

FREQUENTLY ASKED QUESTIONS - FORM B

PART 1: GENERAL

Q1: Who needs to furnish Form B?

A1: Form B needs to be furnished by an individual who is resident in Malaysia and carries on a business.

Q2: What is the difference between Form BE and Form B?

A2: **BE Form** - income assessed under Section 4 (b) - 4 (f) of the Income Tax Act 1967 (ITA 1967) and be completed by individual residents who have income other than business.

Form B - income assessed under Section 4 (a) - 4 (f) of the ITA 1967 and be completed by individual residents who have business income (sole proprietorship) or partnership.

Q3: Can I declare my business income if I receive a Form BE?

A3: No, can not. Business income should be declared in the Form B.

Q4: Can I declare my employment income if I receive a Form B?

A4: Yes, you can. But please take note that the appropriate form is Form BE.

Q5: When is the due date for submission of Form B 2010?

A5: The due date for submission of Form B 2010 is 30th June 2011.

Q6: When is the due date to submit the Form B 2010 if I choose for joint assessment under my spouse's name?

A6: In the case of joint assessment, if the wife or husband of doing business, the due date of submission of both husband and wife form, i.e. Form B or BE 2010 is June 30, 2011.

Q7: I receive employment income (Form BE) and my wife has business income (Form B). When should we submit our tax form if we choose for joint assessment or separate assessment?

A7: Joint assessment – Due date for submission both Form BE and B is 30th June.

Separate assessment - Due date for submission of Form BE is 30th April.
Due date for submission of Form B is 30th June.

Q8: Where do I need to submit the Form B?

A8: i) For submission by post, please return to;

Lembaga Hasil Dalam Negeri Malaysia,
Pusat Pemprosesan,
Aras 10–18, Menara C, Persiaran MPAJ,
Jalan Pandan Utama, Pandan Indah,
Karung Berkunci 11096,
50990 Kuala Lumpur.

ii) For submission by hand you may submit the form at Level 12 of the address given in (i).

iii) Alternatively, you can submit the Form B via e-filing. Please visit www.hasil.gov.my > e-Filing.

Q9: Can I submit the Form B by fax as I do not have time to post the form?

A9: You are not allowed to submit Form B by fax. If received, it will be treated as an invalid form and will not be processed. You are advised to submit Form B via e-filing, if there is no time to post the form.

Q10: Will penalty be imposed if I submit the Form B after 30th June?

A10: Yes. You will be charged a penalty under subsection 112(3) of the ITA 1967. Inland Revenue Board of Malaysia (IRBM) will issue a notice of assessment under subsection 90(3) of the ITA 1967 and the taxpayer is required to pay additional taxes (and the original tax if still unpaid) within 30 days from the date the notice is issued.

Q11: How can I get a Form B, if I do not receive it?

A11: You can get the Form B at any branch of the IRBM or you may submit the Form B via e-filing.

Q12: Can we fill up a photocopy return form for submission?

A12: The photocopy of Form B is not allowed as the photocopy form is not valid. You are advised to obtain Form B from any branch of the IRBM nearby or you may submit the Form B via e-filing.

Q13: How do I submit the Form B through e-filing?

A13: To use e-filing for the first time, you need to get PIN number first. You can do so by:

1. Go to the Nearest IRBM branch; or
2. Send email to pin@hasil.gov.my and please attach copy of identity card (front and back) or passport.

The e-filing steps will be enclosed together with the PIN number.

You are advised to keep and remember your e-filing password for the next time log in.

Q14: I received only employment income in the beginning of the year. Subsequently, I started my own business in the middle of the year. Which form do I need to fill up?

A14: You are required to fill Form B 2010 because you have business income. The due date for submission is 30th June 2011.

Q15: I have received Form B 2010 for my late husband who died on 20.05.2010. But I have not received my Form B 2010. Can I use my late husband's Form B 2010 to declare my income?

A15: You are not allowed to do so. You are advised to get a new Form B 2010 from any of IRBM's branch offices or make submission via e-filing. Furthermore, you are responsible for declaring your late husband's income (if any) from 01/01/2010 – 20/05/2010 in his Form B 2010. Upon completion, please return the said Form B 2010 to IRBM together with a

copy of the death certificate of your late husband for your husband's income tax file updates.

Q16: I received two forms under 2 different reference numbers for the same year of assessment. Which one should I fill?

A16: You should check with the branch that handles your file to make sure which reference number is active. Please return the non-active Return Form with a covering letter to inform that it is a duplicate file.

Q17: How do I know whether my Form B has been received by IRBM? I am worried that I will be penalised if IRBM did not receive my form.

A17: You are advised to contact the Call Centre at Pandan Indah at 03-42893700 to check the status of your Form B.

Q18: If my Form B was processed at Processing Centre Pandan Indah, does it mean that my file has been transferred to it as well?

A18: Under the Self Assessment System, all Return Forms will be processed at the Processing Centre at Pandan Indah. However your tax file is still maintained at the branch office that handled your file previously.

Q19: When can I get my Form J? I want to know the amount of tax to be paid.

A19: Under the Self Assessment System, no Notice of Assessment (Form J) is issued to the tax payer. Tax payers are required to calculate their tax payable. The Form B submitted on or before June 30 is deemed to be a Notice of Assessment.

Q20: With the implementation of the Self Assessment System, there will be no more Form J issued by IRBM. How do I know whether my tax liability is correct or not?

A20: Under the Self Assessment System, a Return Form which has been completed, signed and accepted by IRBM will be deemed to be a Notice of Assessment and considered correct until an audit report proves otherwise. If you have further enquiries regarding the tax calculation, please contact us at 03-42893700.

Q21: Why do I have to keep all the source documents for 7 years?

A21: Records, documents and working sheets need to be kept for 7 years as evidence and reference if required.

Q22: Will a penalty be imposed if I do not keep all the records?

A22: If you do not keep your business records, you may be charged in court under Section 119A of the ITA 1967. If convicted, the penalty imposed will be not less than RM300 and not more than RM10,000 or imprisonment for not less than 1 year or both.

Q23: Can I just fill in the personal details only and leave the other parts of the Form B blank, sign and return it with my statement of accounts?

A23: No. Your Form B will be considered as incomplete and will be returned to you to be completed. Under the Self Assessment System you are not required to submit any supporting documents and bills for deduction. You are required to keep all these documents for 7 years as evidence and reference if required.

Q24: If I realised that I had disclosed my income incorrectly after I had submitted my Form B, do I have to submit a new Form B to the Processing Centre?

A24: You are not allowed to submit income tax form for any year of assessment more than once. However, you are advised to send a letter of appeal (which states that a mistake has been made) and supporting documents to the IRBM branch which handles your income tax file. However, if the amendment involves the understated income or overstated of tax relief which resulting tax or additional tax charged, you must fill out Amended Return Form B 2010. The Amended Return Form which has been completed should be submitted to the IRBM branch handling your income tax file.

