Appendix B

Issues relating to previous budget proposals (Pages 53 - 57 of Budget Complementary & Tax Information 2006)

Note:
1. ( ) refers to numerical sequence of questions from pages 53 - 57 of Budget Complementary & Tax Information 2006. Only issues under the jurisdiction of IRBM are addressed.

2. Other Budget Proposal are relating to incentives of Pioneer Status and Investment Tax Allowance which are provided under Promotion Of Investment Act (PIA) 1986 and will be dealt with by Malaysian Industrial Development Authority (MIDA).

Budget Proposal 1998	**Orders/Rules**	**Status**
(1)	The Income Tax Rules for private clinics which provide special wards for lower income earners will be given investment tax allowance of 60% on the qualifying capital expenditure incurred.	No Income Tax Rules to be issued. It is recognised as an approved service project under Schedule 7B ITA 1967. The answer has been given during the dialogue (2005).
Budget Proposal 1999		
(1)	The Income Tax Exemption Order for the income derived from repair and maintenance activities for luxury boats and yachts in Langkawi.	Under discussion (awaiting information from MOF).
Budget Proposal 2003		
(1)	The Income Tax Rules for the accelerated agriculture allowance on qualifying capital expenditure incurred by a non-rubber plantation company in the preparation of land, planting and maintenance of rubberwood cultivation.	Under discussion (awaiting guidelines from the relevant Ministry - Kementerian Perusahaan Perladangan & Komoditi).

(3)	The Income Tax Rules for a company that invests in a wholly-owned subsidiary company involved in the consolidation of management of smallholdings or idle land.	Under discussion (awaiting guidelines from the relevant Ministry - Kementerian Perusahaan Perladangan & Komoditi).
(7)(ii)	The Income Tax Rules for expenditure incurred by a company for drafting the individual Corporate Knowledge-based Master Plan.	Under discussion (awaiting information from MOF).
2003 Economic Stimulus Package		
(1)	The Income Tax Exemption Order for group relief under pre-packaged incentives i.e forest plantations and selected products in sectors such as biotechnology, nanotechnology, optics and photonics.	In the process of drafting.
(2)	The Income Tax Exemption Order for the pre-packaged incentive scheme for pioneer status with 100% exemption for 10 years or investment tax allowance of 100% for 5 years.	The relevant Exemption Orders have been gazetted on 23.03.2006. Pioneer Status - Income Tax (Exemption) (No.11) 2006. Investment Tax Allowance - Income Tax (Exemption) (No.12) 2006.
(3)	The Income Tax Rules on double deduction on expenditure incurred for R&D activities undertaken overseas.	No Income Tax Rules to be issued. Application for approval for that incentive has to be made to MOF.

(5)	The Income Tax Exemption Order for the value of increased export of locally produced product exported by the hypermarket and direct selling companies.	under discussion(awaiting guidelines from the relevant Ministry - Kementerian Perdagangan Dalam Negeri & Hal Ehwal Pengguna.
Budget Proposal 2004		
(5)	The Income Tax Exemption Order for the income derived from activities of venture capital company(VCC) and venture capital management company (VCMC).	The relevant Exemption Orders have been gazetted on 24.02.2005. VCC - Income Tax (Exemption) (No.11) 2005. VCMC - Income Tax (Exemption) (No.12) 2005.
Budget Proposal 2005		
(1)	The Income Tax Rules on allowing the charitable institution to disburse annually minimum 50% of the income received in the preceding year.	No Income Tax Rules to be issued. The provision is provided under the conditions for approval.