

Tax Treatment Residents & Non- Residents

UPDATE 08/04/2026



- 1 Why Must We Pay Tax?
- 2 Income Tax
- 3 Basis of Assessment
- 4 Who is Taxable
- 5 Tax Residency
- 6 Tax Treatment
- 7 Responsibility of Taxpayer
 - Register T.I.N.
 - Submit Return Form
 - Pay Tax
 - Keep income-related documents/ records
- 8 Tax Clearance Letter
- 9 HASiL's Publis Service Announcement

DEVELOPMENT

HEALTHCARE

**PUBLIC
TRANSPORTATION**

**FARMING AND
AGRICULTURE**

EDUCATION

SUBSIDIES

**GOVERNMENT
ASSISTANCE**

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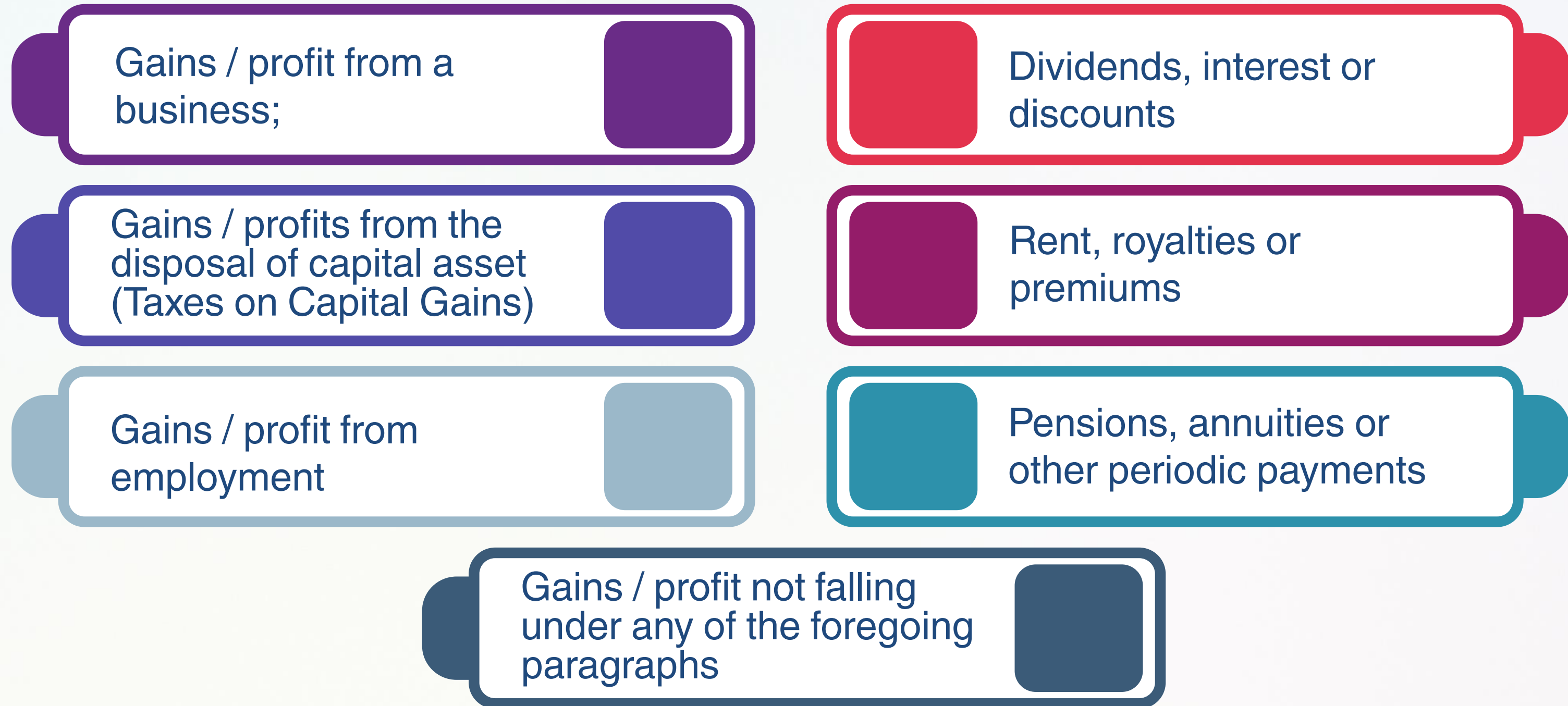
**DEFENCE
AND SECURITY**

PUBLIC WELFARE



What is income tax?

Tax imposed annually on individuals who receive income in respect of :



Basis of assessment

Individual

- Individual's income is assessed on a current year basis, where it's coinciding with the calendar year.
- For example: YA 2024 is the year ending 31 December 2024.

VS

Non-Individual

- The basis period for a company, co-operative or trust body is normally the financial year (FY) ending in that particular YA.
- For example, the basis period for the YA 2024 for a company which closes its accounts on 30 June 2024 is the FY ending 30 June 2024.

****Malaysia adopts a self-assessment system which means that the responsibility to determine the correct tax liability lies with the taxpayer.**

Who is taxable?

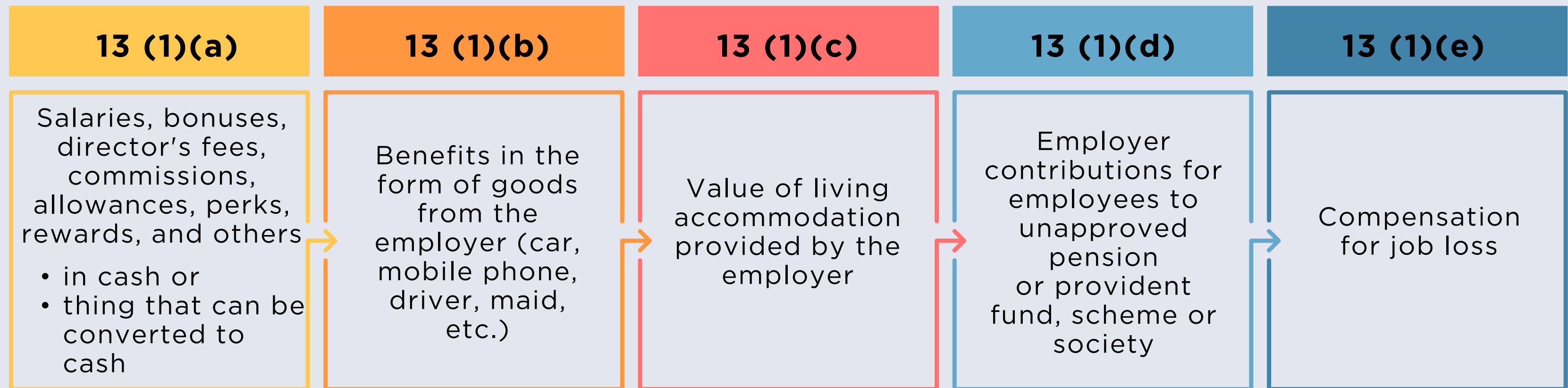
Individuals who earn an annual employment income of more than RM37,333 and has a Monthly tax Deduction (MTD) is eligible to be taxed. The calculation of individual threshold of non taxable income is taking into account after the deduction of annual gross income with eligible individual reliefs and tax rebates.

