

## YEAR-END TAX TIPS

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WITH only a couple of days left before we bid farewell to 2017, a second exodus of holiday makers making their way out of Kuala Lumpur after the long Christmas weekend is already beginning – anticipate the usual congestion on the highways, at toll plazas and the airports! Nonetheless, there's no stopping the year end celebration and New Year's Eve countdown to be had with family and loved ones, a little travel inconvenience aside.



As I look forward to end the year on a high note myself, the working mother in me has formed the habit of ensuring I have the practical matters all sorted out for a fresh start in the new year. Hence, whilst everyone seems to be headed for the same shopping malls or even the same overseas destinations (don't be surprised to bump into people you know on the plane or even at the airport), I took the chance to do a little bit of spring cleaning.

Knowing well the 2017 tax return e-filing will be available generally from 1 March every year, I decided to go through all of my receipts accumulated in a box just to make sure I had them all accounted correctly.

Let me just tick off the commonly missed ones for completeness.

2017 income tax rate - remains the same as the last tax return filed. The recent announcement in Budget 2018 on lower tax rates for the RM20,000- RM70,000 chargeable income range will only be effective from Year 2018.

### **Personal relief:**

- Medical expenses for parents – RM5,000 – medical treatment for own parents; also includes expenses to care for parents, for example, through a carer. It includes treatment and care at home, day care or home care centres. Claims must be evidenced by a medical practitioner certifying that the medical condition of the parent requires medical treatment or special needs.
- Medical expenses (including RM500 for medical examination) – the annual medical check-up should not be missed. Timely, too, to call the hospital for an appointment, especially after all the festive bingeing!

- Purchase of support equipment for disabled taxpayer, spouse, children or parent – RM6,000
- Claim for wife or husband if either has no source of income or elects for combined assessment – RM4,000
- Life insurance premium/ approved fund contributions/ Private pension fund – RM6,000 – a note to remember that the contributions to EPF will need to be accounted with the life insurance premium for claim of the RM6,000 deduction.
- Private Retirement Scheme – RM3,000 – a separate relief for contributions made by individuals to the Private Retirement Scheme approved by the Securities Commission.
- Insurance premiums for education or medical benefits – RM3,000
- Fees for acquiring technical, vocational, industrial, scientific, technological, law, accounting, Islamic financing, skills or qualifications at tertiary level or any course of study at postgraduate level – RM7,000 – the institution or professional body must be in Malaysia and recognised by the Government or approved by the Ministry of Finance.
- Lifestyle – RM2,500 – this tax relief will now replace the previous tax relief for the purchase of reading materials, sports equipment, computer and subscription of broadband internet. It now includes:
  - i)Purchase of books, journals, magazines, printed daily newspapers and other similar publications (excluding banned publications);
  - ii)Purchase of sports equipment for sports activities as defined under the Sports Development Act 1997;
  - iii)Purchase of computer, smartphone or tablet;
  - iv)Subscription of broadband internet; and,
  - v)Gymnasium membership fee.
- Amount deposited into Skim Simpanan Pendidikan Nasional – RM6,000
- Interest paid on housing loans – RM10,000 – the relief is given for 3 consecutive years from the year the housing loan interest is paid, subject to the following conditions:
  - i)the taxpayer is a Malaysian citizen and a resident;
  - ii)limited to 1 residential house including flat, apartment or condominium;
  - iii)the sale and purchase agreement is executed between 10 March 2009 and 31 December 2010; and,
  - iv)the taxpayer has not derived any income in respect of that residential property.
- Parental care – RM1,500 for either parent – this claim is subject to the following conditions:
  - i)Taxpayer does not claim the relief for expenses incurred on medical treatment and

care of parents;  
ii) Parents are the legitimate natural parents and foster parents in accordance with the respective law subject to a maximum of 2 persons;  
iii) Parents are aged 60 years and above;  
iv) Parents are residents in Malaysia in the current year of assessment; and  
v) Parents have an annual income not exceeding RM24,000 per annum for each parent.

- SOCSO – RM250 – employee contribution to SOCSO
- Breastfeeding equipment – RM1,000 – for purchases of breastfeeding equipment by working women with child aged up to 2 years and can be claimed once every two years.
- Fees paid to childcare centres and kindergartens – RM1,000 – for taxpayers who enrol their children up to 6 years of age in childcare centres or kindergartens registered with the Department of Social Welfare or the Ministry of Education. This tax relief can be claimed by either parent of the children.

Looks like I did indeed miss something out that I can spend on (and still be eligible to claim a deduction). Well, here's to joining the throngs of shoppers at the mall to take advantage of the bumper sales in the last few days of 2017!

Best wishes for 2018, everyone!

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