

INDIVIDUAL BUSINESS INCOME

2017



LEMBAGA HASIL DALAM NEGERI MALAYSIA
www.hasil.gov.my

SOURCES OF BUSINESS INCOME



Sole Proprietorship



Partnership

- Retail business
- Direct selling
- Hawkers
- Agricultural business
- Online business (**e-Commerce**)
- Writers
- Acting, singing or product ambassador
- Clinic, legal firm or any other professional services
- Commission

RESPONSIBILITY

- Declare any sales / purchases, expenses and balance sheet, inclusive of any deductions and rebates
- Keep the documents, records and business accounts for 7 years for LHDNM's audit purpose
- Engage chartered accountants or licensed tax agents in preparing business accounts
- To comply with the Notice of Installment Payment (CP500)
- Inform in writing if the business end or change of partners

SOLE PROPRIETOR

- Complete and submit Form e-B via **e-Filing**

BUSINESS PARTNER

- Complete and submit Form e-P via **e-Filing** (responsibility of the managing partner)
- Inform in writing if the partnership is converted into a sole proprietorship / private limited company

INSTALLMENT PAYMENT BY INDIVIDUAL (CP500)



Disclaimer

This leaflet is issued for general information only. It does not contain final advice or complete information pertaining to a particular topic and should not be used as a legal reference

BUSINESS EXPENSES

ALLOWABLE

Expenses incurred in the production of business income

Example:

- Wages / salaries
- Employee's EPF / SOCSO
- Business insurance (burglary / fire)
- Business premises rental
- Interest on business loan

NON-ALLOWABLE

Domestic and private expenses

Example:

- Personal electricity & water supply bill, children's education fees and depreciation

Purchase of personal assets

Example:

- Car
- House
- Furniture

CAPITAL ALLOWANCE

Deduction for capital allowance on business assets are claimable and will be deducted against adjusted income

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 %

PLEASE NOTE

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

Refer to account's statement, supporting documents, other income statement and receipts

Fill in the correct **business code** when filling the Income Tax Return Form (ITRF). Business code guideline can be obtained at **www.hasil.gov.my**

Business accounts and supporting documents need not to be submitted during the form submission

ITRF should be sent even if the accounts shows losses