

A12 GAZETTING OF 2020 TO 2023 BUDGET PROPOSALS

As of 2024 Budget Commentary date, most of the 2020 to 2023 Budget proposals announced by the Honourable Finance Minister in previous Budget Speeches have been gazetted either by way of changes to the existing legislation or by issue of statutory orders. The proposals that have not been gazetted are summarised below:

2020 Budget

1. Tax deduction on expenses incurred by companies for contributions towards Digital Social Responsibility (DSR) initiatives.
2. Income tax exemption for up to 10 years for electrical and electronic companies investing in selected knowledge-based services.
3. Tax exemption of 100% up to 10 years on qualifying intellectual property income derived from patent and copyright software of qualifying activities.
4. Green Investment Tax Allowance (GITA) [Note]
 - Extension of 100% Investment Tax Allowance to the year of assessment 2023 on qualifying capital expenditure incurred for green technology activities.
5. Green Income Tax Exemption (GITE) [Note]
 - Extension of income tax exemption of 70% of statutory income for qualifying green technology services to the year of assessment 2023; and
 - Income tax exemption of 70% of statutory income up to 10 years of assessment for solar leasing companies certified by the Sustainable Energy Development Authority (SEDA).

2022 Budget

1. Expansion of scope for green technology tax incentives to include rainwater harvesting system. [Note]

2023 Budget

1. Tax deduction for rental of non-commercial electric vehicle.
2. Tax deduction to hoteliers for expenditure incurred on Malaysian-made handicraft.
3. Tax deduction for employment of inmates and ex-inmates of Henry Gurney School.
4. Tax deduction on issuance cost of Sustainable and Responsible Investment *Sukuk*.
5. Tax deduction for employment of former national athletes.
6. Expansion of tax incentives on automation equipment.
7. Extension and expansion of BioNexus incentive.
8. Extension and expansion of tax incentives for food production.
9. Extension of tax incentives for aerospace industry.
10. Tax incentives for manufacturer of electric vehicle charging equipment. [Note]
11. Tax incentives for carbon capture and storage.
12. Tax incentives for agricultural project in relation to chicken rearing in closed house system:
 - Accelerated capital allowance of 100% on qualifying expenditure incurred; and
 - Income tax exemption equivalent to 100% of the qualifying expenditure incurred.

Note: The proposals have not been gazetted but the relevant guidelines have been issued by the Malaysian Investment Development Authority (MIDA).