

Budget 2024 Highlights



Personal tax relief on dental expenses

Tax relief for medical treatment to include dental examination and treatment expenses, limited up to RM1,000. This is applicable for expenses on self, spouse and child.

Effective YA2024



Personal tax relief on parent medical check-up

Tax relief on medical expenses incurred for parent to include full medical examination, limited up to RM1,000.

Effective YA2024



Personal tax relief on lifestyle expenses

Lifestyle related tax relief of up to RM2,500 to include self skills enhancement course. The purchase of sports equipment and gymnasium membership to be removed and include under Sports Equipment and Activities tax relief.

Effective YA2024



Personal tax relief on sports

A new Sports Equipment and Activities tax relief of up to RM1,000 for the purchase of sports equipment, rental or entry fees to sports facilities, registration fees in sports competition and gymnasium membership fees.

Effective YA2024



Personal tax relief for up-skilling and self-enhancement

This tax relief (up to RM2,000) continues to be applicable for up to YA2026.

Extended up to YA2026



Personal tax relief for electric vehicle charging facilities

This relief (up to RM2,500) continues to be applicable for up to YA2027.

Extended up to YA2027

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Increase in Service Tax rate and scope

The scope of taxable services to expand to include logistics services, delivery (except for food and beverages), brokerage and underwriting services for non-financial services and karaoke services.

The following will be charged at 6%:

- Food and beverages;
- Telecommunication services;
- Vehicle parking space services;
- Logistic services.

The remaining taxable services to increase from 6% to 8%.

Effective 1 March 2024



High Value Goods Tax ~ 5% to 10%

Introduction of High Value Goods Tax on certain high-value items such as jewelry and watches.



Tax deduction on environmental expenses

Tax deduction allowed for entities contributing or sponsoring tree planting projects or environmental preservation and conservation awareness projects.

Applications to Ministry of Finance from 01/01/2024 to 31/12/2026



Capital Gains Tax ~10%

Introduction of Capital Gains tax (CGT) on disposal of unlisted companies shares in Malaysia.

- Taxpayer may choose 10% on net gain of the disposal of shares (Net Gain) or 2% on gross sales value for shares acquired before 1/3/2024.
- From 1/3/2024 onwards, CGT applicable on Net Gain.

Exemptions on disposal of shares for approved IPOs, internal restructuring and venture capital companies with conditions.

Effective 1 March 2024



Child care allowance

Tax exemption on child care allowances received by employees or paid directly by employers to child care centres to increase from RM2,400 to RM3,000 per year.

Effective YA2024



Tax deduction on voluntary carbon market

Tax deduction up to RM300,000 for costs incurred on Development and Measurement, Reporting and Verification (MRV) related to development of carbon projects.

Applications to MGTC from 01/01/2024 to 31/12/2026

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Approval conditions under S44(6) of the ITA

- Institutions/ organisations/ funds can utilize not more than 35% of accumulated funds to participate in business and spend at least 60% of the income earned on charitable activities.
- Otherwise, the utilization of accumulated funds remains at 25% and the threshold of charitable activity expenditure is at 50%.

Effective YA2024



Tax deduction on ESG related expenses

Tax deduction up to RM50,000 on Environmental, Social and Governance (ESG) expenses:

- Transfer pricing documentation
- E-invoicing implementation (MSME only)
- Preparation of reports related to Tax Corporate Governance Framework (TCGF)
- Any ESG reporting requirements

Effective YA2024 to YA2027



Stamp duty for transfer of property

A fixed duty of RM10 on transfer of property ownership where the eligible beneficiary renounces his/her right to another eligible beneficiary.

Transfer executed from 1/1/2024



Stamp duty for non-citizen

A flat stamp duty of 4% on instrument of transfer executed by foreign-owned companies and non-citizen individuals (except for Malaysian permanent residents).

Transfer executed from 1/1/2024



Capital allowance on ICT equipment and software

Capital allowance claim period to reduce to 3 years with the increase of initial allowance to 40% for:

- Purchase of ICT equipment and computer software packages
- Consultation, licensing and incidental fees related to customized computer software development.

Effective YA2024



Investment tax allowance

Investment tax allowance is proposed for existing companies that have exhausted their reinvestment allowance.

- 100% allowance on qualifying capital expenditure (QCE) for tier 1
- 60% allowance on QCE, set-off against 70% of statutory income for tier 2.

Applications to MIDA from 1/1/2024 to 31/12/2028

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ACA for commodity sector

100% Accelerated Capital Allowance (ACA) on expenditure for automation equipment to include the commodity sector.

Application to Ministry of Planation and Commodities from 14/10/2023 to 31/12/2027



Tax incentive for women

Eligibility criteria enhanced for women in career break returning to work to enjoy tax exemption on employment income.

Application to Talent Corp from 01/01/2024 to 31/12/2027



Islamic financial activities in Labuan

Full tax exemption for a period of 5 years for Labuan entity undertaking Islamic financial related trading activities.

Effective YA2024 up to YA2028



Tax incentive for Global Services Hub

New Global Services Hub tax for companies providing strategic/business services, shared services etc. to other countries.

Application to MIDA from 14/10/2023 to 31/12/2027



Shariah compliant fund management services

Tax exemption period for Shariah-compliant fund management services companies to be extended for another 4 years with 60% tax exemption.

Extended up to YA2027



Tax exemption on SRI sukuk and bond grant

Tax exemption scope to be expanded to include Sustainable and Responsible Investments (SRI)-Linked Sukuk Grants and bonds issued under the ASEAN Sustainability-Linked Bond Standards approved by SC.

Application to SC from 1/1/2024 to 31/12/2025



Tax exemption on SRI management fees

Tax exemption period for management fees income for managing SRI to be extended for another 4 years.

Extended up to YA2027



Tax deduction on SRI sukuk

Tax deduction claim period on issuance cost of SRI sukuk to be extended for another 4 years.

Extended up to YA2027

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Income tax exemption for social enterprise

The application period for tax exemption on all income of Social Enterprise to be extended for another 2 years.

Application to Ministry of Finance from 01/01/2024 to 31/12/2025



Tax incentive for returning experts

The tax incentive (15%) for professional Malaysian to return to Malaysia is extended for another 4 years.

Applications to Talent Corp from 01/01/2024 to 31/12/2027



Tax incentive for equity crowdfunding

Tax incentive for equity crowdfunding to expand to include investment made via LLP and extended for another 3 years.

Investments made from 01/01/2024 to 31/12/2026



Tax incentive for angel investor

Tax incentive on tech start-up company to be extended for another 3 years.

Investments made from 01/01/2024 to 31/12/2026



Tax incentive for rental of electric vehicle

Tax deduction of RM300,000 on rental of non-commercial electric vehicle (EV) to be extended for another 2 years.

Extended up to YA2027



Green technology tax incentive

Enhancement of tax incentive on green business activities, green assets, and solar leasing.

Applications/expenditure from 01/01/2024 to 31/12/2026



Entertainment duty exemption

Entertainment duty is reduced from 25% to 0% for local artist, 5% for theme park, family recreation centre, indoor games centre, simulator and the rest at 10%

Applications to Ministry of Finance from 01/01/2024 to 31/12/2028



Excise duty rate on sugar sweetened beverages

The excise duty rate for sugar sweetened beverages is increased to RM0.50 per litre.

Effective 1 January 2024