Q25: What would be the action taken by IRBM when the income declared in the Form B is lower compared to the income after tax audit?

A25: IRBM will raise an Additional Assessment (JA) together with a penalty under subsection 113(2) of the ITA 1967.

Q26: I have ceased my business two years ago and I have no more income but I am still receiving the Form B. Do I need to fill up the Form or just return it back without filling it up?

A26: You are required to complete the Form and return it to IRBM before the due date. Kindly notify the IRBM branch that handles your file that you have no more income and not to issue any Form B in the future.

Q27: I have ceased doing business in the year 2009 and now received only employment income for the year 2010. Can I fill out Form B 2010 that I received and when the submission deadline?

A27: You can either:

- a. Use the form received to make an income tax declaration. Please fill in the relevant column only, or
- b. Change the form to Form BE at any of the IRBM branch or you can file your income tax return form using the e-Filing application.

The due date for submission of Form BE 2010 is 30 April 2011.

Q28: I am a real estate agent / stocks / insurance / direct sales business. But I have not registered with the Companies Commission of Malaysia. What form should I use to declare my income?

A28: Types of forms to be filled is not depending on whether you have registered the business with the Companies Commission of Malaysia (SSM) or not. It depends on the source of the income received by you whether or not a business source.

Income received by an independent agent is treated as business income. Therefore, you must declare the income in Form B.

Q29: I run a small business and I do not keep any business records. The Profit and Loss Account is based on estimates. How am I going to submit my tax return? Will my estimated income statement be accepted by IRBM? Will I be penalised for not keeping complete records?

A29: You can refer to Helaian Kerja HK-1(Working Paper) in the Guide Book which can be downloaded from www.hasil.org.my. This working sheet guides you on how the Adjusted Income is to be calculated. Whether the

Profit and Loss statement submitted by you can be accepted depends on the Tax Audit that may be carried out by our officers. In view of this, you are advised to keep full and proper records to avoid being penalised as provided for under Section 82 and 82A of the ITA 1967. Failure to comply is an offence punishable by a fine of not less than RM300 and not exceeding RM10,000 or imprisonment for a term not exceeding 12 months or both. Please refer to the Public Ruling 5/2000 (Amended) dated 30/06/2001. You can view it at www.hasil.gov.my.

Q30: Where can I get the Guide Book for Form B?

A30: You can download it from our website at www.hasil.org.my > Forms > Form B Guidebook.

Q31: What type of business records should I maintain?

A31: You can refer to the Public Ruling 5/2000 (Amended) dated 30/06/2001 or you can get assistance from our officers at any IRBM branch. In addition, you can also get services from any qualified accountant or tax agent.

Q32: I have made some errors in Form B. Can I use the correction liquid to amend it?

A32: You are not allowed to use the correction liquid. However you can amend it by drawing a line across the mistake and writing the correct details above it. Make a brief initial next to each correction made.

Q33: If I started a sole proprietorship in 2010 and I was a director of a private limited company, do I fill out two separate forms for reporting these two sources of income?

A33: You are not required to fill in two different forms. You just need to complete Form B 2010 because you have business income in the year 2010. Statutory business income should be reported in column C1 while income from employment as a director to be reported in column C10.

Q34: How do I report income from partnership since I still have not received a CP30?

A34: If you have not received CP30 and the due date for submission Form B is near, you are advised to make an estimate as precisely as possible the

distribution of partnership income. You should report the actual income from the partnership at the IRBM branch handling your file with a covering letter when CP30 is available.

Q35: If someone receives consulting fees or commissions income from a company, whether the income is treated as business income or non-business?

A35: Commission income is treated as business income and you are required to complete Form B to report income.

Q36: In case the commission received on a lump sum or monthly basis, should the tax payment made to the IRBM when payment is received or when the tax return is filed?

A36: You have two options for making payments are:

a) Payment may be made before or by the due date of submission of Form B on June 30 of each year; or

b) Apply CP500 installments at the your IRBM Collection Branch.

Q37: Will I be able to check payment CP500 has been made in the current year?

A37: Yes. You may make check at the branch handling your income tax file. Another easier option is to check the amount using the e-ledger at IRBM's website. To use this service you need to enter your e-filing user id and password.

Q38: How can I appeal if I do not agree with my CP500 figure?

A38: You can amend the figure by submitting the CP502 form before 30th June to your respective income tax branch.

Q39: Can I pay CP500 amount at bank?

A39: Yes, you can. Besides IRBM's counter, you can also make payment at:

- CIMB Bank
- Public Bank

- Maybank
- EON Bank (cash and in house cheque only)
- Pos Malaysia (cash only)

Q40: What payment code do I need to use if I want to pay balance of tax payable at bank?

A40: 084.

Q41: Can I pay the balance of tax payable at the IRBM Processing Department?

A41: No, can not.

PART 2 : COMPLETION OF FORM B

BASIC INFORMATION

Q1: I find that there are misspellings of the name printed on the letter accompanying the Form B, does it mean that my name is also spelled wrong in my income tax file? How can I fix these errors?

A1: If there are name misspellings:

- i. Enter your name as shown in identity card / passport in column name of Form B.
- ii. Submit a copy of identity card / passport to the Customer Service Centre with a notification letter to update your name by:
 - a. Fax to 03-42893400; or
 - b. Email to callcentre@hasil.gov.my

Q2: How to fill in my income tax number in Form B?

A2: Kindly fill in eleven (11) digits for income tax number without '-' and '('.
Example: OG 01234567000.

Q3: Do I need to fill in passport number?

A3: Yes, if you have one;

- Column 7 for current passport number.

- Column 8 for passport number registered with IRBM.

PART A : PARTICULARS OF INDIVIDUAL

Q4: Where can I obtain country codes for column A1 Form B?

A4: Please refer to Form B Explanatory Notes or Form B Guide Book which can be downloaded from our website www.hasil.gov.my.

Q5: Do I need to fill in marriage date at column A4 everytime I fill up Form B?

A5: You only need to fill up column A4 if the marriage, divorce / separation (according to any law) or demise occurred in the current year.

Q6: What is meant by Type of Assessment?

A6: (i) '1' if the wife elects for joint assessment to be raised in the name of the husband. She does not have to fill in items C17 and C18, Part D, Part E and Part F of her Form BE; or
(ii) '2' if the husband elects for joint assessment to be raised in the name of his wife. He does not have to fill in items C17 and C18, Part D, Part E and Part F of his Form BE; or
(iii) '3' if the individual and spouse elect for separate assessment; or
(iv) '4' if the individual is married with a spouse who has no source of income or has income which is tax exempt; or
(v) '5' if the individual is single / a divorcee / a widow / a widower / a deceased person.

