

# Statutory Changes For MTD 2024 In Accordance To Budget 2023



# Statutory Changes For MTD 2024

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The statutory changes for MTD 2024 only involve **Form TP1**. There are no changes to the tax schedule.

# Introduction: Form TP1

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TP1 is an individual deduction and rebate claim form for Monthly Tax Deduction (PCB) purposes.

It should be submitted to the employer by employees who wish to claim deductions and rebates for the month. The eligible deductions and rebates include expenses such as book purchases, insurance, medical expenses, and others.

The submission of TP1 is allowed more than twice in the current year.

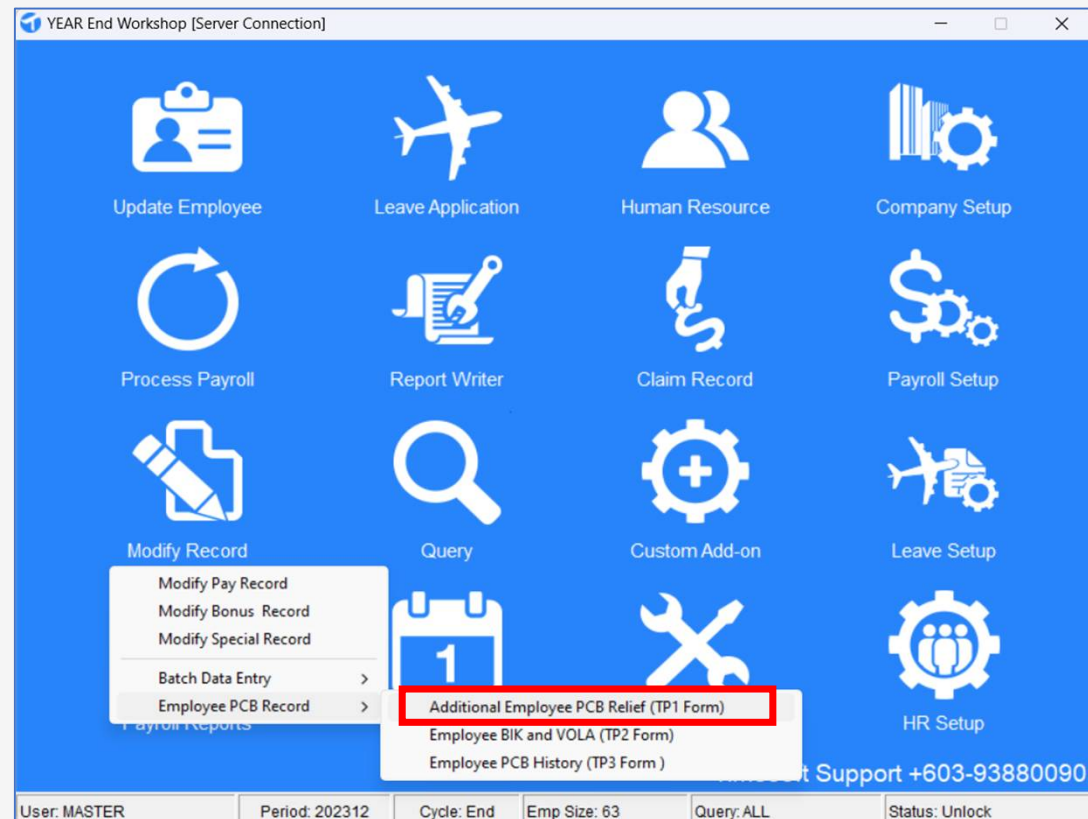
A copy of Form TP1 (receipts and supporting documents not required) must be submitted to the employer for any claims.

The employer is required to retain Form TP1 for a period of 7 years from the date the claim is made.

Employees must also keep all receipts and documents related to deductions for a period of 7 years from the year the claim is made.

# TP1 in TIMES PAY

The TP1 data entry form is located in 'Modify Record > Employee PCB Record > Additional Employee PCB Relief (TP1 Form)'.  
Additional Employee PCB Relief (TP1 Form)



# TP1 in TIMES PAY

Here is an example of the data entry screen for TP1.

