

Even the 'Instafamous' should pay taxes

KUALA LUMPUR

INDIVIDUALS, businesses and professionals who receive money into individual bank accounts, including YouTubers, the 'Instafamous', influencers or those who do paid reviews, are subject to taxation of business income.

However, the profits from these businesses may not necessarily be consistent every month.

Taxation on employment income can be easily determined if an individual has Monthly Tax Deductions deducted by the employer from their monthly salary.

An annual income exceeding RM37,333 after Employees Provident Fund deductions can also be an indicator for determining tax liability for individuals in this category.

For those with business income, these steps will help them determine the taxation of their business income.

INDIVIDUALS SUBJECT TO BUSINESS INCOME TAX

The list of taxable income for individuals can be referred on the main page of the Official HASiL Portal at www.hasil.gov.my.

For this category, there is no minimum income threshold to be taxed. Therefore, you need to register your income tax file as soon as the business is registered or a career is started.

CONCERNS ABOUT DECLARATION OF INCOME

There are a few individuals who refuse to declare their income to the Inland Revenue Board of Malaysia (HASiL) due to concerns about having to pay high amount of taxes.

Income tax is levied on individuals at rates from between 0 and 30 per cent depending on the reported income. This means the higher the income, the higher the tax rate, and vice versa.

Taxable income can be reduced by claiming all business expenses and eligible tax reliefs.

You can also claim all expenses wholly and exclusively incurred in generating income as a deduction in adjusted income calculation. But take note that personal expenses or capital expenses are not eligible to claims.

HOW TO GET STARTED

Those who are interested in obtaining group taxation advisory services representing companies, associations and others can apply for HASiL to conduct seminars at their location face-to-face or via webinar by sending an email to taxeducation@hasil.gov.my.

WHY SHOULD YOU REPORT AND PAY INCOME TAX?

Reporting and paying income tax is an obligation on those who are eligible for taxation under taxation law.

By paying taxes, you have actually helped yourself verify your income for official purposes and it is easy to receive special government assistance. For example, financial applications for purchasing house or vehicle.

Through tax reporting, you also con-



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Through tax reporting, you also help meet the country's development expenses.

tribute to the country's development expenses, including for security purposes, public facilities, health services, education and welfare, which benefit all Malaysians.

We should fulfil our obligations as responsible taxpayers for the wellbeing of ourselves and the nation.

SVDP 2.0: SPECIAL VOLUNTARY DISCLOSURE PROGRAMME

Those who have not reported their taxes for the previous years can take the opportunity to do so under this programme.

New taxpayers who have business income or gains on disposal assets but never declared their income can do so through the Special Voluntary Disclosure Programme (SVDP) 2.0 from until May 31 next year.

SVDP 2.0 is offered to all categories of taxpayers except the employer file category.

There are no penalties imposed and no audits as well as no further investigations for the assessment years related to voluntarily reported income under this programme.

For more information visit the Official Portal of HASiL at www.hasil.gov.my.

FOLLOW THESE STEPS TO BE A RESPONSIBLE TAXPAYER

- Register your income tax file online through the e-Daftar application at mytax.hasil.gov.my if you do not have an income tax number.

- Declare your income through the e-Filing service at mytax.hasil.gov.my.

- Resident individuals with business income sources need to select Form B. Choose Form M if the individual is a non-resident.

- Pay income tax (if applicable) using ByrHASiL also at mytax.hasil.gov.my.

- Remember the deadline submission of tax form for individuals with business income, which is **no later than June 30**. A grace period is given until **July 15** for e-Filing users.

- Once you have completed reporting your income and paying taxes, **remember to keep documents, records and business accounts for 7 years**.

- Prepare accounts and statements for other income and comply with **Notice of Instalment Payment (CP500)**.

- Notify HASiL in writing if the business is **terminated** or if there are **changes in partners**.



LET'S CLICK HASiL

e-FILING

EASY | ACCURATE | SECURE

Business Income

1 June 2023 - 30 June 2023



Scan QR code for e-Filing

www.hasil.gov.my 03-8911 1000 Feedback Form on IRBM official portal