Meanwhile, for individuals running a business, they are required to report their income even if their business is experiencing a loss.

Employment Income

Employees exercising employment in Malaysia are taxed on their full income from the exercise of that employment, notwithstanding that part of their income may be paid to them from outside Malaysia, or that their employer does not have any offices in Malaysia.

Gross income from employment includes:



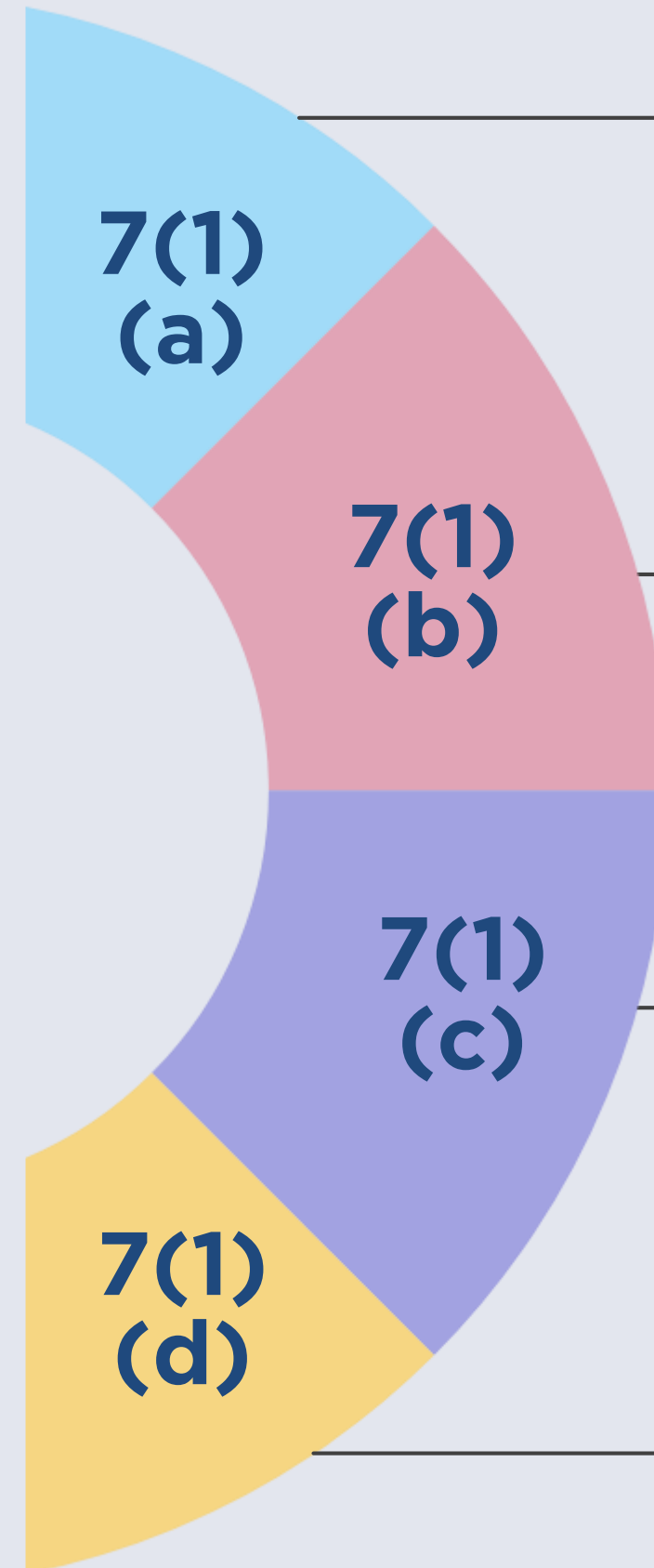


Tax Residency

SECTION 7, INCOME TAX ACT 1967 (ITA 1967)

The residence status of an individual for a basis year for a year of assessment is determined by reference to his physical presence in Malaysia and not by his nationality or citizenship.

Tax Residency Status



≥182

Staying in Malaysia 182 days or more of the tax year (physical presence);

BEFORE

AFTER

Staying less than 182 days; resident in Malaysia for 182 consecutive days linked to days from year immediately preceding or following that tax year. Temporary absence is considered part of (that period) and (such period) and did not exceed 14 days;



At least 90 days of the current tax year and was a resident in Malaysia for at least 90 days in three of the four preceding years;



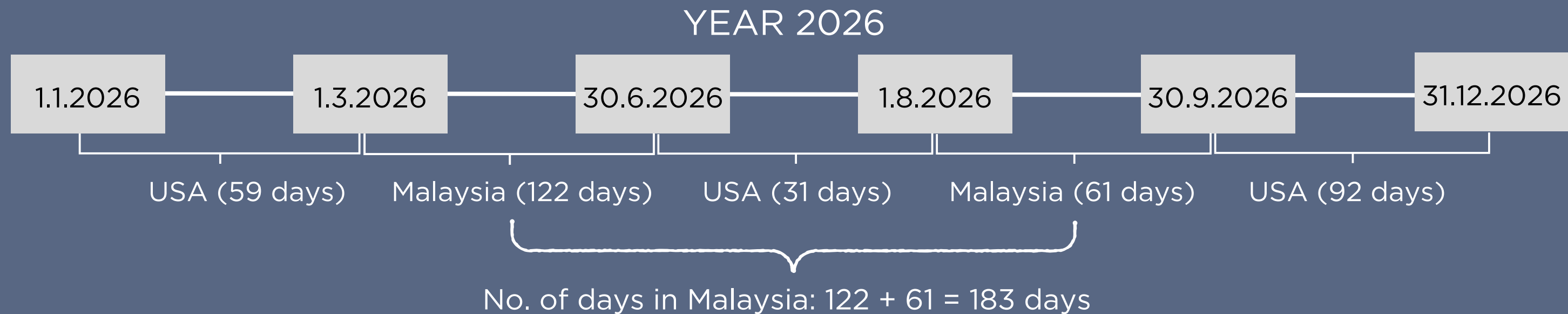
Will be a resident in Malaysia in the year following and has been a resident in Malaysia in the 3 years preceding the one being taxed.

