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Public Ruling 1/2016 –
Agriculture Allowance

Filing programme for return
forms in the year 2016



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Public Ruling 1/2016 – Agriculture Allowance

The Inland Revenue Board (“IRB”) has recently released Public Ruling 1/2016 - Agriculture Allowance (“PR 1/2016”) dated 20 January 2016. PR 1/2016 explains the types of qualifying agriculture expenditure, computation of agriculture allowances and agriculture charge including the following:

1. Qualifying agriculture expenditure (“QAE”)

PR 1/2016 elaborates on the meaning of clearing and preparation of land, construction on a farm of a road or bridge and types of qualifying building. (Paragraph 5.1.)

2. Replanting

For the purpose of claiming deduction for replanting expenditure under section 34(6)(d) of the Income Tax Act 1967 (“ITA”), examples are provided in the public ruling to illustrate items that are included as improvement work in connection with the replanting and expenditure incurred in relation to reforestation of timber. (Paragraph 5.8(a))

3. Apportionment of agriculture allowances upon sale or transfer of an asset

Paragraph 7 of PR 1/2016 explains and illustrates with examples the apportionment of agriculture allowance between the transmitter and recipient in a transfer of asset between the two parties.

4. Grant or other payment by the government, state government or state authority

Paragraph 8.2 explains the tax treatment of grant/ subsidy by the government, state government or statutory authority received to alleviate the burden of capital expenditure in carrying on agricultural / plantation activities.

The public ruling is available on IRB’s website www.hasil.gov.my (Internal Link > Public Ruling).

Filing programme for return forms in the year 2016

The IRB has recently issued the Filing Programme for the year 2016. Please take note of the following salient points in relation to the filing of income tax return forms (“ITRF”) and payment of income tax.

1. Income Tax Return Forms

Submission via	Grace period for submission of ITRFs	Grace period for payment of balance of tax under section 103(1) of ITA
e-Filing		
<ul style="list-style-type: none"> Forms e-BE, m-BE, e-B, e-BT, e-M, e-MT, e-P, e-TF for year of assessment (“YA”) 2015 	15 days (calendar days) from the stipulated filing due date	15 days (calendar days) from the stipulated filing due date
<ul style="list-style-type: none"> Form e-C for YA 2016 	1 month from the stipulated filing due date	1 month from the stipulated filing due date
Postal delivery		
<ul style="list-style-type: none"> Forms BE, B, BT, M, MT, P, TP, TJ, TF, C1, PT, TA, TC, TR & TN for YA 2015 	3 working days from the stipulated filing due date	3 working days from the stipulated filing due date
<ul style="list-style-type: none"> Forms C1, PT, TA, TC, TR & TN for YA 2016 		
Hand delivery		
<ul style="list-style-type: none"> Forms BE, B, BT, M, MT, P, TP, TJ, TF, C1, PT, TA, TC, TR & TN for YA 2015 	Not applicable	Not applicable
<ul style="list-style-type: none"> Forms C1, PT, TA, TC, TR & TN for YA 2016 		

If submissions are not made within the grace period, the submission will be deemed to be late and penalties under section 112(3) of ITA will be computed from the stipulated filing due date and not from the extended due date.

2. Company, Limited Liability Partnership (“LLP”), Trust bodies & Co-operative Societies – Dormant and/or have not commenced business

- The above entities which are dormant and/or have not commenced business are required to submit the ITRFs with effect from YA 2014.

- The above entities are not required to submit Form CP204 if they have not commenced operations.
- The relevant entities which own shares, real properties, fixed deposits and other similar investments are not considered dormant.

3. Return by employer (Form E) for the year 2015

Submission via	Grace period for submission of Form E
e-Filing	Until 30 April 2016
Postal delivery	3 working days from the stipulated filing due date
Hand delivery	Not applicable

Further details on the other requirements for the submission of Form E can be found in the filing programme.

4. Application for extension of time in respect of the submission of ITRFs

Application for extension of time for submission of the following ITRFs will **no longer be allowed** by the IRB with effect from the following year of assessment:

Forms (including electronic forms)	Effective Date
Forms E, BE, B, BT, M, MT, P, TP, TJ & TF	YA 2015
Forms e-C, C1, PT, TA, TC, TR & TN	YA 2016

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

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

The filing programme for 2016 is available on the IRB website www.hasil.gov.my (Download > Forms / Info > Filing programme for return forms in the year 2016).

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