

TaXavy

2016 Budget Recalibration

28 January 2016



2016 Budget Recalibration

The Prime Minister announced the revised Budget 2016 this afternoon with 11 recalibrated measures in the face of the current challenging global economic situation.

The Prime Minister also stated in his speech that the Goods and Services Tax rate remains unchanged at 6%.

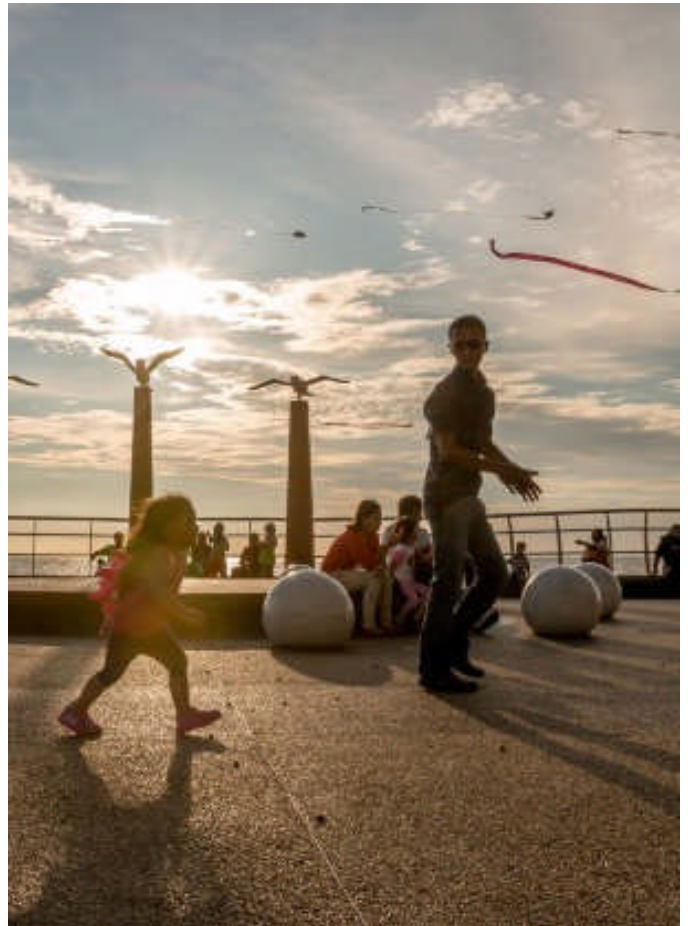
Among the measures affecting taxation and disposable income are the following:

Reduced employee's contribution on Employees Provident Fund ("EPF")

The rate of EPF contribution by employees will be reduced by 3% for contributions made from March 2016 to December 2017. The rates of contributions by employers will remain unchanged.

Special personal tax relief

A special tax relief of RM2,000 will be given to individual taxpayers with income of not more than RM8,000 per month. This special tax relief will be given for year of assessment 2015 only.



Increasing tax collection and efficiency

As part of the measures to increase tax collection and efficiency:

- Efforts in ensuring tax compliance and auditing of tax evaders will be intensified.
- Special consideration will be given to relaxing tax penalties to encourage voluntary disclosure and settlement of taxes in arrears. The taxes in arrears will have to be settled before 31 December 2016.

Let's talk

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