SCENARIO 7(1)(a)



Josephine, a talented self-employed computer programmer from the United States of America (USA) was in Malaysia to carry out contract works for a multinational company. Her period of stay in Malaysia was as follows:

- 1.3.2026 - 30.6.2026 = 122
 - 1.8.2026 - 30.9.2026 = 61
- } 183 days



Josephine was a **RESIDENT** in Malaysia for the basis year for the YA 2026 since she was present in Malaysia for periods amounting to more than 182 days in the year 2026.

SCENARIO 7(1)(b)

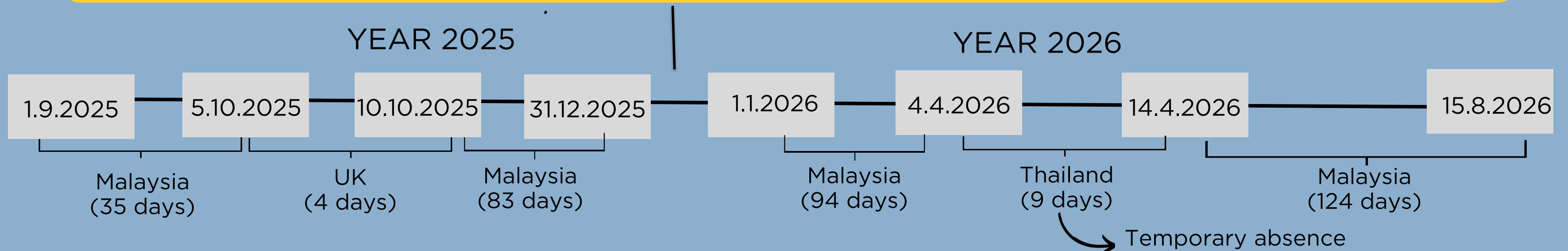
Marshall, a medical doctor was in Malaysia to fulfill a contract with a private hospital. His period of stay in Malaysia and in the United Kingdom (UK) was as follows:

Year 2025

- 1.9.2025 - 5.10.2025 (Malaysia)
- 6.10.2025 - 9.10.2025 (UK - social visit)
- 10.10.2025 - 31.12.2025 (Malaysia)

Year 2026

- 1.1.2026 - 4.4.2026 (Malaysia)
- 5.4.2026 - 13.4.2026 (Thailand - social visit)
- 14.4.2026 - 15.8.2026 (Malaysia)



Marshall was a RESIDENT in Malaysia for the YA 2025 as he was in Malaysia for 118 days in 2025 (that period), which is linked by a period of more than 182 consecutive days in 2026 (such period). His temporary absence is considered part of (that period) and (such period) since the social visit did not exceed 14 days and he was in Malaysia immediately prior to and after his temporary absence.

Refer [Residence Status Of Individuals PR 11/2017](#)

SCENARIO 7(1)(c)



Jeanette, an advertising director from Singapore has the following periods of stay in Malaysia:

2020

- 1.5.2020 - 23.11.2020 = 207 days

2021

- 5.2021 - 20.5.2021 = 20 days

2022

- 1.1.2022 - 30.9.2022 = 273 days

2023

- 1.3.2023 - 30.10.2023 = 244 days

2024

- 1.1.2024 - 20.2.2024 = 51 days
 - 1.4.2024 - 31.5.2024 = 61 days
- } 112 days

Basis Year	Residence Status	Paragraph
2020	Resident	7(1)(a) ITA
2021	Non-Resident	-
2022	Resident	7(1)(a) ITA
2023	Resident	7(1)(a) ITA
2024	Resident	7(1)(c) ITA



For 2024, Jeanette was a RESIDENT in Malaysia pursuant to 7(1)(c) ITA:

- she is in Malaysia for **more than 90 days** in the basis year 2024 (112 days); and
- for 3 out of the 4 immediately preceding basis years, she was resident in accordance with section 7 of the ITA (basis years 2020, 2022 and 2023).

SCENARIO 7(1)(d)



Rasputin, a lecturer from Russia had the following period of stay in Malaysia:

2020

- 11.10.2020 - 31.12.2020 = 82 days

2021

- 1.1.2021 - 31.12.2021 = 365 days

2022

- 1.1.2022 - 30.9.2022 = 274 days

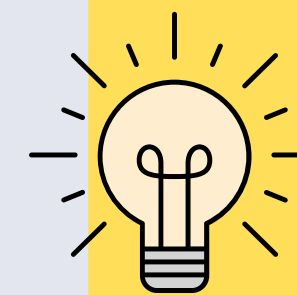
2023

- 1.4.2023 - 4.4.2023 = 4 days

2024

- 1.4.2024 - 31.12.2024 = 275 days

Basis Year	Residence Status	Paragraph
2020	Resident	7(1)(b) ITA
2021	Resident	7(1)(a) ITA
2022	Resident	7(1)(a) ITA
2023	Resident	7(1)(d) ITA
2024	Resident	7(1)(a) ITA



For 2023, Rasputin was a RESIDENT in Malaysia although he was in Malaysia for only 4 days as he:

- was a resident in the basis year 2024, that is the following basis year; and
- had been a resident for **each of the 3 immediate preceding basis years** i.e. 2020, 2021 and 2022.

The exemption subject to

Para. 22 where it shall not apply to the income of an individual from an employment:

- For a period or periods amounting in all to **more than sixty days in the basis year**
- **Exercised by a public entertainer** and (that is to say, any professional entertainer, artiste, athlete or other individual who entertains whether in public or private for profit on stage, radio or television, at a stadium or sports ground, or otherwise)
 - no part of that income is paid out of the public funds of the government of a country outside Malaysia.

Residence Status



For income tax purposes:

- Residence status is one of the main criteria that determines an individual's liability to Malaysian income tax
- Liability to tax is determined on a year to year basis

You will not be taxable if:

- 1 Employed for less than 60 days
- 2 Employed on board of a Malaysian ship
- 3 55 years old & receive pension from Malaysian employment
- 4 Receiving interest from banks
- 5 Receiving tax exempt dividends
- 6 If taxable, you are required to fill in [M Form](#)

Tax treatment

The PCB amount is determined based on the following criteria:

Employee Residency Status

The PCB rate varies according to an individual's residency status as determined under Section 7 of the ACP.

