



MALAYSIA 2024 BUDGET HIGHLIGHTS

"ECONOMIC REFORM, EMPOWERING THE PEOPLE"

AUDIT | TAX | ADVISORY
CHARTERED ACCOUNTANTS

20210600004 (LLP0026851-LCA) & AF002345

Budget 2024 Corporate Tax



Corporate Tax Highlights

Items	Current	Proposed 2024
Global minimum tax	-	Company with global income at least Euro750mil (w.e.f Year 2025)
SRI Sukuk - income tax exemptions	YA2021 until YA2025	Extended until YA2027
E - Invoicing	-	<ul style="list-style-type: none"> • Taxpayer with income or sales exceeding RM100mil (w.e.f 01.08.2024) • Other categories taxpayers will be made in phases with a comprehensive implementation target from 1 July 2025.
ICT Allowance	4 years - Initial allowance 20% & Annual allowance 20%	Reduce to 3 years (more information to be announced)

Corporate Tax Highlights (Cont'd)

Items	Current	Proposed 2024
Industrial Building Allowance given to a Private Nursing Home for the Elderly [approved by MOH]	-	Rate of 10% of the cost of building constructed or purchased, including costs modification for each assessment year



Budget 2024
Tax incentive

Tax incentive

Current Proposed 2024

Tax incentive for global hub services - tax at 5 % or 10% based on the result for a period up to 10 years.

Automation capital allowance - to expand to cover the commodity sector.

Tax deductions - contributing through charity or community projects to entities that sponsor tree planting activities or environmental preservation and conservation awareness projects certified by the Malaysian Forestry Research Institute (FRIM).

Social enterprise (SE) tax exemption for all income up to 3 year of assessment - application period for tax exemption on all income of SE extended until YA2025.

Tax incentive for women worker [career comeback tax exemption] - extended to 31 December 2027.

Tier system in the provision of incentive through investment in high-growth and high-value areas - to propose reinvestment tax incentive in tier form in the form of investment tax allowance (ITA) of 70% or 100%.

Tax incentive (Cont'd)

Current Proposed 2024

Pengerang Integrated Petroleum Complex (PIPC) hub for the development of chemical and petrochemical sector - propose to special tax rates or investment tax allowances.

Government proposes a tax reduction additional up to RM300,000 is given to companies that make expenditure upwards Measurement, Reporting and Verification (MRV) related to the development of carbon projects. Expenses are deductible - from the income from the sale of carbon credits traded on the Exchange Carbon Exchange (BCX).

Labuan company carrying Islamic financial trade activities - 5 year full income tax exemption.

Encouraging the entry of foreign film productions into Malaysia - special income tax rate of between 0% and 10% for film production companies, foreign film actors and film crews who shoot films in Malaysia.

Proposes to exempt income tax on income arising from Islamic Securities Selling and Buying (ISSB) from assessment year 2024.

Tax incentives for individual investors investing in start-up companies through the equity public funding platform (ECF) - extended to individual investors through limited liability partnership nominee companies; extended until 31 December 2026.

Website

Home > Content > Post



Budget 2024 Individual Tax

 

Individual Tax Highlights

Items	Current	Proposed 2024
Course of study undertaken for the purpose of up-skilling or self enhancement – RM2,000	YA 2022 & YA2023	Extended to YA2026
Payment of installation, rental, purchase including hire-purchase of equipment or subscription for use of electric vehicle charging facility for his own vehicle (Not for business use) - RM2,500	YA 2022 & YA2023	<ul style="list-style-type: none">• Rental cost extended for another 2 years• EV charging facility expenses extended for another 4 years
Electric vehicle buyers with annual income of RM120,000 and below	-	Cash rebate of RM2,400
Tax exemption on childcare allowance received by the employee or paid directly by the employer to child care center	RM2,400	RM3,000

Individual Tax Highlights (Cont'd)

Items	Current	Proposed 2024
Tax relief for payment of registration fee for any sports competition where the organizer is approved and licensed by the Commissioner of Sports under the Sport Development Act 1997	RM500	RM1,000 (expanded to include the expenses of sports training fees.)



Budget 2024
Others

Others

Items	Current	Proposed 2024
Sale and Service Tax [Service Tax]	6%	<ul style="list-style-type: none">Increased to 8% (except for food & beverage, parking, telecommunication)To expand: Logistics, brokerage, karaoke, and underwriting services
Introduce High Value Goods Tax	-	5 -10% on certain high value items based on the threshold value
Capital Gain Tax	-	To impose 10% on the net gain from disposal of unquoted share (w.e.f 01 March 2024)
Stamp Duty	-	Flat rate of 4 percent on real estate transfer documents by non-citizen individuals and owned companies foreigners except individuals who are permanent residents in Malaysia.

Others (Cont'd)

Items	Current	Proposed 2024
Real estate transfer documents involving beneficiaries relinquishing rights to eligible beneficiaries according to a will or faraid or the Partition Act 1958	Ad-valorem rate	Stamp duty of RM10
Entertainment tax/duty	25% (Wilayah Persekutuan)	<ul style="list-style-type: none">• 100% exemption on stage performance by local artist• Reduction of 5% for theme park, family recreational center, indoor game center and simulator• Reduction of 10% on stage performance by overseas artist and other entertainment event such as movie screening , sport and game events

Others (Cont'd)

Items	Current	Proposed 2024
PERKESO incentive [employ vulnerable group]	RM600 per month for 3 months	RM1,500 per month for 6 months
Monthly salary ceiling for PERKESO contribution	RM5,000	RM6,000

IMPORTANT DISCLAIMER:

This publication has been distributed on the express terms and understanding that the authors are not responsible for the results of any actions which are undertaken on the basis of the information which is contained within this publication, nor for any error in, or omission from, this publication. We expressly disclaim all and any liability and responsibility to any person, entity or corporation who acts or fails to act as a consequence of any reliance upon the whole or any part of the contents of this publication. Accordingly, no person, entity or corporation should act or rely upon any matter or information as contained or implied within this publication without first obtaining advice from an appropriately qualified professional person or firm of advisers, and ensuring that such advice specifically relates to their particular circumstances.



LET'S WORK TOGETHER!

"We aim to deliver sustainable, long-term quality and excellent service to our clients and we nurture transparent, honest relationships with our clients and work with integrity and accountability."

Tan Tian Wooi

Managing Partner
+6012 – 339 8970
twtan@tgs-tw.com

Steve Ooi

Partner
+6012 – 207 3768
steveooi@tgs-tw.com

Teoh Chey Yeat

Partner
+6012 – 455 6833
teohcy@tgs-tw.com

Lim Ge Ru

Partner
+6016 – 404 0249
geru@tgs-tw.com

Lian Jat Meng

Technical Partner
+6012 – 257 7442
lianjm@tgs-tw.com

Kuala Lumpur

E-5-4, Megan Avenue 1
189, Jalan Tun Razak, 50400 Kuala Lumpur
Tel: +603 9771 4326
Fax: +603 9771 4327
Email: tgstax@tgs-tw.com

Penang

Suite 12-01, 12th Floor, Menara Penang Garden
No.42A, Jalan Sultan Ahmad Shah, 10050 George Town, Penang
Tel: +604 295 6880
Fax: +604 295 6878
Email: tgstax@tgs-tw.com