Q7: If I am a pensioner and only receive income from pensions alone, what type of assessment that must be filled in column A5?

A7: 4 – Self.

Q8: My status is single. What type of assessment to be completed in column A5?

A8: 4 – Self.

Q9: I am married and my wife is not working. What type of assessment to be completed in column A5?

A9: 4 – Self.

Q10: I am married and my husband is not working. What type of assessment should I choose for column A5?

A10: 4 – Self.

Q11: I am married and my wife is working. What type of assessment should I choose for column A5?

A11: For separate assessment A5 = '3'. For joint assessment A5 = '1' or '2'. In the case of a married individual who elects for joint assessment and has total income to be aggregated and assessed in the name of the spouse, both are still required to fill out separate tax forms (B/BE).

Q12: My wife carries on a business. Can I choose 'joint assessment' under my name. What type of assessment do I need to choose?

A12: The following requirements must be fulfilled:

- i. the husband and the wife were living together in the basis year for the year of assessment and did not in that basis year cease to live together;
- ii. the husband or the wife must have total income to be aggregated with the total income of the spouse. Total income refers to the amount in item C17, Form BE or C34, Form B;
- iii. must be a Malaysian citizen if not resident in Malaysia;
- iv. Joint Assessment can be made with one wife only.

Q13: I am running a grocery store. I am married and my wife is working. I would like to choose joint assessment under my name. What the correct type of assessment for me?

A13: Please select A5 = '1'. Both of you (husband and wife) are still required to fill out separate tax forms (B/BE). Your wife does not have to fill in items C17 and C18, Part D, Part E and Part F of her Form BE, and continue filling in the Declaration section.

Q14: My spouse is a disabled person, can I opt for joint assessment?

A14: Yes, you can as long as your spouse has 'total income'.

Q15: What is a Public Ruling? What would happen if I choose 1 or 2?

A15: Public Ruling is a guide for the public which sets out the interpretation Public Rulings of the Director General of Inland Revenue in respect of a particular tax law, policy and procedure that are to be applied. Details of each Public Ruling are available from the IRBM website.
Enter '1' for full compliance with Public Rulings or '2' if one or more rulings are not complied with

Q16: What does it mean by 'Record-keeping' (A7)?

A16: This refers to the keeping of sufficient records as required under the provision of the ITA 1967. Taxpayer needs to keep all business records including ledger, receipts, bills, bank statements and cheque butts for 7 years for tax audit purpose.

Q17: My business suffered losses in the current year. How do I claim the loss in column A8?

A17: Current year loss for year of assessment 2010 not exceeding RM100,000 shall be allowed for carry-back as a deduction against the defined aggregate income of the year of assessment 2009. Conditions for claiming carry-back loss under section 44B of the ITA 1967:-

- The amount of adjusted loss for the basis period for the year of assessment 2010 allowed for carry-back:-
 - i. shall not exceed RM100,000; or
 - ii. where the defined aggregate income is less than RM100,000 for the year of assessment 2009, shall not exceed the amount of the defined aggregate income.
- The current year loss can be carried back by making an irrevocable election in the box indicated under Item A8; and stating the amount of loss carried back in item J1a(i) as well as the balance of loss carried forward in Item J1a(ii). You can make calculations by using the HK-1.3 in Form B 2010 Guidebook.

How to make a claim:-

You are required to furnish:-

- copy of pages 1 and 8 of Form B for Year of Assessment 2010 which indicate the election made as well as the amount of loss carried back; and
- the amended tax computation for Year of Assessment 2009

to the IRBM branch handling his income tax file on the same day as the date on which he furnished his Form B for Year of Assessment 2010. B 2010.

- In the box indicated under Item A8:
 - enter '1' for those who qualify and wish to make a claim.
 - enter '2' for those who qualify but do not wish to make a claim or not entitled to make a claim.

Q18: What does it means by 'Knowledge Worker' (A9)?

A18: According to P.U.(A) 344/2010*, a "Knowledge Worker" is defined as an individual :

- In possession of a degree or Master's degree from a recognised institution** and has at least 10 years of professional work experience in a qualifying activity; or
- In possession of a PhD from a recognised institution** and has at least 5 years of work experience in a qualifying activity; and
- Has any other qualification or in fulfillment of any other criteria as determined by the Minister.

* P.U.(A) 344/2010 can be downloaded at www.hasil.gov.my.

** recognised institution – any institution listed in the following website: <http://pengiktirafan.jpa.gov.my>.

For the purpose of applying the scheme of individual income tax at a rate of 15% on the EMPLOYMENT INCOME, the Knowledge Worker must meet the following requirements:

- Commences employment in a qualifying activity (Schedule I) conducted by a designated company between 24 Oct 2009 – 31 Dec 2015.
- Not be deriving any form of employment income in Malaysia at least three years before the application period.
- Resides and works in Iskandar Malaysia

Application form and guidelines can be obtained at <http://www.iskandarmalaysia.com.my>.

Column A9:-

- enter '1' if the application for the scheme of individual income tax at a rate of 15% on the EMPLOYMENT INCOME has been approved by the Minister.
- enter '2' if not applicable.

Column A9a:-

- If A9 = 1, enter the date of approval by the Minister.

Q19: If there is no change of correspondence address, should I fill in A10?

A19: Yes, please fill in A10.

Q20: How can I update my mailing address?

A20: You can do so by submitting form CP600B to the respective income tax branch. This form can be obtained from our website. Please log on to www.hasil.gov.my> Forms> Other Forms.

Q21: How can I update my permanent residential address or my business premise address?

A21: You need to notify your income tax branch of the change in writing. Alternatively, you can use the e-Kemaskini facility on our website. You can log on to e-Kemaskini using your e-filing user id and password.

Q22: I have three business premises, which one should I fill in the address for column A11?

A22: You only need to fill in the address of the main business premises.

Q23: At the beginning of 2010 I rented a building as a business premises until April 2010. However, after buying a new shop building, I moved into the premises from May 2010 until now. Which address should I enter in column A11?

A23: You should fill the column A11 with the latest address of the premises.

Q24: Whose telephone number should I put in the A12 column?

A24: It can be your mobile phone, office, house, business premise or tax agent's number.

Q25: I have resigned from my previous employer in July. In September I started working with the new employer. Which employer number should I fill in column (A13)?

A25: You need to fill in the current employer number. It is set out in Form EA / EC and begins with 'E'.

Q26: I am a freelancer. Do I need to fill in employer number?

A26: No.

Q27: I have 2 bank accounts. One is for business and the other one is for personal. Which number should I put in A17?

A27: Either one.

