

## LHDNM GUIDELINE

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### FURNISHING OF ESTIMATE OF TAX PAYABLE LESS THAN THE MINIMUM AMOUNT SPECIFIED UNDER SUBSECTION 107C(3) OF THE INCOME TAX ACT 1967

1. Subsection 107C(3) provides that the estimate of tax payable for a year of assessment must be at least 85% of the revised estimate of tax payable or estimate of tax payable if no revised estimate is furnished for the preceding year.
2. Taxpayers having difficulty in complying with the provision mentioned above may apply in writing to the following address:

Lembaga Hasil Dalam Negeri Malaysia  
Pusat Pemrosesan  
Aras 10-18, Menara C, Persiaran MPAJ  
Jalan Pandan Utama, Pandan Indah  
Karung Berkunci 11018  
50990 Kuala Lumpur

3. Applicants must state the reasons for not complying with the provision of subseksyen 107C(3) and provide documents to substantiate the reasons stated.
4. Factors which may be considered in approving an application:
  - 4.1 Cessation of business
  - 4.2 Income has been significantly reduced or no longer received

**Example:**

- Income-generating assets have been sold

- No new projects
- Loss of major clients or contracts
- Increase in operating costs resulting in significant reduction of profit margin
- Disturbance to business operation due to fire or natural disaster

4.3 Companies under winding-up

4.4 Companies taken over by way of mergers and acquisitions

4.5 Companies having substantial carried forward losses / capital allowances

4.6 Change in accounting period resulting in shorter basis period

4.7 Companies have been granted tax incentives such as pioneer status or investment tax allowance

## **LEMBAGA HASIL DALAM NEGERI MALAYSIA**

**2nd September 2008**