



TaXavvy

1 June 2021 | Issue 11-2021

Tax related measures under PEMERKASA+



www.pwc.com/my/tax

PEMERKASA+ Stimulus Package

PEMERKASA+ has been announced by the Prime Minister on 31 May 2021. Valued at RM40 billion including RM5 billion of direct fiscal injection, PEMERKASA+'s objectives are:

- Enhancing public health capacity
- Continuing the *Prihatin Rakyat* Agenda
- Supporting business continuity



Key tax related measures from PEMERKASA+

The following tax related measures were announced by the Prime Minister:

Supporting business continuity

- Inland Revenue Board to consider appeals on penalties and rescheduling payment of outstanding taxes
- Extension of special deduction for rental discount given to tenants
- Human Resources Development Fund levy exemption
- Extension of stamp duty exemption under the Home Ownership Campaign (HOC)
- Extension of sales tax exemption for purchase of passenger vehicles

Supporting employment

- Extension of Wage Subsidy Programme 3.0

Supporting business continuity

Inland Revenue Board (IRB) to consider appeals on penalties and rescheduling payment of outstanding taxes

To reduce the cash flow burden on businesses, it is announced that the IRB will consider the following in respect of taxpayers and businesses impacted by the lockdown:

- Appeals against imposition of tax penalties and deferment of payment of tax penalties to 2022.
- Rescheduling of payment of outstanding taxes.

Comment: *It is noted that the announcement states that appeals against imposition of tax penalties will be considered. This announcement is welcomed and we hope that the IRB will issue further details in relation to the penalty reduction.*

Extension of special deduction for rental discount given to tenants

A special tax deduction equivalent to the amount of reduction of at least 30% in rent given to SME tenants was given from 1 April 2020 to 31 March 2021 previously. Under PERMAI, it was announced that the special deduction is to be expanded to cover rental reduction given by landlords to non-SME tenants and the special deduction period is to be extended to 30 June 2021.

It is now announced under PEMERKASA+ that the above special deduction will be extended for another 6 months from **1 July 2021 until 31 December 2021**.

Human Resources Development Fund (HRDF) levy exemption

Under PERMAI, it was announced that companies which were unable to operate during the MCO and Conditional MCO periods are to be exempted from HRDF levy. It was announced subsequently under PEMERKASA that companies in the tourism and retail sectors are to be exempted from HRDF levy up to June 2021.

Under PEMERKASA+ it is announced that the exemption is to be extended to **all employers** registered with the HRDF for the month of June 2021.

Supporting business continuity

Extension of stamp duty exemption under the Home Ownership Campaign (HOC)

Under PENJANA, stamp duty exemption was given for the purchase of residential properties priced between RM300,000 to RM2.5 million under the HOC, by Malaysian citizens as follows:

- Loan agreement - Full stamp duty exemption
- Instrument of transfer - Stamp duty exemption up to first RM1 million on the value of the residential property.

The above stamp duty exemptions were subject to the following conditions:

- The property developer must give at least 10% discount on the price of the residential property
- Sale and purchase agreement signed during the period from 1 June 2020 to 31 May 2021

It is now announced that the above stamp duty exemptions are be **extended to 31 December 2021**.

Extension of sales tax exemption for purchase of passenger vehicles

Currently, the following sales tax exemptions on passenger motor vehicles are given until 30 June 2021:

- 100% sales tax exemption on the sale of locally assembled motor vehicles
- 50% sales tax exemption on the importation of passenger motor vehicles

The above exemptions will be **extended for another 6 months until 31 December 2021**.

