



# Taxavvy

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## Deferment of tax instalment payment for tourism sector under PEMERKASA - Inland Revenue Board's FAQs



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## Deferment of tax instalment payment for tourism sector

Under PEMERKASA, it was announced that deferment of tax instalment payments falling due during the period of 1 April 2021 to 31 December 2021 will be given to companies in the tourism sector and selected businesses such as cinemas and spas. The Inland Revenue Board (IRB) has now issued an FAQ on this matter.

The FAQ is available on IRB's website [www.hasil.gov.my](http://www.hasil.gov.my) (Home > FAQs 3.0)



### Key features of the deferment scheme

- The deferment of payment of CP204 (monthly instalment of tax estimates) and CP500 (bi-monthly instalments for individuals) will apply for taxpayers with business activities under the tourism, cinema and spa industries. These taxpayers will be identified based on the **business code from their latest income tax returns filed with the IRB**. Please refer to page 4 for the list of qualifying business codes.
- The deferment will be provided **automatically** to the eligible taxpayers who will be notified through their registered email address with IRB. Taxpayers who fall within the eligible business codes but have not received the notification email are not required to make payments for the instalments for the deferral period of 1 April 2021 to 31 December 2021 ('the deferral period').
- Taxpayers can appeal to the IRB if the taxpayer meets the eligibility criteria based on its current status\*. The appeal is to be submitted via email to:
  - [cp204pemerakasa@hasil.gov.my](mailto:cp204pemerakasa@hasil.gov.my) for CP204 deferment; or
  - [cp500pemerakasa@hasil.gov.my](mailto:cp500pemerakasa@hasil.gov.my) for CP500 deferment.

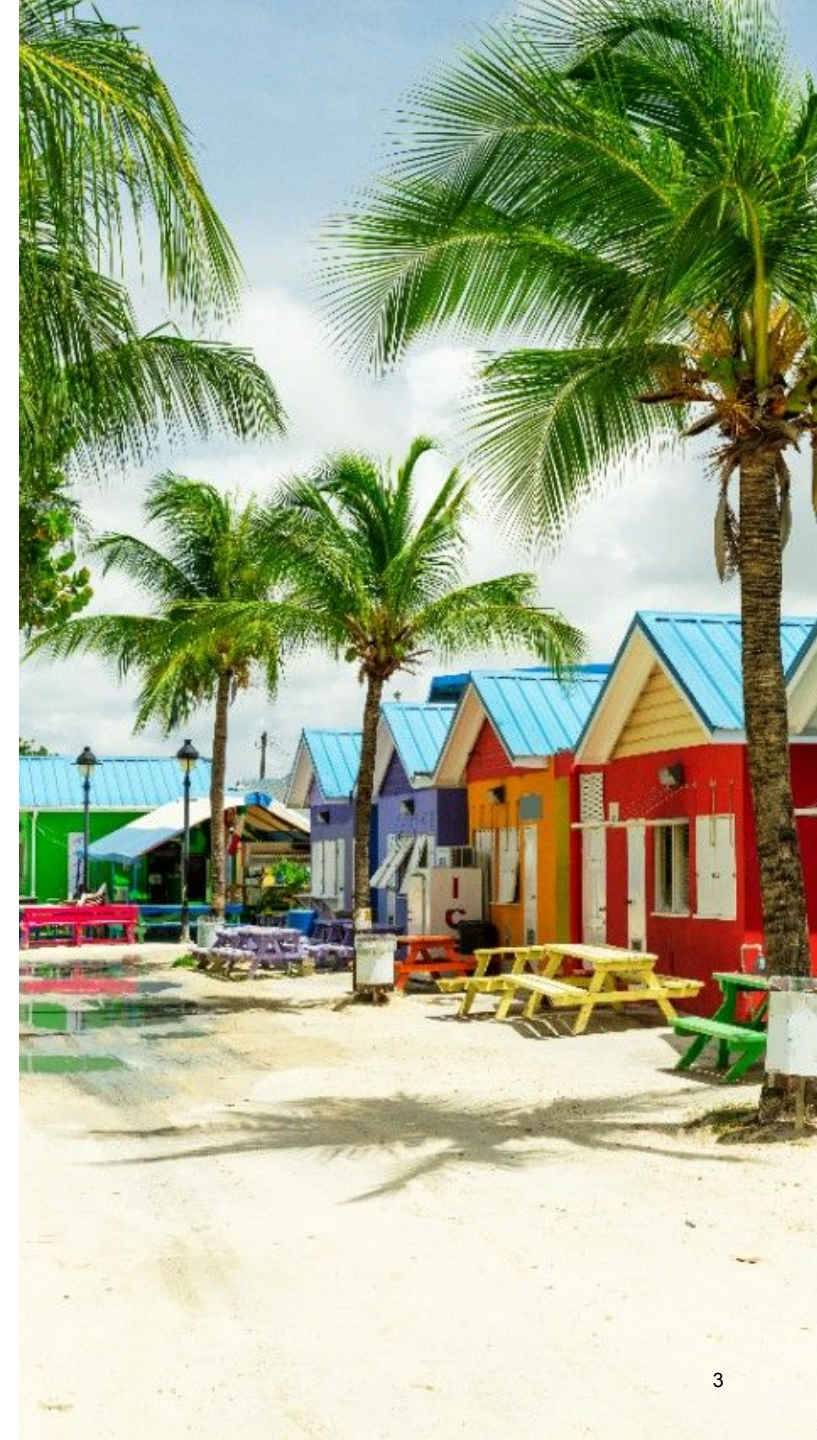
#### Comment:

