

TECHNICAL

Direct Tax

MONTHLY TAX DEDUCTION 2015

A) [Income Tax \(Deduction from Remuneration\) \(Amendment\) \(No.2\) Rules 2014 \[P.U. \(A\) 362/2014\]](#)

The above Rules were gazetted under [P.U. (A) 362/2014] on 31 December 2014 to amend the Income Tax (Deduction from Remuneration) Rules 1994 [P.U. (A) 570/1994] (the “principal Rules”).

The following is an outline of amendments to the principal Rules:

Rule	Heading	Summary	
1	Citation and commencement	The Rules are effective from 1 January 2015.	
2	Amendment of rule 2	Definition of “remuneration” substituted.	
3	Deletion of rule 2A	Rule 2A deleted.	
4	Amendment of rule 3	Marginal note of rule 3 substituted with “Monthly tax deduction.”	
5	Amendment of rule 10	The word “10 th ” in subrule 10(1) substituted with “15 th ”	
6	Amendment of rule 13	The word “10 th ” in rule 13 substituted with “15 th ”	
7	Substitution of Schedule	Schedule [Rule 3] substituted.	
		<i>Contents of Schedule</i>	
		Paragraph	Heading
		1	Interpretation
		2	Determination of Monthly Tax Deduction
		3	Category of employee
		4	Determination of amount of Monthly Tax Deduction based on Table of Monthly Tax Deduction
		5	Determination of amount of Monthly Tax Deduction based on Computerised Calculation
		6	Determination of amount of Monthly Tax Deduction for additional remuneration

Members may read the Rules in full at the Inland Revenue Board ([LHDNM](#)) website.

B) Documents Issued By LHDNM Relating To Monthly Tax Deduction (MTD)

In conjunction with the issue of the above Rules, the Institute has also received an [email from the LHDNM](#) highlighting some statutory changes relating to implementation (policy) of Monthly Tax Deduction (MTD) 2015. The LHDNM has clarified that the **Rules [P.U. (A) 362/2014] is effective from 1 January 2015 and hence, it is not applicable to the December 2014 MTD.** The payment for the December 2014 MTD is due on 10th January 2015. The P.U. (A) 362/2014 is effective from the January 2015 MTD and the payment for the January 2015 MTD is due on 15th February 2015. Members can view the email from the [Institute website](#).

The LHDNM has also issued and uploaded the following documents related to Monthly Tax Deduction (MTD) 2015 on their website:

1. [Guidelines for Monthly Tax Deduction under Income Tax \(Deduction From Remuneration\) \(Amendment\) \(No.2\) Rules 2014 \(in BM version\)](#)
2. [MTD Scheduler 2015](#)
3. [Specification For MTD Calculation Using Computerised Calculation for 2015](#)
4. [Form PCB TP1 \(1/2015\) Individual Deduction and Rebate Claim form](#)
5. [Form PCB TP3 \(1/2015\) Previous Employer Employment information in Current Year for MTD purpose Claim Form](#)

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