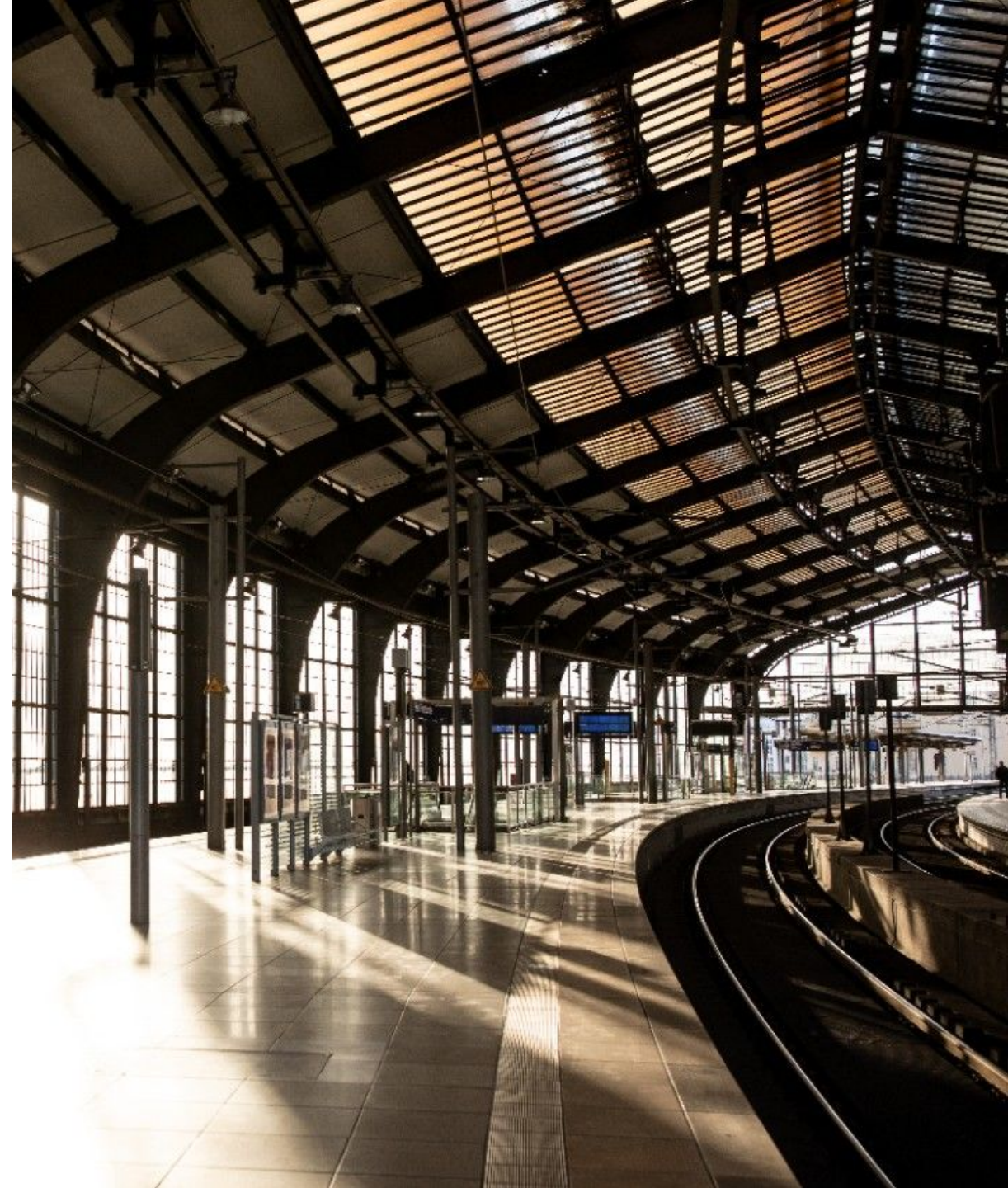


Supporting employment

Extension of Wage Subsidy Programme 3.0 (WSP 3.0)

Under PEMERKASA, WSP 3.0 is extended for another 3 months from 1 April 2021 to 30 June 2021 in a more targeted manner for the tourism, wholesale and retail traders, and other business sectors which were closed during the MCO, such as gymnasiums and spas. The subsidy of RM600 per employee is given for employees earning RM4,000 or less per month, subject to a maximum of 500 employees per employer.

Under PEMERKASA+, it is announced that WSP 3.0 is to be **extended for a period of 1 month** for economic sectors affected under the lockdown, subject to a maximum number of 500 employees for each employer.



