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## IRB's FAQ on Revision and Deferment of Tax Estimate under the Economic Stimulus Package (ESP)

The IRB has on 21 April 2020 uploaded onto its website a specific Frequently Asked Questions (FAQ) in relation to the following measures under the ESP:

1. Special revision in the month of the 3rd monthly instalment which falls in 2020 ("special revision")
2. Deferment of tax instalments for the months of April to June 2020 for SMEs ("3-month deferment for SMEs")
3. Deferment of tax instalment for the months of April to September 2020 for the tourism sector ("6-month deferment for tourism sector")

This FAQ ("FAQ on Tax Estimates under ESP") is in addition to the IRB's existing FAQ on Movement Control Order (latest version dated 21 April 2020) ("FAQ on MCO").

Highlights from the FAQ on Tax Estimates under ESP are as follows:

### **Special revision**

- For avoidance of doubt, the IRB clarified that the special revision is to be made in the month in which the 3rd monthly tax instalment payment falls due and not in the 3rd month of the basis period for a year of assessment.

- Status quo of taxpayer's rights and obligations under prevailing law with respect to tax estimates - A taxpayer remains entitled to revise its tax estimate in the 6th and/or 9th month of the basis period. Penalties for underestimation will be computed based on the difference between the final tax payable and the latest tax estimate, based the latest of the special revision or revisions made in the 6th or 9th month of the basis period.
- Submission of special revision which falls in April 2020 - There is no change to the extension of time given under the IRB's FAQ on MCO, i.e the revision can be submitted by 31 May 2020. In addition, the revision will take effect from the instalment due on 15 April 2020. Based on the FAQ on MCO, an extension of time until 31 May 2020 is given for the payment of the revised instalment due on 15 April 2020.
- Taxpayers (SMEs and the tourism sector) which are deferring their tax instalment payments are still entitled to the special revision.

### **3-month deferment for SMEs and 6-month deferment for tourism sector**

- Definition of tourism sector - This will be determined based on the Malaysian Standard Industrial Classification (MSIC). The MSIC codes accepted as falling under the tourism sector for the purpose of the deferment of tax instalment payments are as follows:
  - 51101 - Pengangkutan penumpang melalui udara mengikut laluan dan jadual biasa
  - 51102 - Pengangkutan penumpang tidak berjadual
  - 51103 - Penyewaan peralatan pengangkutan dengan operator untuk tujuan pengangkutan penumpang
  - 55101 - Hotel dan hotel resort
  - 55102 - Motel
  - 55103 - Hotel Apartment
  - 55104 - Chalet
  - 55105 - Rumah rehat/rumah tetamu
  - 55106 - Bed and breakfast unit
  - 55107 - Asrama
  - 55108 - Homestay
  - 55109 - Aktiviti penginapan jangka masa pendek yang lain
  - 55200 - Tapak perkhemahan, taman kenderaan rekreasi dan taman treler
  - 55900 - Penginapan lain
  - 50111 - Operasi rombongan, cruise atau bot persiaran
  - 50112 - Operasi feri, teksi air
  - 50113 - Sewaan bot santai dengan krew bagi pengangkutan laut dan pesisir pantai
  - 79110 - Aktiviti agensi pengembaraan
  - 79120 - Aktiviti operator pelancongan
  - 79900 - Khidmat penempahan lain dan aktiviti berkaitan

- Taxpayers in the tourism sector with other business activities - The taxpayer will still be entitled to the 6-month deferment programme.
- The deferment programme for both SMEs and the tourism sector applies irrespective of whether the period that qualifies for the deferment falls into 1 or 2 years of assessment (YA). The IRB has set out a few examples to illustrate this. One of such examples is Scenario 2 which involves an SME:

#### Background

	YA 2020	YA 2021
<b>Accounting period</b>	1 May 2019 to 30 April 2020	1 May 2020 to 30 April 2021
<b>Basis period</b>	1 May 2019 to 30 April 2020	1 May 2020 to 30 April 2021
<b>Original tax estimate</b>	RM120,000	RM60,000
<b>Months which qualifies for deferment</b>	April 2020 to Jun 2020	

#### Instalment schedule for YA 2020

Instalment number	Payment due date	Instalment amount (RM)	Payment due after deferment
1	15 Jun 2019	10,000	10,000
2	15 Jul 2019	10,000	10,000
3	15 Aug 2019	10,000	10,000
4	15 Sep 2019	10,000	10,000
5	15 Oct 2019	10,000	10,000
6	15 Nov 2019	10,000	10,000
7	15 Dec 2019	10,000	10,000
8	15 Jan 2020	10,000	10,000
9	15 Feb 2020	10,000	10,000
10	15 Mar 2020	10,000	10,000
11	15 Apr 2020	10,000	0
12	15 May 2020	10,000	0
Total		120,000	100,000

Instalment schedule for YA 2021

<b>Instalment number</b>	<b>Payment due date</b>	<b>Instalment amount (RM)</b>	<b>Payment due after deferment</b>
1	15 Jun 2020	5,000	0
2	15 Jul 2020	5,000	5,000
3	15 Aug 2020	5,000	5,000
4	15 Sep 2020	5,000	5,000
5	15 Oct 2020	5,000	5,000
6	15 Nov 2020	5,000	5,000
7	15 Dec 2020	5,000	5,000
8	15 Jan 2021	5,000	5,000
9	15 Feb 2021	5,000	5,000
10	15 Mar 2021	5,000	5,000
11	15 Apr 2021	5,000	5,000
12	15 May 2021	5,000	5,000
Total		60,000	55,000

The IRB's FAQ on Tax Estimates under ESP can be downloaded from the IRB's website [www.hasil.gov.my](http://www.hasil.gov.my) (Homepage > Announcement > 21 April 2020 > Soalan lazim berkaitan permohonan pindaan anggaran cukai pada bulan ketiga ansuran dalam tahun 2020 dan penangguhan bayaran anggaran cukai di bawah Pakej Rangsangan Ekonomi 2020).