(a) Resident Employees

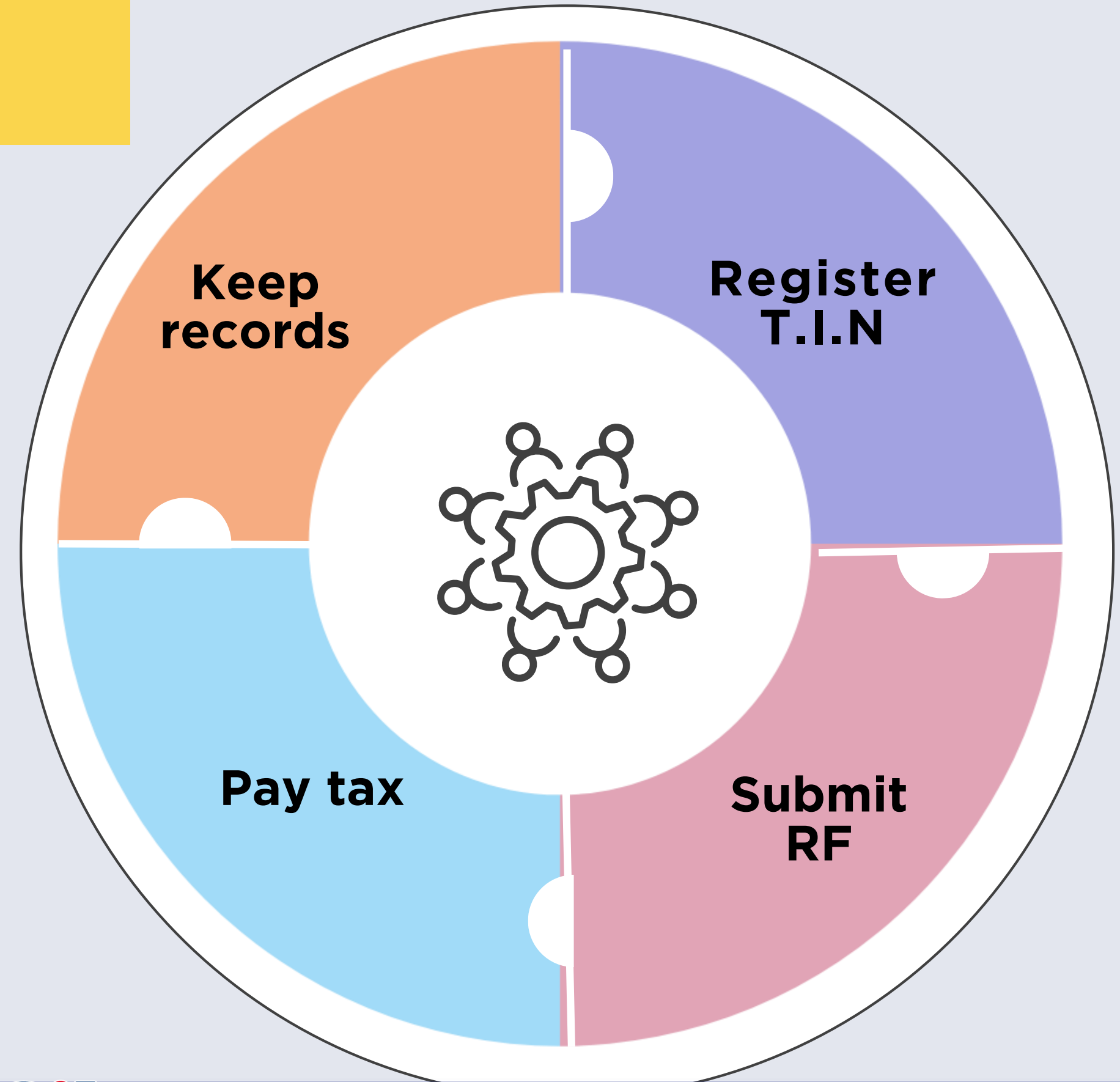
PCB shall be calculated according to the tax rates stated in paragraph 1, Part 1, Schedule 1 of the ACP. Employees are eligible to claim deductions and rebates allowed under the ACP.

(b) Non-Resident Employees

PCB shall be calculated according to the tax rates stated in paragraph 1A, Part 1, Schedule 1 of the ACP.

Responsibility of taxpayer

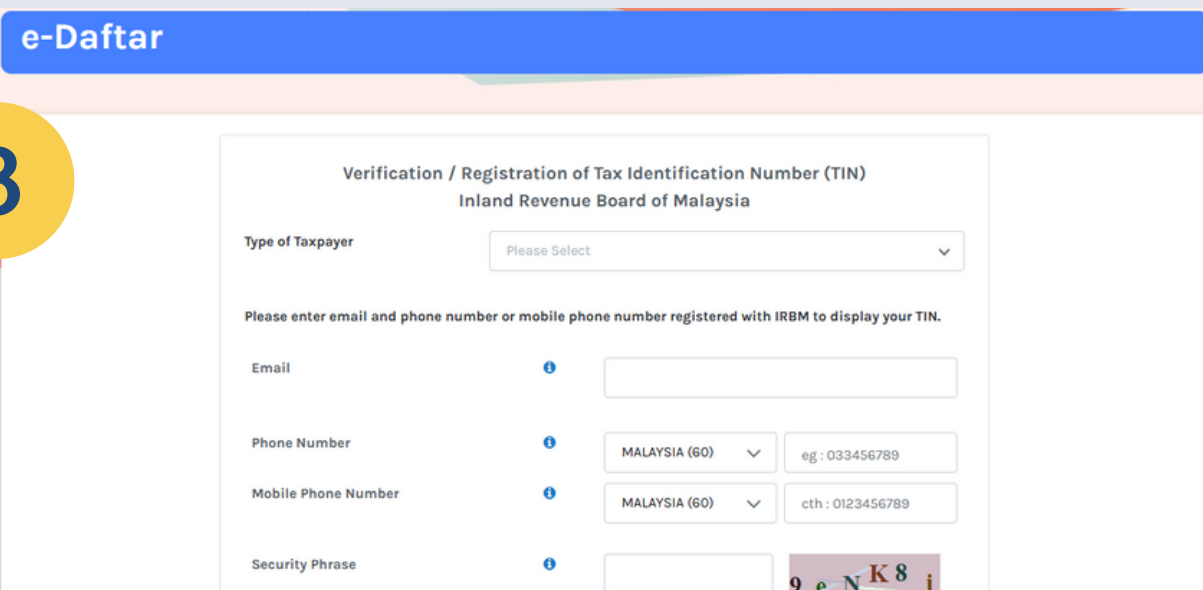
- 1 Register Tax Identification Number (TIN)
- 2 Declaring income by submitting the return form (RF). (M or BE form)
- 3 Pay tax on or before the deadline for submitting the return form
- 4 Keep income tax related documents/ records for a period of 7 years for the purpose of proving the filing of the RF



