

INTERMEDIATE LEVEL BUSINESS TAXATION

OBJECTIVE:

To examine the principles and application of Malaysian income tax law on businesses.
Reference is also made to case law

CONTENTS:

(A) Business Source

1. Definition of business
2. Badges of trade
3. Commencement and cessation of business
4. Basis of assessment
5. Capital and revenue receipts where cases are included
6. Deductibility of expenses; cases are included
7. Computation of business income

(B) Special Classes of Income

(C) Capital Allowances

1. Plant and Machinery:
 - i) Definition of plant and machinery
 - ii) Determination of Initial Allowance, Annual Allowance, Notional allowance, Balancing Allowance and Balancing Charge
 - iii) Claw back of Capital Allowances and the exception
2. Industrial Building Allowances (IBA):
 - i) Definition of Industrial Building
 - ii) Determination of Initial Allowance, Annual Allowance, Notional Allowances, Balancing Allowance and Balancing Charge
3. Agriculture Allowance
4. Forest Allowance
5. Controlled sales
6. Disposals subject to control

(D) Basis Periods

1. Commencement of accounting period
2. Changes of accounting date
3. Failure years and overlapping period
4. Legislative changes

(E) Partnerships

1. Existence of a partnership
2. Characteristics of a partnership
3. Ascertainment of provisional adjusted income/ loss, divisible income/ loss
4. Change in partners
5. Computation of partners total income, chargeable income and tax payable

(F) Limited Liability Partnership

1. Transition from partnership to LLP
2. Differences between partnership & company
3. Tax treatment of remuneration
4. Tax treatment of LLP

(G) Withholding Tax

1. Section 107A: Contract payment to non-resident contractors in respect of services under a contract
2. Section 109 Payment of interest and royalty to non-residents
3. Section 109A Payment to non-resident public entertainers
4. Section 109B Payments to non-residents for :
 - i) Services in connection with use of property
 - ii) Technical services
 - iii) Rents for use of movable property
5. Section 109F Gains and profits falling under sec 4(f) ITA

(H) Corporate Taxation

1. Determination of residence status of companies
2. Significance of residence status
3. Self-assessment system

(I) Computation of Tax Liability

1. Treatment of losses
2. Determination of chargeable income
3. Computation of tax payable
4. Allowable and disallowed expenses
5. Double deductions
6. Specific deductions

READING LIST - BUSINESS TAXATION

1. Jeyapalan Kasipillai. **A Guide to Malaysian Taxation**. (Latest edition)
2. Choong Kwai Fatt. **Malaysian Taxation Principles & Practice**. (Latest edition)
3. Veerinderjeet Singh. **Veerinder on Taxation**. (Latest edition)
4. CCH Tax Editors. **Malaysian Master Tax Guide**. (Latest edition)
5. **Income Tax Act 1967** (Latest Reprint).
6. **Public Rulings** and **Operational Guidelines** (Latest Reprint)
7. **Tax Guardian**, Journal of the Chartered Tax Institute of Malaysia
8. **Budget Commentary & Tax Information** by CTIM-MIA-MICPA