Connect with us

Kuala Lumpur

Jagdev Singh
jagdev.singh@pwc.com
+60(3) 2173 1469

Penang & Ipoh

Tony Chua
tony.chua@pwc.com
+60(4) 238 9118

Melaka

Benedict Francis
benedict.francis@pwc.com
+60(7) 218 6000

Tan Hwa Yin

hwa.yin.tan@pwc.com
+60(6) 270 7300

Johor Bahru

Benedict Francis
benedict.francis@pwc.com
+60(7) 218 6000

Kuching

Lee Yuien Siang
yuien.siang.lee@pwc.com
+60(3) 2173 1333

Cynthia Ng

cynthia.hh.ng@pwc.com
+60(3) 2173 1438

Labuan

Jennifer Chang
jennifer.chang@pwc.com
+60(3) 2173 1828

Corporate Tax Compliance & Advisory

Consumer & Industrial Product Services

Margaret Lee
margaret.lee.seet.cheng@pwc.com
+60(3) 2173 1501

Steve Chia

steve.chia.siang.hai@pwc.com
+60(3) 2173 1572

Specialist services

Corporate Services

Lee Shuk Yee
shuk.yee.x.lee@pwc.com
+60(3) 2173 1626

Dispute Resolution

Tai Weng Hoe
weng.hoe.tai@pwc.com
+60(3) 2173 1600

Global Mobility Services

Sakaya Johns Rani
sakaya.johns.rani@pwc.com
+60(3) 2173 1553

Hilda Liow

hilda.liow.wun.chee@pwc.com
+60(3) 2173 1638

Emerging Markets

Fung Mei Lin
mei.lin.fung@pwc.com
+60(3) 2173 1505

Energy, Utilities & Mining

Lavindran Sandragasu
lavindran.sandragasu@pwc.com
+60(3) 2173 1494

Indirect Tax

Raja Kumaran
raja.kumaran@pwc.com
+60(3) 2173 1701

Yap Lai Han

lai.han.yap@pwc.com
+60(3) 2173 1491

Chan Wai Choong

wai.choong.chan@pwc.com
+60(3) 2173 3100

International Tax Services / Mergers and Acquisition

Gan Pei Tze
pei.tze.gan@pwc.com
+60(3) 2173 3297

Financial Services

Jennifer Chang
jennifer.chang@pwc.com
+60(3) 2173 1828

Services & Infrastructure

Lim Phaik Hoon
phaik.hoon.lim@pwc.com
+60(3) 2173 1535

People & Organisation

Kartina Abdul Latif
kartina.a.latif@pwc.com
+60(3) 2173 0153

Lee Shuk Yee

shuk.yee.x.lee@pwc.com
+60(3) 2173 1626

Tax Technology

Yap Sau Shiung
sau.shiung.yap@pwc.com
+60(3) 2173 1555

Tax Reporting & Strategy

Lavindran Sandragasu
lavindran.sandragasu@pwc.com
+60(3) 2173 1494

Technology, Media, and Telecommunications

Heather Khoo
heather.khoo@pwc.com
+60(3) 2173 1636

Transfer Pricing

Anushia Soosaipillai
anushia.joan.soosaipillai@pwc.com
+60(3) 2173 1419

China Desk

Lorraine Yeoh
lorraine.yeoh@pwc.com
+60(3) 2173 1499

Japanese Business Consulting

Yuichi Sugiyama
yuichi.sugiyama@pwc.com
+60(3) 2173 1191

Clifford Yap

clifford.eng.hong.yap@pwc.com
+60(3) 2173 1446



www.pwc.com/my/tax

TaXavvy is a newsletter issued by PricewaterhouseCoopers Taxation Services Sdn Bhd. Whilst every care has been taken in compiling this newsletter, we make no representations or warranty (expressed or implied) about the accuracy, suitability, reliability or completeness of the information for any purpose. PricewaterhouseCoopers Taxation Services Sdn Bhd, its employees and agents accept no liability, and disclaim all responsibility, for the consequences of anyone acting, or refraining to act, in reliance on the information contained in this publication or for any decision based on it. Recipients should not act upon it without seeking specific professional advice tailored to your circumstances, requirements or needs.

© 2021 PricewaterhouseCoopers Taxation Services Sdn Bhd. All rights reserved. "PricewaterhouseCoopers" and/or "PwC" refers to the individual members of the PricewaterhouseCoopers organisation in Malaysia, each of which is a separate and independent legal entity. Please see www.pwc.com/structure for further details.