

Income Tax Act 1967 (Act No. 53)

PU (A) 207

INCOME TAX (EXEMPTION) (NO. 22) ORDER 2006 - INCOME TAX EXEMPTION FOR ANY PERSON IN RESPECT OF INCOME RELATING TO THE ALLOCATIONS GIVEN BY THE FEDERAL GOVERNMENT OR THE STATE GOVERNMENT IN THE FORM OF A GRANT OR A SUBSIDY

P. U. (A) 207.....1 JUNE 2006

INCOME TAX ACT 1967

INCOME TAX (EXEMPTION) (NO. 22) ORDER 2006

IN exercise of the powers conferred by paragraph 127(3)(b) of the Income Tax Act 1967 [Act 53], the Minister makes the following order:

Citation and commencement

1. (1) This order may be cited as the **Income Tax (Exemption) (No. 22) Order 2006**.

(2) This Order shall have effect from the year of assessment 2006.

Exemption

2. (1) The Minister exempts—

(a) any person from the payment of income tax in respect of income relating to the allocations given by the Federal Government or the State Government in the form of a grant or a subsidy; and

(b) a statutory authority from the payment of income tax in respect of income derived from—

(i) the income received in respect of an amount chargeable and collectible from any person in accordance with the provisions of the Act regulating the statutory authority; or

(ii) any donation or contribution received.

(2) Nothing in subparagraph (1) shall absolve or be deemed to have absolved the person or the statutory authority from complying with any requirement to submit any return or statement of accounts or to furnish any other information under the provisions of the Act.

Special treatment on deductions and allowances

3. (1) Any deduction or allowances to be made or would have been made under the Act or the Promotion of Investments Act 1986 [Act 327] in a basis period for a year of assessment in respect of an expenditure incurred out of the income referred to in subparagraph 2(1) shall be disregarded for that year of assessment and subsequent years of assessment.

(2) Where the expenditure incurred in a basis period for a year of assessment is reimbursed, in full or in part, by the income referred to in subparagraph 2(1), any deductions or allowances to be made or would have been made under the Act or the Promotion of Investments Act 1986 in relation to that expenditure shall be disregarded for that year of assessment and subsequent years of assessment.

Maintaining separate record

4. In ascertaining the deductions or allowances in paragraph 3, the person shall maintain a separate record for the income referred to in subparagraph 2(1).

Revocation

5. The Income Tax Act (Exemption) (No. 17) Order 1995 [P.U. (A) 213/1995] and the Income Tax (Exemption) (No. 4) Order 2003 [P.U. (A) 33/2003] are revoked from the year of assessment 2006.

Made 4 May 2006.

[Perb. CR. (8.09)681/(S.J. 18)Vol. 5 (SK. 16); LHDN. 01/35/(S)/42/51/261-1; PN(PU²)80/XLVII]

On behalf and in the name of the Minister of Finance

DATO' DR NG YEN YEN
Deputy Minister of Finance I

[To be laid before the Dewan Rakyat pursuant to subsection 127(4) of the Income Tax Act 1967]