

It's filing season again



IT IS the time of the year when we have to file our year of assessment (Y/A) 2012 tax returns. All individuals without any business income for the year ended Dec 31, 2012, should file their tax returns by April 30 using the Income Tax Return Form (ITRF) relevant to them (that is, BE, BT, M, MT).

The filing deadline is important as the Inland Revenue Board (IRB) has made it clear that they will automatically impose penalties if there is the slightest delay beyond the due date.

As in the past, penalties will be imposed on returns submitted after the due date. The IRB will, however, allow a grace period of 15 days for submissions made through the IRB e-filing system. There is also a three-working day grace period for postal submission. In practice, the

IRB accepts evidence of posting by registered mail as the submission date.

The strict statutory deadline for individuals without business income, that is, April 30, will be applicable for submissions by hand at the IRB's processing centre. Besides the late-filing penalties, there are also penalties imposed for incomplete or incorrect returns. As such, it is imperative that you pay extra attention in ensuring that your tax return is accurate before you submit it.

My advice to all taxpayers: please start filing your tax returns using the e-filing system as you could take advantage of the 15-day grace period, i.e. the e-Form can be filed by May 15, 2013. Furthermore, the system prompts you throughout the entire tax computation and filing process, thus minimising mistakes.

In contrast to e-filing, the individual could file the manual returns which, by the way, have been reduced to two pages. The new format of ITRF BE inevitably requires guidance, which one can get by making reference to the separately available explanatory notes.

As regards to e-filing, when you start using the system, you need to get a PIN number which is easily obtained through the IRB

website: <http://www.hasil.org.my>. Once you have used the e-filing system, you will not receive any blank tax returns by post in future years. It will be your responsibility to remember to file annually.

Please remember there may be additional taxes to be paid despite the fact that your employers have already made deductions from your employment income under the Monthly Tax Deduction (MTD) scheme.

You need to settle outstanding taxes due for Y/A 2012 on due dates similar to the submission due dates, that is, April 30 for hand submission, May 3 for postal submission and May 15 for e-filing, after deducting the MTD payments.

Some of you may have made CP500 tax instalment payments that have been issued to you if you had income other than employment income in 2012. Do not forget to deduct the CP500 tax instalments paid in 2012 too.

E-filing will also help you expedite your refunds if your case is not under a tax audit or if your past taxes are not in dispute. Should you have a challenge, it is best you visit the nearest IRB office and sort it out immediately to avoid any future problems.

Please ensure that you keep your records for

at least the past seven years (currently from Jan 1, 2007) to support your claims in the event your case is audited in the future, for example, claims in relation to bills for, say, purchase of computer, sports equipment, medical expenses, insurance policies and premium payment receipts and approved donation receipts.

The consequence of any missing documents or incorrect or erroneous claims being made will result in severe penalties.

Reliefs and deductions: the information is in the explanatory notes, and the e-filing system. Please take note and maximise your claims. Finally, my advice is do not leave it till too late to file your tax returns via the e-filing too – as there is always the possibility of congestion when entering the IRB system in the final days of the filing period.

If you have any difficulty in filing your tax returns, please go to the nearest tax office or call them and get your doubts answered.

Good luck with your 2012 tax filing.

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