PART B : PARTICULARS OF HUSBAND/WIFE

Q28: My wife and I have declared our income in separate forms. Are we still required to complete the particulars of husband/wife in Part B?

A28: In cases where both husband and wife filled out form separately or only the husband or wife who filled out since the spouse has no income, Part B is still need to be filled.

Q29: My wife is not working. Do I still need to fill in her income tax reference number (B2)?

A29: No.

Q30: I have three wives. The column in Form B is just for one. What do I do?

A30: For the other wives, please attach their particular using B1 to B7 format.

PART C : STATUTORY INCOME AND TOTAL INCOME

Q31: How do I get a business code to fill in column C1?

A31: Please refer to Appendix G, Form B Guidebook. You may download it from www.hasil.gov.my. > click at Forms > B 2010 Guidebook.

Q32: I have 5 businesses. Where should I report the fourth and fifth business?

A32: Please add up the statutory income from third to fifth business and put the total in C3 column. Please list the actual statutory income for each business on additional sheets using the same format and submit together with the Form B as attachment(s). Please note that statutory income for first business (the main business) must be reported in C1 column every year until the business ceases.

Q33: I am running a retail business and all money in and out of the business recorded in cash book. Do I just need to compute the net amount (money in *minus* money out) and enter the amount in column C1?

A33: Column C1 is a statutory business income. Please refer to the HK-1 (Computation of Statutory Income from Business) of Form B Guidebook to help you make the appropriate calculations.

Or you may get a qualified tax agents to assist in the preparation of business accounts for income tax purposes.

Q34: I am a partner in the restaurant business. How can I report the income I get from the restaurant business? Is it based on the share capital contributed by me?

A34: For each partnership, the precedent partner is responsible for filling out the Form P and issuing the Form CP30 to each and every partner. CP30 is a statement of apportionment of partnership income for each partner. The Form CP30 has to be provided to each partner so as to enable them to declare their partnership income in Form B. Each of the partner may make a computation of statutory income from partnership business using HK-1B in the Form B Guidebook before transferring the amount to column C4.

Q35: My business suffered losses in 2009. Can I claim a deduction for the loss in column C8 in Form B 2010?

A35: Column C8 are referring to business / partnership losses suffered in earlier years of assessment and brought forward to be set off against the current year's aggregate statutory income from businesses. Please refer to Working Sheet HK-1.3 in Form B Guidebook to determine the amount of C8. If there are no business losses brought forward, enter "0" in this column.

Q36: How do I fill C10 since there is no column for value of cents?

A36: You are required to write the amount of Ringgit Malaysia without the value of cents.

Example: Statutory Income for Employment : RM125,955.67.
Enter in column C10 : **RM125,955.**

Q37: I have the dividend income from the Securities Commission of Malaysia (CCM) / Unit Trust. Where should I fill in the income in Form B?

A37: Fill in the total of gross dividend income received in column C15. Compute the tax deducted under section 110 by using Working Sheet HK-6 in respect of other income such as interest, royalties, section 4A and income from trust bodies. Enter the tax deduction under section 110 (others) in column E11. Please submit Working Sheet HK-6 if you are entitled to a tax refund.

Q38: I have received dividend income. Should I submit the dividend vouchers to the IRBM?

A38: Starting from the Year of Assessment 2008, you do not need to submit original dividend vouchers. However you should keep it within 7 years for future reference if required IRBM.

Q39: I have rental income derived from my terrace house. How do I calculate and fill in this income?

A39: You can make a calculation in HK-4 (Particulars of Properties / Assets and Total Rental) in Form B Guidebook to get the statutory income from rents and the amount is transferred to column C13 in Form B 2010.

Q40: In what circumstances the rental income can be considered as business income?

A40: With effect from year of assessment 2006, the rental income can be taxed as business income under section 4 (a) of the ITA Act 1967 if the property owner is comprehensively and actively providing maintenance services or support services in relation to the rental property. These services are offered, managed and provided by the person renting the property instead of rising passively or accidentally as a result of ownership or lease of the property.

Q40A:What is meant by "maintenance services or support services" in relation to the rental property?

A40A: Maintenance services or support services comprehensively provided means services which include security, air conditioning, hot water, escalators, elevators, recreational facilities (clubhouse, gym, tennis / badminton / squash, swimming pools, etc.), cleaning or revisions, including waste disposal -garbage, property maintenance, gardens, landscaping, lighting, etc.

Q40B:If my rental income is assessed under section 4(a), am I entitled to claim capital allowances and rental losses as other business income?

A40B: If rental income is assessed under section 4(a), you are entitled to claim capital allowances on plant and machinery used in the production of rental income. These include capital allowances for air conditioners, refrigerators, furniture and fixtures. Rental losses for the current year can be deducted from the aggregate income for that year of assessment. If any amount of loss can not be absorbed, it can be carried forward and deducted from the aggregate of statutory income from business for the next assessment year.

Q41: I have received a pension. Should I report my retirement income, how do I need to fill in Form B?

A41: i. Retiring before age 55

If you retire before age 55 years, the your pension is taxable until you are 55 years old. Please fill in C14 of Form B.

ii. Retiring after age 55

Pension received is not liable to tax. Please enter the '0 'in column C14 of Form B.

iii. Widows', widowers' and orphans' pensions

Widows', widowers' and orphans' pensions received are not liable to tax. Example: A wife received a pension on her husband's death. This type of pension is not taxable. Please enter the '0 'in column C14 of Form B.

Where a person receives more than one pension, only the highest pension is exempted from tax. Other pensions income must be declared.

Q42: I suffered a business loss during the year. How do I claim a business loss in the Form B 2010?

A42: Current year losses from business and partnership can be deducted from the same year's aggregate income. Where the losses cannot be fully absorbed due to insufficiency of the aggregate income, the excess can be carried forward to be set off against the following year's aggregate statutory income from businesses and partnerships. Use Working Sheets HK-1 and HK-1.3 to compute before filling in C19 of the Form B. Amount in C19 is restricted to the amount in C18. Any unabsorbed balance of current year losses should be transferred to column J1a (ii), Form B.

Please refer to question 15 in respect of carry-back lossess of current year loss.

Q43: I have contributed money (cheque) to the Pahang State Government for the flood victims. How do I claim in Form B?

A43: Please fill in amount that was donated in column "Gift of Money to the Government, State Government or Local Authorities" (C24). Please keep the original receipt of donations for 7 years for future reference if required by the IRBM.

Q44: I have donated a total of RM3,000 to the Diabetes Association of Malaysia. How can I claim in Form B 2010?

A44: Diabetes Association of Malaysia is an institution approved by the IRBM Director-General. You are entitled to claim a tax deduction in the column C24A. However, the total gift of money or the cost of contributions for column C24A, C25 and C26 is restricted to 7% of the Aggregate Income in

column C18, Form B. Please keep the original receipt of donations for 7 years for future reference if required by the IRBM.

