

2015

17

MTD AS FINAL TAX



INTRODUCTION

- Taxpayers are given an option to not submit the Income Tax Return Form (ITRF) via **e-Filing** or manually
- MTD as Final Tax will be enforced beginning **Year of Assessment 2014**
- Taxpayers who only have employment income and have Monthly Tax Deduction (MTD) need not fill ITRF according to the terms below :

TERMS FOR 2014

- 1 Having one source of employment income excluding Benefits-In-Kind (BIK) & Value Of Living Accommodation (VOLA).
- 2 12 months (calendar year) of service with the same employer
- 3 MTD is deducted according to Income Tax Rules
- 4 Tax is not borne by the employer
- 5 Husband and wife elect for separate assessment

TERMS FOR 2015

- 1 Having one source of employment income excluding Benefit (included BIK & VOLA)
- 2 Service with the same employer
- 3 MTD is deducted according to Income Tax Rules
- 4 Tax is not borne by the employer
- 5 Husband and wife elect for separate assessment

BENEFITS

EMPLOYEES

- MTD is accurate :
 1. Take home pay for employees will increase (no extra deductions)
 2. No hassle of waiting for tax refund every year
 3. No hassle of paying the balance of tax payable
 4. No more pursuing of any appeal
- May choose to submit ITRF for tax refund purposes before or on 30 April
- No issues of late submission of ITRF
- May submit Form TP1 at least twice a year to claim deduction (relief) and rebate (zakat not through salary deduction)

EMPLOYERS

- Employers will be comfortable and familiar with MTD as Final Tax because :
 1. New MTD (MTD 2009) has been implemented since the year 2009 where the implementation was towards Final Tax
 2. The idea of MTD as Final Tax is similar with the concept of MTD 2009
- Encourage employers and employees to interact effectively
- Establish a close working relationship between employers and employees
- Employer is allowed to determine the relevant month (at least twice a year) for Form TP1 submission

MTD AS FINAL TAX



www.hasil.gov.my

LEMBAGA HASIL DALAM NEGERI MALAYSIA

LHDNM/R17/15



<https://www.facebook.com/LHDNM>



[/LHDNM](https://twitter.com/LHDNM)



1-800-88-5436 (LHDN)

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