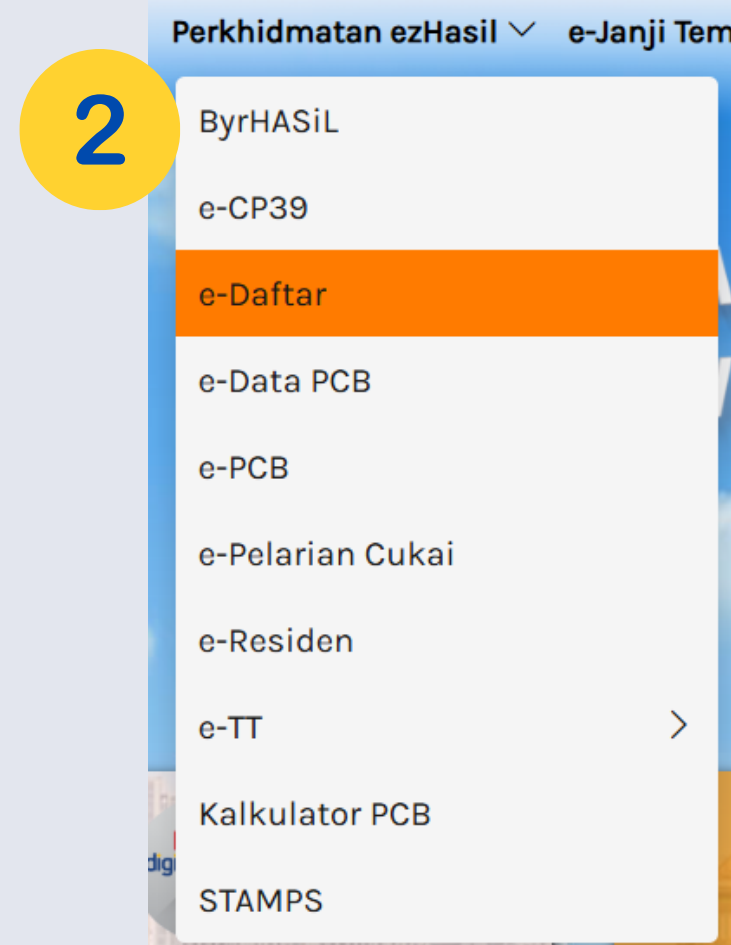
1 Register T.I.N via e-Daftar




- Visit MyTax Portal via <https://mytax.hasil.gov.my/>




- System will go to the Registration of T.I.N page
- Select Type of Taxpayer.
- Insert valid identification no.
- Click search



- Click Perkhidmatan ezHasil
- Click e-Daftar

 If inserted reference no. is valid and has **not yet registered**, system will display the e-Daftar link. You may proceed by clicking the link;

 If the inserted reference no. **has been registered** with LHDNM, taxpayer may proceed with the registration of the digital certificate through: e-CP55D or via e-KYC

2 Submitting Tax Return

Due Date For Submission of ITRF		
Forms	Does Not Carry On Business	Carry On Business
e-BE - Individuals with non-business income	30 April	
1.e-B - Individuals with business income 2.e-P - Partnership (if related)		30 June
1.e-BT - Knowledge worker 2.e-M - Non-resident 3.e-MT - Non-resident (knowledge worker) 4.e-TP - Deceased person's estate 5.e-C - Company 6.e-C1 - Cooperative 7.e-TF - Association	30 April	30 June

» Tax Computation

Calculating taxable income:

	RM	RM
EMPLOYMENT	XX	
DIVIDENDS	XX	
INTEREST, DISCOUNTS	XX	
RENTS, PREMIUMS, ROYALTIES	XX	
PENSIONS, ANNUITIES, OTHER PERIODICAL PAYMENT	XX	
AGGREGATE INCOME		XXX
LESS : DONATIONS / GIFT		(XX)
TOTAL INCOME		XXX
A LESS : TAX RELIEFS	(XX)	
TAXABLE INCOME		XXX

Calculating tax payable:

	RM	RM
TAXABLE INCOME		XXX
TAX CHARGED (as per tax rate schedule) B		XX
C LESS : TAX REBATE	(X)	
TAX PAYABLE	XX	
LESS : MTD	(XX)	
INSTALMENT	(X)	
BALANCE OF TAX PAYABLE		XX

A Tax Relief

INDIVIDUAL

Individual & Dependent Relatives **RM9,000**

Disabled Individual **RM7,000**

Education Fees **RM7,000**

Education Fees

- Tertiary level other than Master's Degree / Doctor of Philosophy (PhD)
- Master's Degree level / Doctor of Philosophy (PhD)

Skills enhancement / personal development courses (Restricted to RM2,000)

Husband / Wife / Alimony Payments **RM4,000**

Disabled Husband / Wife **RM6,000**

Interest on Housing Loan – First Home Ownership (Sales and Purchase Agreement from 1st January 2025 to 31st December 2027) **RM7,000**

Relief Limit	
Residential house price up to RM500,000	RM7,000
Or	
Residential house price exceeding RM500,000 up to RM750,000	RM5,000

MEDICAL & SPECIAL NEEDS

Self / Spouse / Child **RM10,000**

- Serious illness
- Fertility treatment
- Vaccination (Restricted to RM 1,000)
- Dental examination & treatment (Restricted to RM 1,000)
- Medical examination (Restricted to RM1,000)
 - ✔ Full medical check-up
 - ✔ Disease screening tests
 - ✔ Mental health screening / consultation
 - ✔ Purchase of self-health monitoring equipments
 - ✔ Purchase of self-testing kits
- Diagnosis / early intervention / rehabilitation for a child aged 18 years & below with learning disabilities (Restricted to RM 6,000)

Parents & Grandparents **RM8,000**

- Medical treatment, dental treatment, special needs & care
- Full medical check-up & vaccination (Restricted to RM1,000)

Expenditure on Basic Support Equipment For Disabled Individual (Self / spouse / child / parent) **RM6,000**

LIFESTYLE

Lifestyle **RM2,500**

Self / spouse / child

- Purchase / subscription of reading materials
- Purchase of a personal computer / smartphone / tablet
- Internet subscription bills
- Fees for skills enhancement / self-development courses


