

Together We Develop The Nation



# LHDNM

## Individual Business Income



### Business Income

Sources of business income:

- i) Sole proprietorship
- ii) Partnership

Examples:

- Retail business
- Direct selling/Sales agent
- Agricultural business
- Hawkers
- Clinic, legal or any other professional services
- Writers and performing artist
- Online business

### Responsibility

- Sole proprietor/Business Partner:
  - Complete and submit Form B (e-B) (husband and wife are to submit form separately)
- Business Partner:
  - Complete Form P (e-P) and CP30 (responsibility of the Managing Partner)
  - Submit Form P (e-P) without partnership's account
  - Write to LHDNM if partnership ceases operation or changes to sole proprietorship or becomes a limited company
- Keep business documents, records and accounts for 7 years
- Get services from approved tax agent's in preparing business accounts

### Reminder Upon Completion of Form

Refer account statement, supporting documents, other income statements and receipts

### IMPORTANT!

Deadline for submission of Form B, P and payment of tax payable (if any):  
**30 June every year**

### Business Expenses

Allowable	Non-Allowable
<ul style="list-style-type: none"> <li>• Expenses incurred in the production of business income</li> <li>Example:                             <ul style="list-style-type: none"> <li>• Wages/salaries</li> <li>• Employees's EPF/SOCSSO</li> <li>• Business insurance</li> <li>• Rental on business premises</li> <li>• Interest on business loan</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Domestic and private expenses</li> <li>Example : Electricity, water supply bill for residence</li> <li>• Purchase of personal assets</li> <li>Example : Car, house, furniture</li> </ul>

### Capital Allowance

Deduction for capital allowance on business assets is claimable and will be given against adjusted income

### Type and Rate of Capital Allowance

TYPE OF ALLOWANCE	TYPE OF ASSET	RATE (%)
Initial Allowance	All types of asset	20
Annual Allowance	Motor vehicles, Heavy machineries	20
	Plant and machinery	14
	Office equipment, Furniture and fittings	10
	Computer	40