*\*This would apply to cases where the taxpayer falls into the list of qualifying business codes in the current year but not in the previous year based on the latest income tax return submitted.*

- Taxpayers under the tourism, cinema and spa industries which also carry out other business activities are still eligible for the deferment.
- Deferment of payment of CP204 will apply to all basis periods (whether or not ending on 31 December 2021) where the instalment payment falls due within the deferral period.
- Taxpayers **may opt out** of the deferment and continue to make payment based on the original due dates. Notification to IRB is not required.
- Any payments already made during the deferral period will not be allowed to be carried forward to be settled against instalments due for months after the deferral period.

### Key features of the deferment scheme (cont'd)

- Amendments to CP204 can still be made on the 6th or 9th month of the basis period that falls within the deferral period, or in the case of amendment to CP500, before 30 June 2021.
- Instalments that have been deferred are to be **settled upon the submission of income tax returns** for the relevant year of assessment (YA) if there is still a tax payable outstanding.
- Increase in taxes (for late payment of tax instalments) will not be imposed during the deferral period.
- Please refer to pages 5 and 6 for selected illustrations of the deferment scheme from the FAQ.



**Business codes of taxpayers in tourism, cinema and spa industries eligible for the deferment of tax payments under CP204 and CP500**

No.	Business Code	Description of activities	No.	Business code	Description of activities
1	51101	Transport of passengers by air through regular routes and schedules	11	55108	Homestay
2	51102	Unscheduled passenger transportation	12	55109	Other short-term accommodation activities
3	51103	Rental of transport equipment with operators for the purpose of passenger transport	13	55200	Campground, recreational vehicle park and trailer park
4	55101	Hotel and resort hotel	14	55900	Other accommodation
5	55102	Motel	15	50111	Group cruise or cruise boat operations
6	55103	Apartment hotel	16	50112	Ferry operations, water taxis
7	55104	Chalet	17	50113	Leisure boat rentals with crew for sea and coastal transport
8	55105	Rest house / guest house	18	79110	Travel agency activities
9	55106	Bed and breakfast unit	19	79120	Activities of tour operators
10	55107	Hostel	20	79900	Other booking services and related activities
			21	59140	Movie screening activities
			22	96091	Sauna activities, steam baths, massage parlours