Additional Relief **RM1,000**


- Purchase of sports equipment for sports activities
- Rental / entrance fees to sports facilities
- Sports competition registration fees
- Gym membership fees / sports training fees


Electric Vehicle Charging Equipment & Domestic Food Waste Composting Machine (For household use) **RM2,500**


A Tax Relief


INSURANCE & CONTRIBUTIONS

 **Life Insurance & EPF**
RM7,000

 **SSPN (Net Savings)**
(Claimable by husband / wife)
RM8,000


 **Education & Medical Insurance** (Self/ spouse / child)
RM4,000

 **Private Retirement Scheme & Deffered Annuity**
RM3,000

 **SOCSCO Contributions**
RM350

CHILD RELIEF


Child Below 18 Years of Age - Unmarried
RM2,000



Unmarried Child with Disabilities **RM8,000**


Additional Relief **RM8,000**

- Child with disabilities aged 18 years and above
- Unmarried
- Full-time instruction (Diploma & above in Malaysia / Degree & above outside Malaysia)



Registered Childcare Centre (TASKA) / Kindergarten (TADIKA) Fees **RM3,000**

- Child aged 6 years and below (Claimable by husband / wife)




Child Aged 18 Years of Age

<p><input type="checkbox"/> RM8,000</p> <ul style="list-style-type: none"> ▪ Unmarried ▪ Full-time instruction (Diploma & above in Malaysia / Degree & above outside Malaysia) 	<p><input type="checkbox"/> RM2,000</p> <ul style="list-style-type: none"> ▪ Unmarried ▪ Full-time instruction
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Purchase of Breastfeeding Equipment **RM1,000**

- Female taxpayer only
- Child aged 2 years and below
- Allowed once every 2 years of assessment



Updated as at:
19th January 2026

B Tax Rate (Resident)

Rate %	Calculation (RM)	Tax (RM)	Category	Chargeable Income Range (RM)
0	First 5,000	0	A	0 – 5,000
1	First 5,000 Next 15,000	150	B	5,001 – 20,000
3	First 20,000 Next 15,000	150 450	C	20,001 – 35,000
6	First 35,000 Next 15,000	600 900	D	35,001 – 50,000
11	First 50,000 Next 20,000	1,500 2,200	E	50,001 – 70,000
19	First 70,000 Next 30,000	3,700 5,700	F	70,001 – 100,000
25	First 100,000 Next 300,000	9,400 75,000	G	100,001 – 400,000
26	First 400,000 Next 200,000	84,400 52,000	H	400,001 – 600,000
28	First 600,000 Next 1,400,000	136,400 392,000	I	600,001 – 2,000,000
30	First 2,000,000 Each subsequent ringgit	528,400	J	Melebihi 2,000,000



» Late/ Failure To Submit Form

PENALTY will be **IMPOSED** depending on:
The period after the due date/extension of the
allowed time

PENALTY will be **CALCULATED**:
Based on the amount of tax imposed.

Up to 12
months
15%

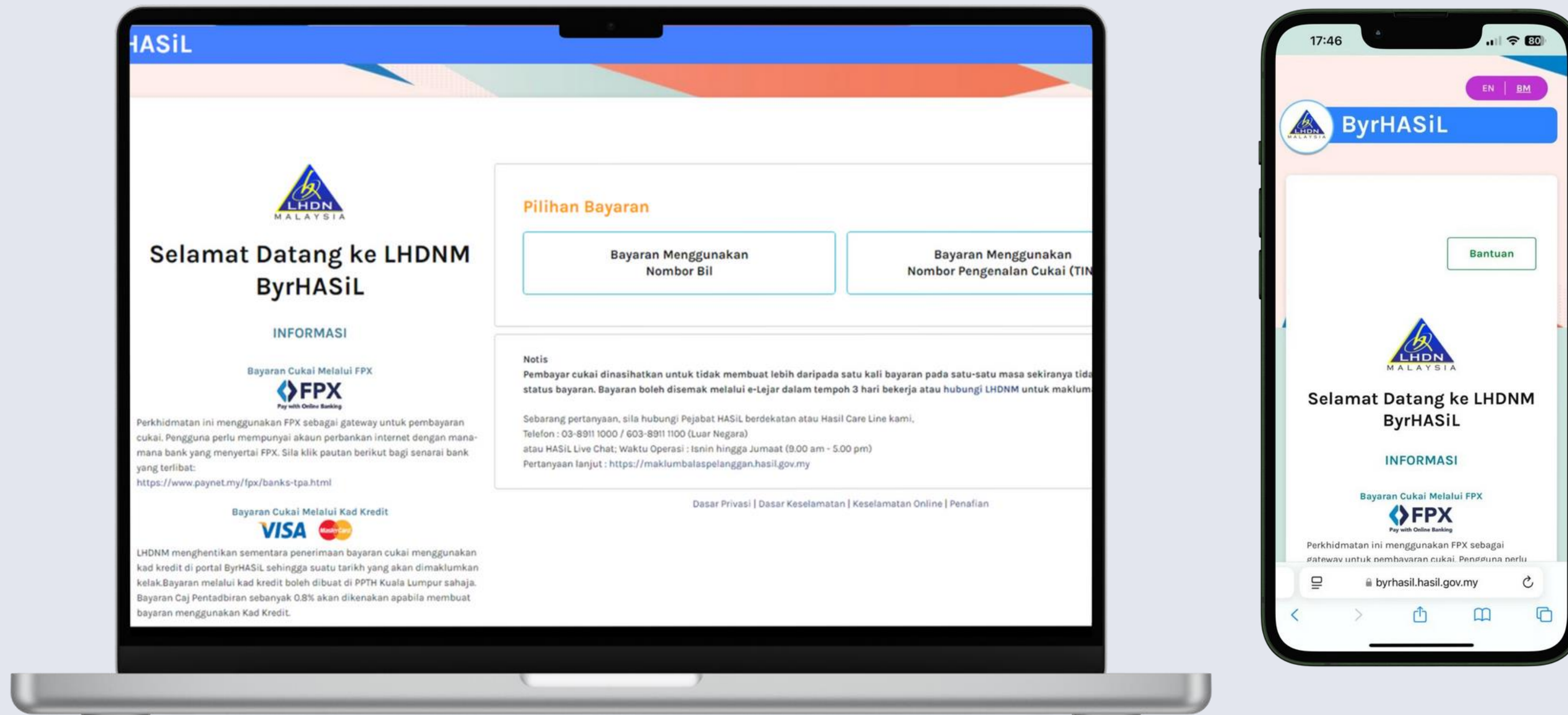
Exceeding 12 months
up to 24 months.
30%

Up to 24
months
45%



3 Pay tax on or before the deadline for submitting the return form

After reporting income, taxpayers need to make tax payments (if any) using the ByrHASiL Service through https://byrhasil.hasil.gov.my/HITS_EP/



»» Late/ Failure To Pay

An **INCREMENT** will be **IMPOSED** depending on:
The period after the due date/extension of the
allowed time

10% Increment from
the tax payable.