Q45: If I (the wife) choose for joint assessment in the name of the husband (A5 = 1), how do I fill my Form B 2010?

A45: Fill in your Form B 2010 until item Total Income - Self (C34) and proceed to the Declaration section. Any income received in respect of any earlier year not yet declared has to be filled in Part G.

If your husband fill in **Form BE 2010**:

- i. Enter your Total Income (C34, Form B) in column C17 of your husband's Form BE;
- ii. In your husband's Form BE, enter '1' in C17 checkbox if income transferred from wife includes business source or '2' if not;
- iii. Please total up the amount of C16 and C17 of the husband's Form BE to get an Aggregate of Total Income (C18).

If your husband fill in **Form B 2010**:

- i. Enter your Total Income (C34, Form B) in column C35 of your husband's Form B;
- ii. In your husband's Form B, enter '1' in C35 checkbox if income transferred from wife includes business source or '2' if not;
- iii. Please total up the amount of C34 and C35 of the husband's Form B to get an Aggregate of Total Income (C36).

Q46: If I (the husband) choose for joint assessment in the name of the wife (A5 = 2), how do I fill my Form B 2010?

A46: Fill in your Form B 2010 until item Total Income - Self (C34) and proceed to the Declaration section. Any income received in respect of any earlier year not yet declared has to be filled in Part G.

If your wife fill in **Form BE 2010**:

- i. Enter your Total Income (C34, Form B) in column C17 of your wife's Form BE;
- ii. In your wife's Form BE, enter '1' in C17 checkbox if income transferred from husband includes business source or '2' if not;
- iii. Please total up the amount of C16 and C17 of the wife's Form BE to get an Aggregate of Total Income (C18).

If your wife fill in **Form B 2010**:

- i. Enter your Total Income (C34, Form B) in column C35 of your wife's Form B;

- ii. In your wife's Form B, enter '1' in C35 checkbox if income transferred from husband includes business source or '2' if not;
- iii. Please total up the amount of C34 and C35 of the wife's Form B to get an Aggregate of Total Income (C36).

PART D: DEDUCTIONS

Q47: My dependents are my parent, sibling and other relatives. How do I claim relief for individual and dependent relatives (D1)?

A47: Under the ITA 1967, relief of RM 8,000 for an individual is in respect of himself and his dependent relatives is granted automatically under D1 column. With effect from year of assessment 2010, the amount has been raised to RM 9,000.

Q48: I paid my mother's medical expenses but did not keep any receipt. Am I eligible for parent's medical expenses relief under D2 column?

A48: Every claim must be proved with supporting documents and must be kept for 7 years for future reference if required by IRBM. Tax relief under parents medical expenses (D2) is limit to RM5,000.

Q49: I sent my parent for traditional medical treatment. Am I eligible for tax relief?

A49: No, can not.

Q50: I paid for my mother in law's medical expenses. Can I make a claim for that relief?

A50: Medical expenses for spouse's parent is not allowable.

Q51: Am I eligible to claim for basic supporting equipment whereby if I bought a dialysis machine for my wife. Can I make a claim for that expense under D3 Column?

A51: Expense on basic Supporting Equipment can be allowed tax relief limited to RM5,000 only if your wife is registered with the Welfare Department (JKM) as a disabled person.

Q52: I was involved in an accident resulting in amputation of my leg and have been verified by a doctor as a disabled person. How do I claim for disabled person relief under D4 column?

A52: You are advised to bring your medical report to JKM for registration as a disabled person and keep your OKU card or verification letter for future reference if required by IRBM.

Q53: How do I claim for relief for education fee on approved study (D5). I'm taking a 'Master in Accountancy' course. Am I eligible to claim RM5,000 of my education fee?

A53: An amount limited to a maximum of RM5,000 is deductible (self) in respect of fees expended on any course of study up to tertiary level in any institution in Malaysia recognized by the Malaysian Government or approved by the Minister for the purpose of acquiring any skills or qualifications.

Further information for Higher Educational Institution (IPTA/IPTS) recognized by the Malaysia Government can be obtained at: <http://pengiktirafan.jpa.gov.my>.

List of certified Professional Bodies by Ministry of Finance can be obtain at Hasil website at www.hasil.gov.my > Others > Tax Publication.

Q54: I'm undergoing organ transfer (kidney) in a Singapore Hospital. Am I eligible for relief of Medical expenses on serious diseases under D6 column?

A54: You are not eligible to claim that relief because that claim must be proved with a certified receipt by a medical practitioner registered under (Malaysian Medical Council).

Q55: What do you mean by full medical checkup under D7 column and how am I eligible to claim that relief?

A55: Complete medical examination refers to thorough examination as defined by Malaysian Medical Council (MMC) including both physical and mental examination and laboratory test (blood and urine test) together with doctor consultation as follows:

- i. Physical examination refers to examination for weight, blood pressure, eye, ears, nose and throat, examining your neck for the

- size of the thyroid gland and enlarged lymph nodes, listening to your chest and heart, breast examination, abdominal examination, looking at your arms and legs and pelvic examination (pap smear).
- ii. Lab examination refers to blood test, urinalysis and Pap smear. Blood test checking on your cholesterol level, thyroid hormones, complete blood count.
 - iii. Consultation after examination.

Amount expended on own self, husband/wife or child is deductible up to a maximum of RM500 and must be proved with official receipt (D7). The total of both deductions (D6 and D7) is limited to a maximum of RM5,000.

Q56: My wife and I opt for separate assessment. Can both of us claim for book/magazine (D8) relief up to RM1,000 per person?

A56: Yes, both you and your wife are entitled to claim book/magazine relief. Please make sure that both of you do keep the receipts.

Q57: Can I make a claim under D8 relief if I purchased the books and electronic dictionary from overseas?

A57: Yes, you can. Both hardcopy and electronic books but exclude newspapers or banned reading materials can be claimed under book/magazine relief (D8) limited to a maximum of RM1,000 regardless of where the books were purchased. Please keep the receipts for 7 years for the purpose of reference and review if required by IRBM.

Q58: I have purchased a personal computer in August 2010 at a price of RM3,850. Am I entitled to claim tax relief in column D9?

A58: You are entitled to claim an amount limited to a maximum of RM3,000 in respect of the purchase of personal computer. This deduction is allowed once every three years for one unit of computer only. Example: If you had claimed the deduction in 2010, the next claims will be in 2013.

Q59: In the year 2010, my wife and I each bought a laptop computer for RM3,250 and RM 2,950 respectively. If I opt for joint assessment in 2010, what is the amount that I can claim for computer deduction/relief? And what is the amount if I opt for separate assessment?

