

12 TAX ON CO-OPERATIVE

2017



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

INTRODUCTION



- Co-operative tax is imposed on society / body which is resides and receives income in Malaysia:
 - A co-operative society registered under the Co-operative Act 1993 (Act 502);
 - Farmer Association registered under the Farmer Associations Act 1967;
 - Farmer Association registered under the Farmer Organisations Act 1973; and
 - Fisherman Association registered under the Fishermen Associations Act 1971
- A co-operative society is subject to tax under Income Tax Act 1967

RESPONSIBILITY OF CO-OPERATIVE



- Submit the estimated tax payable via **e-Filing** (e-CP204) or Form CP204 manually to LHDNM's Information Processing Centre
- Installment payment by co-operative (estimate by co-operative)

ITEMS	NEW CO-OPERATIVE SOCIETY	EXISTING CO-OPERATIVE SOCIETY	FORM
Submit Estimate	Within first 3 months of operations	30 days prior to the commencement of the basis period	CP204
Payment Due	6 th month of the basis period	2 nd month of the basis period	CP207
Payment Date	Before / on the 15 th of every month		CP207
Revise Estimate	In the 6 th and 9 th month of the basis period		CP204A

Dormant co-operatives do not need to submit CP204

- Submit Form C1 to LHDNM's Information Processing Centre (including dormant co-operative)
- Pay balance of tax payable (if any) by using CP207 before / on the last day of submission of Form C1 (7 months after the accounting period ends)
- Keep records and accounts for 7 years for LHDNM's audit purposes

OFFENCES



Failure to fulfill the responsibility will result the co-operative to be charged under:

CRIMINAL OFFENCE	CIVIL OFFENCE
Failure to declare income within the stipulated period and failure to declare the correct amount of income (fictitious declaration) Income Tax Return Form	Failure to pay income tax within the stipulated period

EXEMPTION OF CO-OPERATIVE TAX



- For first 5 years from the date of registration and
- After the end of the 5th year, if members' funds on the first day of basis period is **less than RM750,000**

PERSONS RESPONSIBLE



- Chairman of the co-operative society
- Secretary of the co-operative society
- Treasurer of the co-operative society
- Anyone who performs any of the above functions

CO-OPERATIVE TAX RATE

Taxable Income (RM)	Year of Assessment	
	2014	2015 - 2017
1 – 30,000	0%	0%
30,001 – 60,000	5%	5%
60,001 – 100,000	10%	10%
100,001 - 150,000	15%	15%
150,001 – 250,000	20%	18%
250,001 – 500,000	22%	21%
500,001 – 750,000	24%	23%
More than 750,000	25%	24%