



KENYATAAN MEDIA

Untuk siaran segera

AMENDMENTS ON PARAGRAPH 13(1)(B) SCHEDULE 6, INCOME TAX ACT 1967 IN FINANCE BILL 2016

In reference to the above matter and media statement by Dr. Chou Chii Ming, *Chairman of Kuching Chinese Community Charitable Trust Board*.

2. The amendment to paragraph 13(1)(b) Schedule 6 Income Tax Act 1967 (Act 53) in Budget 2017 seeks to provide clarity of the law on the application of exemption to religious institution or organisation. Prior to this amendment, there has been some confusion among taxpayers as to whether or not religious institutions or organisations automatically qualify for the exemption under 13(1)(b) Schedule 6 or are required to obtain approval from the Director General of Inland Revenue under section 44(6) Act 53.

3. With the amendment to paragraph 13(1)(b) Schedule 6, Act 53, it explicitly provides that religious institutions or organisations automatically qualify for the exemption on income from donations contributed by religious worshippers solely for the purpose of religious worship activities or the advancement of religion. The exemption applies to all religion.

4. Income from business or rental are income taxable under Act 53 and are outside the scope of income which is exempted under Schedule 6. The taxable income is income after deducting all expenses incurred in the production of said business or rental income. This treatment is consistent with the principles under Act 53.

SEKIAN, TERIMA KASIH

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