A59: For a joint assessment, you are only eligible to claim computer deduction/relief up to RM3,000 only. However, if it is a separate assessment, you can claim RM2,950 and your wife can claim RM3,000 only. This deduction is allowed once every three years for each individual for one unit of computer only.

Q60: I had bought a computer for my business usage. Can I claim for a computer deduction/relief in my Form B 2010?

A60: You are not eligible to claim for computer deduction/relief in your Form B 2010 since it is for business usage. Nevertheless, you are allowed to claim capital allowance on the said computer. Please refer to Working Sheet HK-1.2.4 in Form B Guide Book for calculation of capital allowance.

Q61: Am I eligible to claim for computer deduction/relief in my Form B 2010 if receipt issued for the purchase of computer is in my child's name who is still in school?

A61: You are eligible to claim a deduction/relief in your Form B 2010 for purchase of computer restricted to RM3,000.

Q62: In the year 2010, I had deposited RM2,500 in "Skim Simpanan Pendidikan Nasional (SSPN)" and my withdrawal was RM 400. Account balance at the end of year 2010 was RM4,800. Can I claim for relief up to RM3,000?

A62: Amount deposited in SSPN by an individual for his children's education is deductible up to a maximum of RM3,000. Total relief claimable for SSPN is total net saving in a year which is total savings less total withdrawals for the year. Hence, you are only allowed to claim RM2,100 as SSPN relief (RM 2,500 - RM 400).

Q63: What does it means by Sports Equipment (D11)?

A63: Sports equipment for any sports activity as defined under the Sports Development Act 1997. Sports equipment includes equipment with short lifespan e.g. golf balls and shuttlecocks but excluding sports attire, e.g. swimsuits and sports shoes. The deductible amount is limited to RM300.

For fitness sports – all fitness equipment such as treadmill, exercise bike and air walker can be claimed.

For recreational sports – for example diving. All diving equipment can be claimed except for attire.

Q64: How do I claim for broadband subscription fee relief (D12)?

A64: You can claim for broadband subscription fees paid up to RM500 per year under broadband relief. The broadband must be registered under your name. This relief is valid for 3 years of assessment only (2010, 2011 and 2012). Please keep the monthly statement and receipts properly.

Q65: Can I make a claim under D12 column if I use prepaid broadband?

A65: Yes, you can if you have the statement to prove the reload amount and its receipts.

Q66: Can I make a claim under D12 column if I use dial-up for internet service?

A66: No, you can not. Dial up service uses telephone cable to connect and the speed is only 56kbps. On the other hand, broadband speed is 256kbps and more.

Q67: How do I claim for Housing Loan Interest (D13)?

A67: You can claim for Housing Loan Interest relief limited to a maximum of RM10,000 for each basis year for a period of three consecutive years of assessment beginning from the date in which the interest is first expended. Conditions for eligibility:

- i. an individual who is a citizen and resident;
- ii. the purchase of the residential property is limited to one unit only;
- iii. the Sale and Purchase Agreement has been executed 10 March 2009 to 31 December 2010; and
- iv. that residential property must not be rented out.

Q68: I no longer live together with my wife but we are not legally divorced. Can I make a claim for wife relief (D14)?

A68: No, you can not. According to Section 45(2) of the ITA 1967, relief of RM3,000 is given in respect of a wife living together in the basis year on condition that the wife has no income/total income or has elected for joint

assessment. However, if you have to live separately due to job commitment, you are still entitled to claim this relief.

Q69: If I am resident in Malaysia but my wife is not, can I make a claim for wife relief (D14)?

A69: Yes, you can.

Q70: I have 2 wives. My first wife has income and opts for separate assessment. Can I make a claim for wife relief (D14) for second wife? The second wife is still studying.

A70: Yes, you can.

Q71: Am I entitled to claim alimony payment (D14) if my ex wife currently lives overseas?

A71: Yes, you can claim if you have a formal agreement or court order regardless of whether your ex-wife is resident in Malaysia or not.

Q72: Can my wife claim husband relief (D14) if I opt for joint assessment in the name of the wife?

A72: Yes, she can. Relief of RM3,000 is given to the wife on condition that the husband has no income / total income or has elected for joint assessment.

Q73: Is there a limit to the number of children entitled to child relief under the ITA 1967?

A73: There is no limit to the number of children, but relief will only be given for any dependent unmarried child who at the time is:

- i. Below 18 years of age
- ii. If above 18 years age, was in receipt of full time education or is under article ship or indenture in trade or profession: or
- iii. Is physically or mentally disabled (relief for physically or mentally disabled child is RM5,000)

Q74: My wife and I opt for separate assessment. How can we claim child relief?

A74: For Separate Assessment, the deduction in respect of each child may be claimed by either the individual or the spouse. For example, if you have 3 children and your wife claims for first and second child, you can claim for the third child.

Q75: My son is 18 years old and continues his study at a local university under matriculation / A level. Am I entitled for RM 4,000 child relief - 18 years and above and studying (D16b)?

A75: You are eligible to claim RM1,000 only.

Q76: My child is above 18 years old and receiving full-time education in an overseas private college in respect of an award at Diploma Level. Am I entitled for child relief 18 years & above and studying (D16b)?

A76: You can claim RM1,000 only. If your child is receiving further education outside Malaysia in respect of an award of degree or its equivalent, you are eligible for RM4,000 relief.

Q77: I have a disabled step daughter who stays with me. Can I make a claim for tax relief under D16c column?

A77: Yes, you are eligible for RM5,000 tax relief.

Q78: My wife and I opt for joint assessment. Can I make a claim for her EPF and life insurance (D17)?

A78: Yes, you can claim up to RM6,000. However if your wife has no total income to be transferred to you, you can only claim her life insurance not her EPF.

Q79: I am running a sole proprietorship business. I have made EPF contribution. Can I make a claim for EPF relief (D17)?

A79: Yes, you can. Please note that the EPF contribution for your own self cannot be deducted as expenses in order to calculate your business adjusted income/loss.

Q80: I have a sole proprietorship business and I have made contribution to Skim Persaraan 1 Malaysia. Is that contribution is tax deductible?

A80: Yes, you can claim up to RM6,000 under D17 column.

Q81: I bought an annuity scheme. The premium needs to be paid annually. Can I make a claim for this premium paid (D17)?

A81: A further deduction is given in respect of any payment of premium for deferred annuity contracted on or after 01/01/2010, the total deduction for D17 and D18 is limited to a maximum of RM7,000. However, the total deduction in respect of life insurance premium and EPF contribution is limited to RM6,000.

Q82: I just bought a life insurance policy a few months ago. It is not even a year yet. Am I eligible for life insurance relief?

A82: Yes, you are. It is considered in the basis year that expense is incurred.

