service and contract for services
- Gains or profits from employment
- Basis of assessment
- Valuation of benefits-in-kind
- Deductible expenses
- Compensation for loss of office
- Gratuities, Golden handshakes
- Share options, incentive schemes and profit sharing schemes
- Exemptions

Other Sources

- Dividends
- Interest
- Discounts
- Rents
- Royalties
- Premiums
- Pensions
- Periodical payments
- Annuities
- Other gains or profits
- Basis of assessment
- Deductible expenses
- Non-deductible expenses

Personal Reliefs includes

- Self
- Spouse
- Child
- EPF
- Life Insurances
- Child and Medical Insurances
- Medical expenses for parents
- Course fees
- Disabled person
- Purchase of books, personal computer, sports equipment

Rebates

- Individuals
- Zakat, Fitrah or other Islamic religious dues

Computation of Tax Liability

- Taxation of husband and wife
- Determination of chargeable income
- Computation of tax payable
- Separate assessment and combined assessment
- Monthly deduction and final tax

Tax Administration by Malaysian Government

- Organizational structure of the Ministry of Finance, Inland Revenue Board and the Royal Customs & Excise Department
- Duties and powers of the Director General of Inland Revenue
- Duties and Powers of Special Commissioners.
- Returns and Assessments
- Collection and recovery
- Appeals
- Offences and penalties

Professional Ethics**This will include the following:**

- Form of practice and matters relating thereto
- Obligations to clients and confidentiality
- Matters relating to the affairs of new clients
- Handling client work and all matters relating thereto
- Charging for services
- Matters giving rise to conflict of interest
- Disclosures in tax returns, computations and correspondence with the Inland Revenue
- Dealing with Inland Revenue errors in favor of taxpayers, tax evasion, tax avoidance and ethical/moral issues

READING LIST- PERSONAL TAXATION

1. Jeyapalan Kasipillai. (2015). **A Guide to Malaysian Taxation**. 3rd ed. McGraw Hill.
2. Veerinderjeet Singh. (2015). **Veerinder on Malaysian Tax Theory and Practice**. 3rd ed. CCH
3. CCH Tax Editors. **Malaysian Master Tax Guide**. CCH Asia.
4. Veerinderjeet Singh. (2016). **Veerinder on Taxation**. 4th ed. CCH.
5. **Income Tax Act 1967** (Latest Reprint).
6. Public Rulings and Guidelines issued by the Inland Revenue Board.
7. **Tax Guardian**, Journal of the Chartered Tax Institute of Malaysia
8. Chartered Tax Institute of Malaysia. Rules & Regulations (On Professional Conduct and Ethics)
9. **Budget Commentary** & Tax Information issued by CTIM-MIA-MICPA.