4 Keep income-related documents/ records

Example of records:

- EA Form
- List of entries and exit
- Copy of passport together with the original for verification (if needed)
- Copy of departure flight ticket (if needed)
- Other related document (invoices/receipts, EPF statements, zakat, etc)



Tax Clearance Letter

- A tax clearance means a certificate letter from Lembaga Hasil Dalam Negeri Malaysia (LHDNM) that indicates whether your employee owes any outstanding income tax.
- Upon receiving this letter, the employer will release the balance of any money withheld from the employee after he/she settles the outstanding taxes (if any) as shown in the tax clearance letter/certificate.

How to apply tax clearance

The employer needs to complete one of the following forms:



CP21

Form CP21
Section 83(4)

(if you about to leave
or intending to leave
the country)



CP22A

Form CP22A
Section 83(3)

(for retirement, resignation
or termination of
employment if you work in
the private sector)



CP22B

Form CP22B
Section 83(3)

(for retirement, resignation
or termination of
employment if you work in
the public sector)

- The submission can be done online through e-SPC (by the employer only)
- If the employer submits all the required documents and there are no further queries, LHDNM will process and issue the Tax Clearance Letter within FOURTEEN (14) working days.

When to apply tax clearance

- » The employer must notify LHDNM:
 - not later than 30 days BEFORE the expiration of the employee's work contract;
 - the date of resignation or termination of employment or;
 - the date of the employee's departure
- » In the case of death, the Next-of-Kin must submit the application within 30 days after the date of death.

FAILURE/ DELAY OF SUBMISSION

Delay in submitting the application for tax clearance may be subjected to penalty.

- Fines between MYR 200 and MYR 20,000 and;
- Imprisonment for up to six months



Amendment of Return Form

»» For non-resident tax to resident tax (M form to BE form)

»» Example:
2024: 1.9.2024 – 31.12.2024 (<182 days) → Resident S7(1)(b)
2025: 1.1.2025 – 3.7.2025 (>182 days)

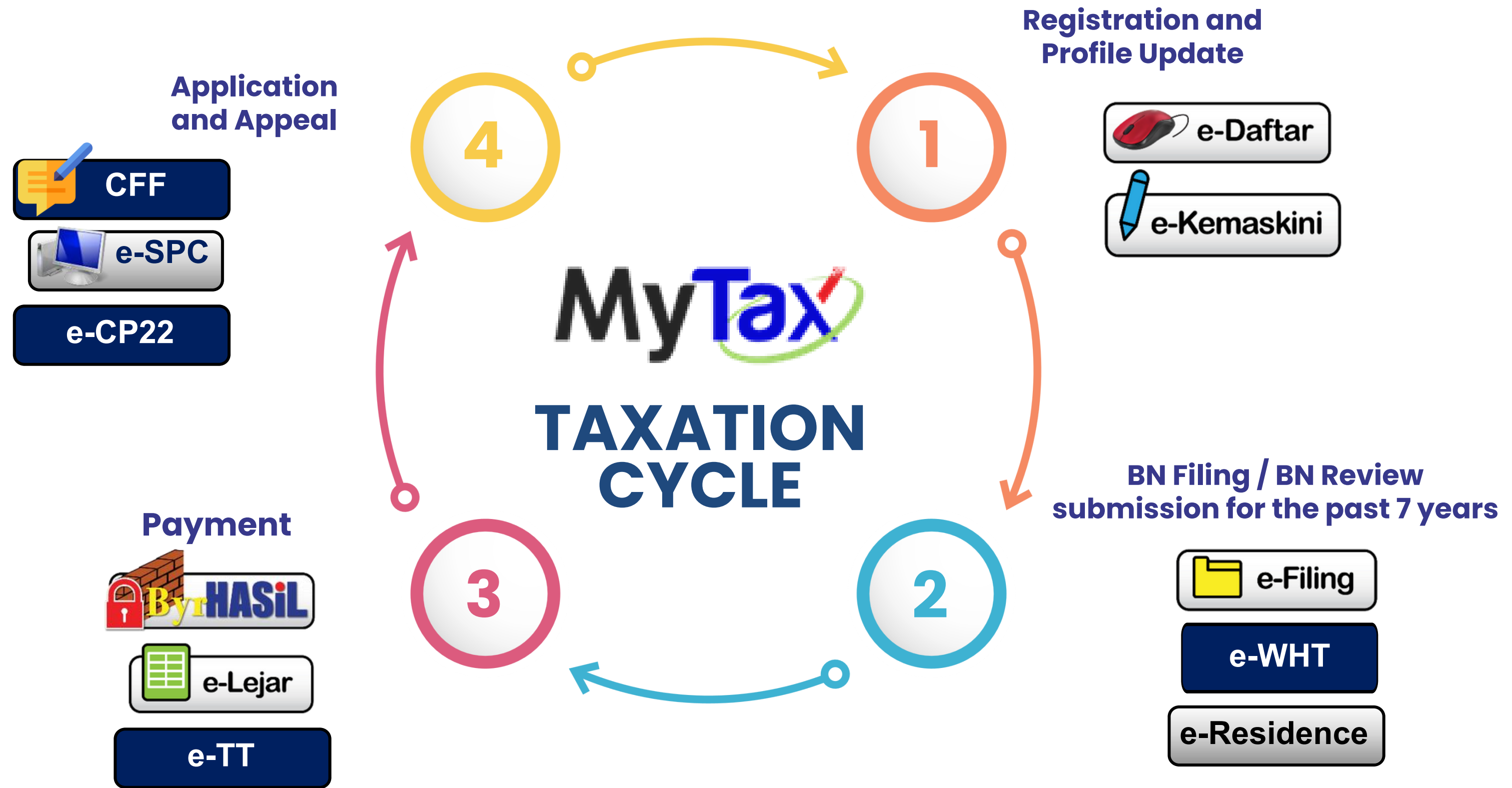
»» Required document:
(Tax borne letter, EA form, PCB II, receipt of tax relief, passport copy all pages & list of entries and exit Malaysia)

