

More influencers declaring taxes

1,250 of those earning through social media platforms have filed, says LDHN

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CYBERJAYA: Fearing repercussions, more online influencers and those earning through social media platforms are coming forward to declare their taxes, the Inland Revenue Board (LHDN) revealed.

Its chief executive officer Datuk Abu Tariq Jamaluddin (*pic*) said tax compliance among influencers and those on TikTok and Instagram had increased almost fourfold, from 390 files in 2023 to 1,250 as of this April.

As of the same month, he said 86 influencers have opened tax files and paid RM908,325 in taxes.

Abu Tariq said the numbers had been steadily increasing over the years, with LHDN collecting RM5.144mil from 450 files in 2020, and RM5.734mil from 507 files in 2022.

He attributed the growing com-

pliance to LHDN's engagement with well-known local influencers to promote tax paying among their circles which included "nudging" to guide them to make decisions that benefited them in the long term.

"Each state has a unit with officers monitoring local influencers or those offering sales on TikTok or Instagram. Our officers also send out official emails to the individuals concerned to advise them to comply," Abu Tariq said in an interview.

In marketing terms, an influencer is a person with the ability to influence potential buyers of a product or service by promoting or recommending the items on social media.

Based on a survey conducted by a local marketing firm, it is learnt that influencers with up to 50,000 followers can earn an average income of between RM10,000 and RM15,000 a month, and those

with over 500,000 followers are able to earn between RM50,000 and RM100,000 a month.

It is also learnt that many social influencers can earn as much as RM5,000 to RM6,000 per social media post or video.

Under LHDN regulations, anyone earning an annual income of RM30,000 or more through sales or services must declare that income.

Abu Tariq said it was relatively easy to keep tabs on influencers as most of their information was already available in the public domain.

"So it's easy to keep track of them," he added.

Alternatively, he said an influencer could also be called in to explain sudden gains in assets which does not commensurate with existing personal income declaration.

Of the 450 influencers who came forward in 2022, he said 165

cases were by way of audit by LHDN to obtain additional information, with RM963,889 in additional taxes collected.

He said an additional RM2.06mil in taxes were collected from 89 influencers who were audited out of the 486 declaring their incomes in 2021.

He said "nudging" activities also showed an increase, from 649 emails sent out in 2020 to 704 in 2022.

The LHDN chief also said a total of 97,177 individuals had submitted their voluntary self-assessment declaration or e-filing as of April 30, with about RM890mil collected in taxes.

Of this, he said 16,719 declarations were by companies with tax revenue amounting to RM492,043mil, 71,558 individual declarations (RM244,606mil), 8,196 stamp duties (RM16.38mil) and 704 real property gains tax (RM137mil).



Influencers' tax statistics as at April 30, 2024



Total influencers: **1,250**

YEAR 2020

- Voluntary declaration: **450 (36%)**
- Total taxes paid: **RM5.14mil**
- Cases audited: **165 (13%)**
- Additional assessment: **RM963,889.27**
- Nudging cases: **649 (52%)**

YEAR 2021

- Voluntary declaration: **486 (39%)**
- Total taxes paid: **RM5.25mil**
- Cases audited: **89 (7%)**
- Additional assessment: **RM2.06mil**
- Nudging cases: **682 (55%)**

YEAR 2022

- Voluntary declaration: **507 (41%)**
- Total taxes paid: **RM5.73mil**
- Cases audited: **35 (3%)**
- Additional assessment: **256,658.79**
- Nudging cases: **704 (56%)**

YEAR 2023

- Voluntary declaration: **86 (7%)**
- Total taxes paid: **RM908,325**
- Cases audited: **10 (1%)**
- Additional assessment: **8,389.76**
- Nudging cases: **Not provided**

Source: Inland Revenue Board (LHDN)

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