Q83: My insurance premium is paid by Auto Premium Loan (APL). Can I claim this relief in this case?

A83: The APL Scheme was initiated so that an insurance policy does not become void if premium is not paid by the policy holder. Hence, if the policy holder repays the loan to the scheme, only the premium payment for the APL scheme is allowed. The interest payable under the APL scheme is not allowable. If the premium and interest is deducted from the capital sum due on maturity, no payment is made by the policy holder. Therefore, in this case, no deduction is allowable.

Q84: Can I make a claim for life insurance relief under my child name?

A84: Insurance premium on the life of the child does not qualify. Only Insurance Premiums paid for policies taken on the life of an individual, husband or wives are allowable deductions.

Q85: Can I make a claim for an accident insurance policy premium?

A85: No, you can not.

Q86: Am I eligible for PERKESO / SOCSO tax relief incurred by my employer?

A86: No, you are not.

Q87: If my wife and I choose for joint assessment, how much deduction on education and medical insurance policy are we eligible under D13 column?

A87: If the husband or wife elects for joint assessment, the deduction for a medical/ education insurance premium is limited to RM3,000.

Q88: Am I eligible to claim for premium paid under child's name? Type of policy is education and medical.

A88: You are eligible for insurance premiums paid in respect of education or medical benefits for an individual, husband, wife, or child limited to RM3,000.

PART E : TAX PAYABLE

Q89: How can I fill up E1 if the total income is less than total relief?

A89: Enter E1 = '0'.

Q90: How to calculate E2?

A90: E2a is for knowledge worker approved by minister. Otherwise, please proceed to E2b and E2c. Kindly refer to Explanatory Notes of Form B for tax rate schedule.

Q91: I understand that in certain circumstances a tax rebate tax rebate for individuals and spouses are not allowed. What are those conditions?

A91: A rebate of RM400 for individual is granted to an individual whose for individual chargeable income (E1) does not exceed RM35,000.

A rebate of RM400 for spouse is granted to an individual whose chargeable income does not exceed RM35,000 and where he/she has been allowed a deduction of RM3,000 for the spouse.

** If you choose for Separate Assessment, then you are not entitled to claim a spouse's relief and tax rebate.

Q92: Do I qualify to claim the Individual Rebate (E4) if my chargeable income is RM50,000?

A92: You are not eligible to claim this rebate. The individual rebate is only allowed for those having Chargeable Income (E1) not exceeding RM35,000.

Q93: Can I get the wife's rebate in Item E5 if she is not working?

A93: You are eligible for the wife's rebate if your chargeable income (E1) does not exceed RM35,000.

Q94: Will I be able to get the tax rebate for my husband if I elect for Joint Assessment?

A94: You would be allowed the tax rebate for your husband if your Chargeable Income (E1) does not exceed RM35,000 and relief for husband has been claimed.

Q95: My Chargeable Income (E1) exceeds RM35,000 and my wife is a housewife and has no income. Can I claim the tax rebate for her?

A95: No, as your Chargeable Income (E1) has exceeded RM35,000.

Q96: I have elected for Joint Assessment in the name of mine (husband). Total tax income in E3 is RM500 and I am entitled to RM800 as a rebate for individual and wife. What is the amount that I need to put in E8?

A96: You have to fill in RM500 in E8 instead of RM800. Total rebate is restricted to the amount of total income tax in column E3.

Q97: For zakat at E6, does it include zakat for savings and zakat for belongings?

A97: Yes, it includes all types of zakat.

Q98: My wife is not working. She has already paid zakat in the year 2010. Can I claim that zakat?

A98: No, you can not.

Q99: I have paid zakat for 2010 in January 2011. Can I claim a rebate for zakat in the Form B 2010?

A99: No, you can not. A rebate is granted for payments of any zakat, fitrah or other obligatory Islamic religious dues in the basis year. This means, the payment of zakat can be claimed as a rebate in the Form B 2011. Please keep the original receipt of zakat payment for 7 years for future reference if required by the IRBM.

Q100: If my wife and I choose for Joint Assessment in the name of the husband, can I claim a rebate for the zakat payment made by my wife?

A100: In the case of Joint Assessment, only the actual zakat payment made by the husband or wife who is assessed is allowed tax rebate. Therefore, the zakat payment made by the spouse is not allowed as tax rebate against the total tax charged of the spouse who is assessed.

Q101: I employ a foreigner to work at my business premise. Can I claim a tax rebate if the payment of fees / levies made by me?

A101: No, can not. This rebate can be claimed by the employee himself if he declares his income in his Form BE. The rebate is given for a fee paid by the holder of an employment pass, visit pass (temporary employment) or work permit pursuant to any order made under the Fees Act 1951. The rebate can not be allowed to you if you hire foreigners.

Q102: Do I need to make the calculation of dividends for tax deduction (Seksyen 51, Akta Kewangan 2007) at E10 column?

A102: Yes, you should make a calculation using the HK-3.

PART F : STATUS OF TAX FOR YEAR OF ASSESSMENT 2010

Q103: Do I need to fill in F1 if the amount of tax payable is nothing (0) or less than RM25.00?

A103: Yes. With effect from year of assessment 2006, you need to pay the tax even if the amount is less than RM 25.

Q104: I'm not sure the amount of installment (CP500) that I paid in the year 2010. How do I check?

A104: You may make check at the branch handling your income tax file. Another easier option is to check the amount using the e-ledger at IRBM's website. To use this service you need to enter your e-filing user id and password.

Q105: I forgot to enter the amount of installment (CP500) in the column F2 which was paid for the Year of Assessment 2010 and I have sent my Form B to the Processing Centre. How do I correct this error?

A105: In view of the installment CP500 has entered into your tax account, the IRBM will make the adjustment of the account balance and the tax payable automatically.

Q106: I opt for joint assessment. I pay for CP500 and my wife has Schedular Tax Deduction (PCB). Where do I fill in my wife's PCB?

A106: Add up your CP500 and your wife's PCB and fill in at F2 column.

Q107: How can I make payment for balance of tax payable (F3) and when?

A107: You need to pay the balance of tax payable before/on the due date for Form B submission (30 Jun 2011). Payment can be made at :

- 1) Bank
- 2) IRBM
 - Counter (by hand or by post)
 - e-Payment (via FPX-Financial Process Exchange).Kindly log on to :[http:// www. hasil.gov.my](http://www.hasil.gov.my)
- 3) Pos Malaysia
 - Counter
 - Pos Online

Please note that payment receipt and bank slip need not to be submitted together with Form B.

PART G : PRECEDING YEARS' INCOME NOT DECLARED

Q108: In the year 2010, I received arrears of bonus for the year 2009. Do I have to declare this income in the Form B 2010?