[Source: IRB's *Frequently Asked Questions: Deferment of Payment of Estimated Tax Payable (CP204) and Instalment Scheme (CP500) from 1 April 2021 to 31 December 2021 under 'Program Strategik Memperkasa Rakyat dan Ekonomi' (PEMERKASA)*]

**Illustration 1 (Scenario 2 of the FAQ)**

- WZ Company conducts group cruise or cruise boat operating activities.
- The Company's basis period for YA 2021 is 1 January 2021 to 31 December 2021.
- The original tax estimate (CP204) submitted by the Company is RM240,000.
- Deferment of payment of estimated tax payable will be given automatically for the period from April 2021 until December 2021.
- Final tax payable upon submission of its tax return for YA 2021 is RM250,000.

Instalment payment scheme for YA 2021

Instalment no.	Due date for instalment payment	Instalment scheme per CP204 (RM)	Instalment scheme pursuant to the CP204 deferment (RM)
1	15.02.21	20,000	20,000
2	15.03.21	20,000	20,000
3	15.04.21	20,000	Deferred
4	15.05.21	20,000	
5	15.06.21	20,000	
6	15.07.21	20,000	
7	15.08.21	20,000	
8	15.09.21	20,000	
9	15.10.21	20,000	
10	15.11.21	20,000	
11	15.12.21	20,000	
12	15.01.22	20,000	
Total		240,000	60,000

Payment of final tax payable on due date of submission of YA 2021 tax returns

	RM
Final tax payable as per tax return	250,000
Less: Monthly instalments paid	60,000
Balance of tax payable	190,000

Notes

- Late payment penalty of 10% will not be imposed on the tax instalments originally due in the deferral period.
- Where the final tax payable is higher than the latest of the initial or revised estimate of tax payable, and the difference is more than 30% of the final tax payable ("30% threshold"), a 10% penalty is imposed on the difference in excess of the 30% threshold.
- Computation of penalty for under estimation of tax payable shall be based on the original CP204 if revision of tax estimate is not submitted in the 6th and/or 9th month of the basis period for YA 2021 (no revision is made in this scenario). In this scenario, the difference between final tax payable and original tax estimate is RM10,000 (RM250,000 - RM240,000) which is below the 30% threshold of RM75,000 (RM250,000 x 30%).
- Penalty for late payment of 10% will be imposed if the balance of tax payable of RM190,000 is not paid by the due date of submission of YA 2021 tax returns.

**Illustration 2 (Scenario 3 of the FAQ)**

- Taxpayer B owns a spa business and is subject to the CP500 tax installment scheme.
- The original CP500 for YA 2021 is RM30,000. No application is made to the IRB to revise the amount by 30 June 2021.
- Deferment of payment of estimated tax payable will be given automatically for instalments falling due in April 2021 until December 2021.
- Final tax payable upon submission of his tax return for YA 2021 is RM20,000.

Instalment payment scheme for YA 2021

Instalment no.	Due date for instalment payment	Instalment scheme per CP500	Instalment scheme pursuant to the CP500 deferment
		(RM)	(RM)
1	30.03.21	5,000	5,000
2	30.05.21	5,000	Deferred
3	30.07.21	5,000	
4	30.09.21	5,000	
5	30.11.21	5,000	
6	30.01.22	5,000	5,000
Total		30,000	10,000

Payment of final tax payable on due date of submission of YA 2021 tax returns

	RM
Final tax payable as per tax return	20,000
Less: Instalments paid	10,000
Balance of tax payable	10,000

Notes

- Late payment penalty of 10% will not be imposed on the tax instalment originally due in the deferral period.
- Penalty for late payment of 10% will be imposed if the balance of tax payable of RM10,000 is not paid by the due date of submission of YA 2021 tax returns.

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