

LHDNM GUIDELINES

REMISSION OF INCREASE IN TAX

1. Tax shall be increased if:
 - 1.1 The tax payable / debt due to the government is not paid within the stipulated period;
 - 1.2 The difference between the actual tax payable and the estimate / revised estimate of tax payable is more than 30% of the actual tax payable.
2. A taxpayer with valid reason(s) to support his appeal against the increase in tax imposed, may appeal in writing to the Collections Branch / Collections Unit of the LHDNM branch which handles the taxpayer's income tax file.
3. LHDNM will consider the appeal according to the merit and facts of each case.
4. Remission of increase in tax due to late payment may be considered under the following circumstances:
 - 4.1 Full remission:
 - It is proven that payment is made within the stipulated period;
 - Extension of time for payment has been granted;
 - Increase in tax was wrongly imposed;
 - Tax has been fully discharged;
 - It is proven that the notice of assessment was sent to a wrong address or not to the last known address.
 - 4.2 Partial remission:
 - Tax credit is used to pay outstanding tax — remission of increase in tax on the amount of outstanding tax set off;

- Tax is reduced — remission of increase in tax on the amount of tax reduced.
5. Remission of increase in tax imposed under subsection 107C(10) (paragraph 1.2 above) may be considered if it can be proven that the increase in company's profit is only known after the 9th month revision in estimate, provided that the difference in estimate is paid not later than the due date for final installment payment.

INLAND REVENUE BOARD OF MALAYSIA

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