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INDIVIDUAL TAX COMPUTATION

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 Lembaga Hasil Dalam Negeri Malaysia
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Under the Self Assessment System, an individual is required to compute his own tax

Example: Single individual

Mr. A, working in XY Sdn. Bhd. income for 2011 :

1. Employment income	RM
Salary	54,000
Bonus	4,500
Commission	9,000
Monthly Tax Deduction (MTD)	1,200
2. Income from letting out a house	
Rental received	7,200
Expenses:	
Assessment	320
*Penalty for late payment of assessment	32
Bank Loan (including interest (RM2,136))	10,620
Repairs of roof	500
Mr. A claims the following expenses:	
Broadband subscription (RM48 monthly)	576
EPF	6,435
Medical insurance premium	2,640
Approved Donation	1,000
Books and Magazines	560
Zakat	1,575

Tax Computation Mr. A

1. Employment:	
Salary	54,000
Bonus	4,500
Commission	9,000
Gross Employment	67,500
2. Rental income:	
Gross Rental	7,200
Less: Assessment	320
Loan interest	2,136
Repairs of roof	500
Adjusted Rental Income	4,244
*Disallowable expenses	
Employment Income	67,500
Rental	4,244
Aggregate Income	71,744
Less: Donation	1,000
Total Income	70,744
Less: Individual & dependent relatives	9,000
Books and magazines	560
Broadband subscription (restricted)	500
EPF (Restricted)	6,000
Medical insurance premium	2,640
Chargeable Income:	52,044

Mr. A's Tax Liability

Tax on first 50,000	3,325.00
Tax on the balance 2,044 @ 19%	388.36
Tax charged	3,713.36
less: Zakat	1,575.00
Tax Payable	2,138.36
Monthly Tax Deduction (MTD)	1,200.00
Balance of Tax Payable	938.36

Example: Married individual

Mr. B and his wife are both employed by G Sdn. Bhd. and their income in the year 2011 are as follows:

Mr. B	RM
Salary	67,200
Dividend (Gross)	6,000
Wife	
Salary	25,200
Dividend (Gross)	3,000

Additional information:

- (a) Mr. B and his wife have four (4) unmarried children
 - First child studying in local university
 - Second child studying in a university abroad
 - Third and fourth children are schooling
 The wife claimed relief for the third and fourth child
 (b) Mr. B and his wife claimed the following expenses:

	Mr. B	Wife
EPF	7,382	2,772
Parent medical expenses	5,320	
Full medical check up	500	450
School books and magazines	770	330
Life insurance premium	2,480	1,260
Education insurance premium	2,400	

Tax Computation Mr. B and his wife (Separate Assessment)

Mr. B	
Employment	67,200
Dividend (Gross)	6,000
Total Income	73,200
Less:	
Individual & dependent relative	9,000
Parent medical bill (restricted)	5,000
Full medical check-up (restricted)	500
Books and magazines	770
Children (4,000 x 2)	8,000
EPF & Life Insurance premium (restricted)	6,000
Education insurance premium	2,400
Chargeable Income	41,530

Mr. B's Tax Liability

Tax on first 35,000	1,525.00
Tax on next 6,530 @ 12%	783.60
Income Tax charge	2,308.60
Less: Tax deducted at source from dividend (25% x 6,000)	1,500.00
Tax Payable	808.60

Mr. B's Wife Tax Liability

Employment	25,200
Dividend (Gross)	3,000
Total Income	28,200
Less:	
Relief	
Individual and dependent relatives	9,000
Full medical check-up	450
Books and magazines	330
Children (1,000 x 2)	2,000
EPF & Life Insurance Premium	4,032
Chargeable Income	12,388

Wife's Tax Liability

Tax on first 10,000	175.00
Tax on next 2,388 @ 3%	71.84
Income tax charged	246.84
Less: Rebate (restricted)	246.84
Tax Payable	Nil
Less: Tax deducted at source from dividend (25% x 3,000)	750.00
Tax Repayable (Tax Refund)	750.00

Disclaimer

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