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Income Tax Filing Programme 2015

IRB has issued the filing programme for the year 2015. The following are the salient points in relation to the filing of income tax return forms (ITRF) and payment of income tax.

1) Income tax returns with statutory filing deadlines falling in the year 2015

Submission via	Grace period for submission of income tax return forms	Grace period for payment of taxes
e-Filing of Forms BE, B, BT, M, MT & P	**15 days** (calendar days) from the stipulated filing due date.	**15 days** (calendar days) from the stipulated filing due date for payment of balance of tax under section 103(1) of the Income Tax Act 1967 (ITA).
e-Filing of Forms C & R for: • Year of assessment (YA) 2014 where due date of submission falls within the calendar year 2015 • YA 2015	**1 month** from the stipulated filing due date.	**1 month** from the stipulated filing due date for: a) Payment of balance of tax under section 103(1) of the ITA; and b) Payment of debt due to the Government under the Finance Acts 2007 (Act 683) and 2009 (Act 693).
Post Forms BE, B, BT, M, MT, P, TP, TJ, TF, C1, PT, TA, TC, TR & TN	**3 working days** from the stipulated filing due date.	**3 working days** from the stipulated filing due date for payment of balance of tax under section 103(1) of the ITA.
Hand delivery Forms BE, B, BT, M, MT, P, TP, TJ, TF, C1, PT, TA, TC, TR & TN	Grace period is not applicable (N/A)	N/A

If submissions are not made within the grace period, the submission will be deemed to be late. Penalties under section 112(3) will be computed from the stipulated filing due date <u>and not from the extended due date.</u>

2) Company, Limited Liability Partnership (LLP), Trust Bodies & Co-operative Societies (relevant entities)

<u>Tax return</u>
Pursuant to section 77A(1A) of the ITA on furnishing of a return via e-filling which is effective YA 2014, any <u>*manual submission*</u> of ITRF will not be deemed received for the purpose of section 77A.

Dormant and/ have not commenced business

The IRB has now written into the filing programme the requirements for the relevant entities which are dormant and/ or have not commenced business.

The following are the key points:

- Requirement to furnish the ITRF (including Form E) with effect from YA 2014.
- The due date for submission of ITRF within 7 months from the date following the close of the accounting period.
- Not required to furnish Form CP204 when the relevant entities have not commenced operations.
- The relevant entities which own shares, real properties, fixed deposits and other similar investments are not considered dormant.
- Registration of income tax file number can be done manually or online at the IRB's official portal. Details of opening and closing dates of accounts and operational date are not mandatory to be provided in the registration.
- The following information are required for submission via e-filing:

Accounting period :	Mandatory field. Period is as reported in the annual return to SSM.
Basis period :	Mandatory field.
Business code :	Business code for the type of business as registered with SSM
Business/ Partnership statutory income :	Where there is no income – enter '0'

3) Form E remuneration for the year 2014 (due on or before 31 March 2015)

Submission via	Grace period for submission of E form
e-Filing	Until 30 April 2015
Post	3 working days from the stipulated filing due date
Hand delivery	Grace period is not applicable

Details of the other requirements for the submission of Form E are available in the filing programme.

4) Application for extension of time (for Forms C, R, C1, PT, TA, TC, TR, TN for submission in calendar year 2015 and Form E for year 2014 only)

Application for extension of time for submission and for payment of balance of taxes must be made **at least 30 days before** the due date of submission of the relevant form.

5) Reduction in the rate of penalties under section 112(3) of ITA for cases other than Form C

For cases other than Form C, the rate of penalty stipulated by IRB in respect of penalties under section 112(3) of the ITA can be reduced by 5% if the income tax return form is submitted via e-filing.

The filing programme for year 2015 is available on www.hasil.gov.my (Forms > Filing Programme for Return Forms in Year 2015).

Large Taxpayer Branch and Unit – Decentralisation of Income Tax Files

The IRB has announced via a media release on 12 January 2015 that with effect from 1 January 2015, income tax files will be reallocated based on turnover levels of the taxpayer. The media release is available on www.hasil.gov.my

Prior to this announcement, income tax files are administered by the various IRB branches based on the residential address (for individuals) or correspondence address (for taxpayers other than individuals). With this announcement, the operations of the IRB will be realigned as follows:

Branch / Unit	Income tax file allocation criteria
Large Taxpayer Branch (LTB) / *Cawangan Pembayar Cukai Besar.* (f.k.a. Corporate Tax Department *[Jabatan Cukai Korporat*]). The LTB will handle the files of Large Taxpayers and High Profile Taxpayers for IRB branches in Peninsular Malaysia. Large Taxpayer Unit (LTU) / *Unit Pembayar Cukai Besar* The newly set up LTU of the Kota Kinabalu and Kuching branches will handle the files of Large Taxpayers and High Profile Taxpayers in Sabah and Sarawak.	Companies (C reference) with turnover (sales) of RM30 million and above. Files of other companies will be allocated to the respective IRB branches in Peninsular Malaysia, Sabah and Sarawak based on latest business premise address or correspondence address. Taxpayers other than companies (OG and SG files) with aggregate income RM1 million and above. The following special sectors are to be retained at LTB / handled by LTU: • Construction (sales of RM30 million and above) • Real property • Finance • Insurance/takaful

Branch	Income tax file allocation criteria
Multinational Tax Branch / *Cawangan Cukai Multinasional* (f.k.a. Multinational Tax Department *[Jabatan Cukai Multinasional]*)	Companies with transactions with related companies outside Malaysia based on certain thresholds. These thresholds have not yet been specified by IRB. Collection of taxes and Real Property Gains Tax files of the above companies will be transferred to LTB.
Petroleum Branch / *Cawangan Petroleum* (f.k.a. Petroleum Division *[Bahagian Petroleum]*)	Downstream petroleum industry at LTB will be transferred to Petroleum Branch irrespective of income levels. Downstream petroleum industry taxpayer will be identified based on "business code" except for files with Non-Resident Branch. Collection of taxes and Real Property Gains Tax of the above companies will be transferred to LTB.
IRB Branches	Handles companies with turnover below RM30 million (except for Non-resident Branch).

Public Ruling 1/2015 – Club, Association or Similar Institution

The IRB has issued a new public ruling (PR) *PR 1/2015 – Club, Association or Similar Institution* dated 14 January 2015, which replaces *PR 5/2012 – Clubs, Associations or Similar Institutions*.

Among the items which are now covered in PR 1/2015 (previously not included in PR 5/2012) are:

1. The basis period for a YA for a club, association or similar institution is the basis year for a YA. The basis year for a YA is the calendar year coinciding with a YA. This is in accordance with section 21 of the ITA.

2. If a club, association or similar institution is not granted approval as a charitable institution under section 44(6) of the ITA, any receipt of gift of money from the general public, after deducting the portion utilised for charitable purposes, will be subject to income tax.

3. If a club, association or similar institution is approved under section 44(6) and later has its approved status revoked, any gifts of money received by it will be taxable. Similarly, the amount donated to it will not be deductible in the hands of the donor.

4. Comparison of the features between a club, association or similar institution and a trade association.

The PR is available on IRB's website at www.hasil.gov.my (Laws and Regulations > Public Rulings).

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