A108: Beginning from the year of assessment 2009, director fees or bonus relating to a year which is received in any current year, that remuneration becomes part of remuneration in the current year it is received. This means that the amount of bonus shall be included in the C10 column and is added to the salary received. On the other hand, please declare the payment in arrears other than director fees or bonus in Part G.

Q109: In my form EA I noticed there is PCB deduction on my arrears; where should I enter this amount?

A109: You are not required to enter this amount in the Form B. This amount would have been credited into your account.

Q110: My employer received a notice of CP38 from the IRBM to make an additional deduction on my salary. Where should I report the amount of the deduction?

A110: Instructions for deduction of salary (CP38) issued to taxpayers who have outstanding tax balance. Due to the outstanding tax balance is to the last few years, you do not have to report in the Form B 2010.

PART H : PARTICULARS OF EXECUTOR OF THE DECEASED PERSON'S ESTATE

Q111: My father passed away in June 2010. Do I need to fill in Part H?

A111: Yes. Please fill in the information of a legal representative or beneficiary who has been appointed as the estate Administrator.

PART J, K AND L

Q112: Must I fill up section J, K, and L in the Form B 2010?

A112: You have to fill in the relevant columns only. Leave it blank, if it is not relevant. Please refer to B 2010 Guidebook for further information.

Q113: J2 is column for the capital allowances. What are capital allowances?

A113: Capital allowances are deductions in the form of allowances for capital expenditure. The main conditions of capital allowance is a capital asset must be bought, possessed and used in business. Initial allowance rate is 20% and the annual allowances rates are as follows:

i)	Plant and machinery	14%
ii)	Heavy machinery/Motor vehicle	20%
iii)	Office equipment, furniture and fittings	10%
iv)	Computer and ICT equipment	80%

Q114: On June 2, 2010 I purchased a vehicle for use in business, will I be able to claim accelerated capital allowance?

A114: Yes, you can. According to the Mini Budget 2009, the assets acquired during the period March 10, 2009 to December 31, 2010 are eligible to claim accelerated capital allowances at a rate of 20% for initial allowance and 40% for annual allowance. Please refer to the Guidelines on Mini Budget 2009 for more information.

PART M : FINANCIAL PARTICULARS OF INDIVIDUAL

Q115: How should I fill in Part M if I have more than one business?

A115: If you have more than one business, you are required to declare the financial information of the business with the highest turnover. For other businesses, you should fill in the gross business income in column M8. For the partnership income, please enter the amount of A13 of CP30 in column M8.

Q116: In the above situation, would it mean that the figure in column M25 (net profit/loss) Form B 2010 would not be the same as the net profit/loss in business income?

A116: You have to fill in the net profit of your main business only in column M25.

Q117: If I have more than one business, which business code should I fill in Part M in the column M1A?

A117: You are advised to fill in the code of the business with the highest turnover. Please refer to Appendix G of Form B Guidebook for the list of business codes.

Q118: If my income arising from a partnership, should I fill in Part M in the Form B?

A118: If your income arising from a partnership business, you are not required to fill in the financial particulars of the partnership in Part M. You only have to fill in your share of the gross profit from the partnership (A13 of CP30) in column M8 of the Form B.

Q119: Should I declare the gross income or net income in columns M9 to M12?

A119: You have to declare the gross income in these columns.

Q120: What should I fill in the column “Pendapatan Lain” in M12?

A120: “Pendapatan Lain” means other non-business sources of income which are not declared in columns M9 to M11 such as other gains or profits which are liable to tax.

Q121: Where should I declare bad debts that are recovered in Part M of Form B?

A121: Bad debts recovered are gross income from business and should be declared as gains or sales in column M2 of Form B. Bad debts recovered for other business shall be reported together with the sale or turnover of such business in column M8.

Q122: What type of interest expenses is referred to in column M14 of Form B?

A122: Column M14 of the Form B refers to loan interest such as bank loan interest but excludes interest on hire purchase and lease.

Q123: What is the expenditure that can be allowed in computing adjusted income from any sources of income under the income tax law?

A123: Section 33 of the ITA 1967 provides that expenditure that is wholly and exclusively incurred in the production of income is allowable. However, expenditure that is not allowable under section 39 of the ITA 1967 among others, are as follows:-

- Private and domestic expenditure in any form.
- Capital expenditure such as purchase of asset.
- Expenditure not wholly and exclusively incurred in the production of income such as donation, legal fees for acquiring of asset, or for personal matter, fine for offences against the law including fine and expenses incurred for appeal on Income Tax.
- Entertainment expenses not incurred in the production of income.

** Please refer to the worksheet HK-1, HK-1C, 1D, or HK-HK-1E in B 2010 Guidebook in the IRBM website.

Q124: If I did not prepare the business balance sheet statement, should I fill in columns M27 to M49?

A124: Under the Self Assessment System, a tax payer who has income from a business source is required to fill Part M of Form B which contains particulars from Trading, Profit and Loss account and Balance Sheet. Tax payers are required to keep complete business records under section 82 and 82A of the ITA 1967. You may seek advice from IRBM officers on what type of business records should be maintained.

Q125: I am a partner in a partnership with my wife. I have not registered a partnership file before. How are we going to fill in Part M of the Form B?

A125: You are advised to register a partnership file with IRBM. If you have not done so, please follow the steps as below:-

- 1) Register your partnership with the IRBM branch nearest to your business address to get a partnership tax file number.
- 2) Please fill in the Form P 2010, to declare financial information and distribution of partnership income to each partner.
- 3) In the Form B 2010, you and your wife should declare the statutory income of the partnership in column C4 of Part C and gross partnership income in column M8 of Part M.

DECLARATION SECTION

Q126: If the Form B 2010 was prepared by tax agents who are appointed by me, do I still need to fill out and sign the Declaration section?

A126: Yes. You are still required to fill and sign in the declaration section as a confirmation that the information you declared in the form is correct. Whereas the tax agent will fill and sign in the section of the "Particulars Of Tax Agent Who Completes The Return Form".

Q127: If I am overseas, can I authorise a representative to fill up the form and sign the form on my behalf?

A127: If a tax payer is unable to sign the form himself because he is overseas or for other valid reasons, the Form B can be signed and sent in by his representative or by a third party. However the third party or representative will be responsible for the information given in the form. If the Form is to be signed and sent by your representative or third party, please fill up the Declaration Section as follows:

- 1) Fill in the name and identity card number/passport number of the tax payer's representative.
- 2) Please enter "2" in column "This return form is made on behalf of the above"
- 3) Tax payer's representative is to sign in the signature box provided.

Provided by : Unit 4, Customer Service Centre
Corporate Services Department
Amendment up to : Finance Act 2010 (Act 702)
Date : 11 April 2011