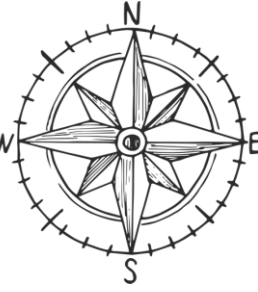


Certificate of Residence

- Application through Mytax ► e-Services ► e-Residence
- Fill up the information
Upload : passport copy all pages
- Any inquiries, email to cor@hasil.gov.my
(Please verify applicability under [DTA/DTAA](#))
- [Link to FAQ](#)







PLANNING TO TRAVEL OVERSEAS

BEFORE LEAVING
MAKE SURE TO CHECK
YOUR STATUS IN MYTAX



MyTax Perkhidmatan ezHasil e-Janji Temu Maklum Balas Pelanggan Panduan Pengguna MyInvois

Selamat Datang ke MyTax |
Nombor Pengenalan Cukai (TIN) : IG
LHDNM : SELANGOR

Maklumat Cukai Anda

Pilihan Peranan
Individu

Status Bayaran Cukai Anda

Jumlah Cukai
Terima Kasih Atas Sumbangan Anda Untuk Negara

Tahun	Jumlah
2024	RM 0.00
2023	RM
2022	RM

Cukai Kena Bayar
Status Bayaran Cukai Anda
RM

Jumlah Bayaran Balik
Jumlah Terkini Yang Telah Diluluskan
RM

Status Borang e-Filing Bagi Tahun Taksiran

- 2024
e-Borang BE belum dihantar
[Klik Di Sini Untuk Pengisian Dan Penghantaran](#)
- 2023
e-Borang BE telah dihantar pada 13/05/2024

Semakan Sekatan Perjalanan
Anda Tiada Sekatan Perjalanan

Bayaran Balik **BNCP** **Lejar** **PCB**

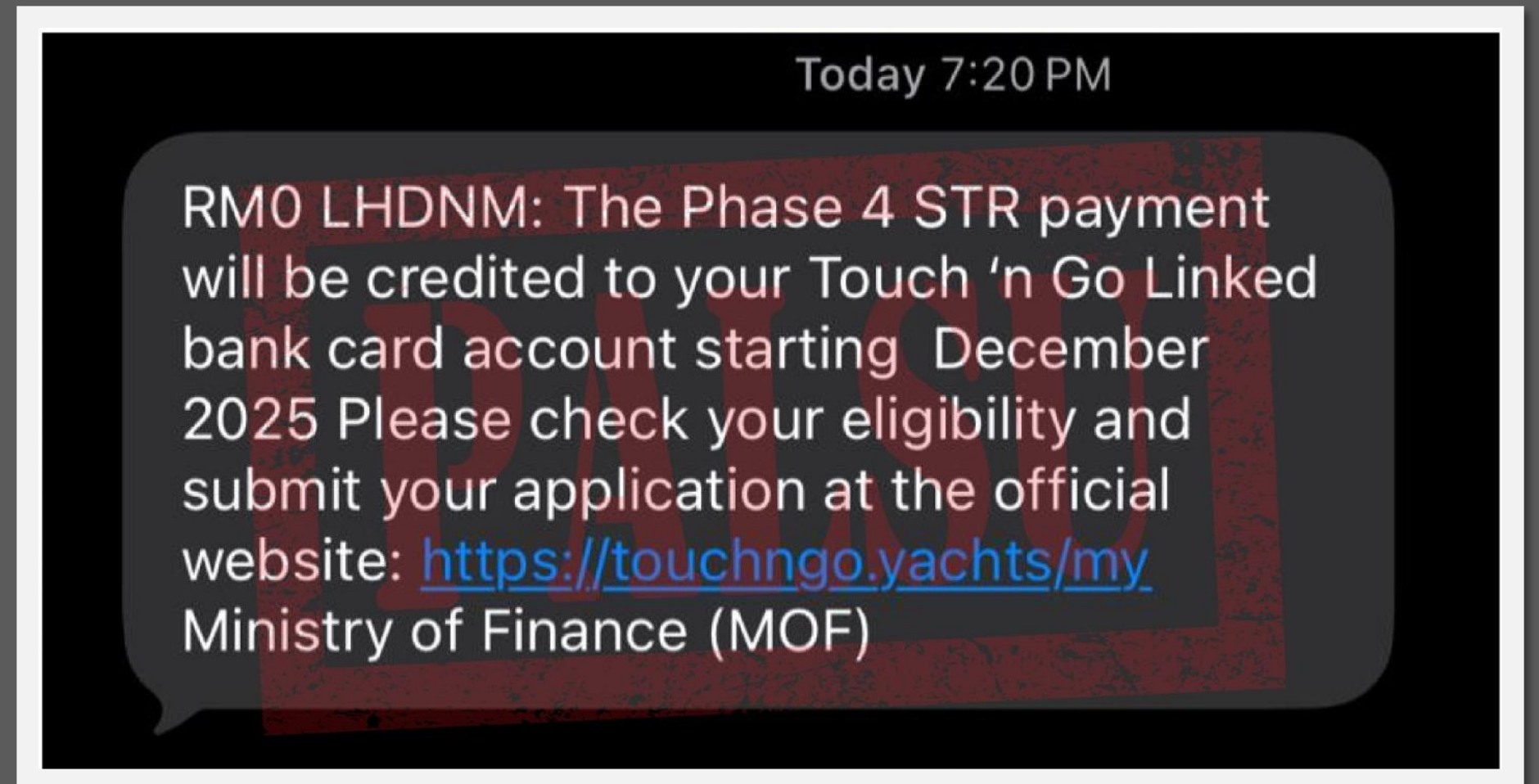
REFUND

STOPPAGE ORDER STATUS

BEWARE OF

SCAMMERS

BLOCK NUMBERS AND DO NOT RESPOND
TO SUSPICIOUS MESSAGES



BE CAREFUL AND DO NOT BE DECEIVED

::::: **SCAN HERE** :::::

**SOAL SELIDIK KEBERKESANAN
PROGRAM PENDIDIKAN PERCUKAIAN**

CPCA



 www.hasil.gov.my

**SCAN
QR CODE**



SURVEY ON THE EFFECTIVENESS OF THE TAX EDUCATION AND AWARENESS PROGRAM

We would be grateful if you could provide feedback on the implementation of the program so that its quality can be aligned with the vision and mission of HASiL.

THANK YOU

For any enquiries e-mail to : customercarecpca@hasil.gov.my

For any feedbacks : <https://maklumbalaspelanggan.hasil.gov.my/Public>

