

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) 507/1994] (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](#)

Disclaimer

This document is meant for the members of the Chartered Tax Institute of Malaysia (CTIM) only. CTIM has taken all reasonable care in the preparation and compilation of the information contained in this E-CTIM. CTIM herein expressly disclaims all and any liability or any liability or responsibility to any person(s) for any errors or omissions in reliance whether wholly or partially, upon the whole or any part of this E-CTIM.