

YOU ARE THE NATION'S HERO



# INDIVIDUAL BUSINESS INCOME

## Business Income

Sources of business income:

- Sole proprietorship
  - 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 forms separately)
- Business Partner:
  - Complete Form P (e-P) and CP30  
(responsibility of the Managing Partner)
  - Submit Form P (e-P) without partnership's account
  - Inform in writing 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
- Engage approved tax agent's in preparing business accounts
- To comply with the Notice of Installment Payment (CP500)

## Installment Payment by Individual

- 6 installment payments issued by LHDNM
- Payment starting March
- Each installment must be paid within 30 days
- Apply for revision before 30 June

## Please Note

- Deadline for submission of Form B, P and payment due of tax payable (if any): **30 June** every year
- Refer to account statement, supporting documents, other income statements and receipts
- Fill in the correct business code when filling the Income Tax Return Form

## Business Expenses

Allowable	Non-Allowable
Expenses incurred in the production of business income Example: <ul style="list-style-type: none"> <li>• Wages/salaries</li> <li>• Employee's EPF/SOCSSO</li> <li>• Business insurance (burgalary/fire)</li> <li>• Business premises rental</li> <li>• Interest on business loan</li> </ul>	Domestic and private expenses Example: <ul style="list-style-type: none"> <li>• Personal electricity bill</li> <li>• Personal water supply bill</li> </ul> Purchase of personal assets Example: <ul style="list-style-type: none"> <li>• Car</li> <li>• House</li> <li>• Furniture</li> </ul>

## Capital Allowance

Deduction for capital allowance on business assets are 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 machinery	20
	Plant and machinery	14
	Office equipment, furniture and fittings	10
	Computer	40

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