Additional Employee PCB Relief (TP1 Form)

Employee: B0003 Name: BALASAMY

Date: 22/11/2023 Hired Date: 17/05/2015 8 years 7 months Status: A

Refund Code: C03 Terminated Date:

Pay Period: 202312 Tax Category: 3

Amount: 1267.00

Approval: Approved

Reference:

Remarks: [C03] - Education Fees (Self)

Code	Date	Period	Amount	Remarks
▶ C03	22/11/2023	202312	1267.00	[C03] - Education Fees (Self)

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# **Highlights of Statutory Changes in Form TP1 (Year 2024)**

# Statutory Changes in Form TP1 [1 of 6]

**Effective Date: From year of assessment 2024**

TAX RELIEF	CURRENT	PROPOSAL
MEDICAL TREATMENT, SPECIAL NEEDS AND CARER EXPENSES FOR PARENTS	<p>Presently, a resident individual taxpayer is eligible to claim up to <b>RM8,000</b> on expenditures of medical treatment, special needs and carer expenses incurred on parents.</p> <p>Medical treatment includes limited dental treatment to extracting teeth, filling teeth and cleaning tartar but does not include cosmetic treatments such as replacing and repairing teeth involving consolidation, root canals and dentures.</p>	<p>It is proposed that the scope for dental treatment is expanded to <b>include all types of examination and treatment expenses for dentistry</b> including false teeth, root canals and treatment for replacement and repair teeth.</p> <p>Dental treatment performed in Malaysia must be certified by a dental practitioner registered with the Dental Council Malaysia and supported by an official receipt.</p> <p>In addition, the scope of this tax relief is <b>expanded to include full medical examination for parents limited to up to RM1,000</b>. The total amount of the deduction under paragraph 46(1)(c) shall not exceed <b>RM8,000</b>.</p>

# Statutory Changes in Form TP1 [2 of 6]

**Effective Date: From year of assessment 2024 to 2026**

TAX RELIEF	CURRENT	PROPOSAL
EDUCATION FEES (SELF) FOR UP-SKILLING AND SELF-ENHANCEMENT COURSE FEE	<p>From the year of assessment 2021, resident individuals attending the course up-skilling or self-enhancement to improve skills or self-advance in any skill area recognized by the Director General of Skills Development under the Act National Skills Development 2006 [Act 652] can make deduction claim for tuition fees is limited to RM1,000 for every assessment year.</p> <p>The individual exemption limit for up-skilling or self-enhancement course fees is increased from RM1,000 to <b>RM2,000</b> per year 2022 assessment and 2023 assessment year.</p>	<p>It is proposed that the period for a deduction on the expenses of fees attending up-skilling courses or self-enhancement to advance oneself in any field skills recognized by the Director General of Skills Development under the National Skills Development Act 2006 [Act 652] be <b>extended for three (3) years from the assessment year 2024 to the assessment year 2026.</b></p> <p>The allowable deduction is limit to <b>RM2,000.</b></p>



# Statutory Changes in Form TP1 [3 of 6]

**Effective Date: From year of assessment 2024**

TAX RELIEF	CURRENT	PROPOSAL
TAX RELIEF ON MEDICAL EXPENSES FOR INSPECTION AND DENTAL TREATMENT	<p>The Current provisions allow tax relief to individuals up to <b>RM10,000</b> for medical expenses that cover:</p> <ul style="list-style-type: none"><li>(a) serious illness on an individual, spouse or child;</li><li>(b) fertility treatment on individuals or couples;</li><li>(c) vaccination of individuals, spouses or children, limited to RM1,000;</li><li>(d) full medical examination including mental health and COVID-19 detection tests as well as the purchase of self-test kits on individuals, spouses or children, limited to RM1,000; and</li><li>(e) cost of examination and rehabilitation treatment for disabled children learning such as Autism, Down Syndrome and Specific Learning Disabilities is limited to RM4,000.</li></ul>	<p>It is proposed that the scope of the relief for medical expenses be <b>expanded to include inspection and dental treatment expenses that are limited to an amount of RM1,000.</b></p> <p>The claim must be proved by a receipt issued by a dental practitioner registered with the Malaysian Dental Council</p> <p>The total amount of the deduction shall not exceed <b>RM10,000.</b></p>

# Statutory Changes in Form TP1 [4 of 6]

**Effective Date: From year of assessment 2024**

TAX RELIEF	CURRENT	PROPOSAL
TAX RELIEF ON LIFESTYLE FOR SELF-ENRICHMENT COURSE FEE	<p>The existing provision gives tax relief under para 46(1)(p) to individuals as follows:</p> <p>(a) purchase or subscription of books, journals, magazines, newspapers and other publications for the purpose of increasing knowledge for own use or wife/husband or child;</p> <p>(b) purchase of a personal computer, smartphone or tablet for own use or wife/husband or child;</p> <p>(c) <b>purchase of sports equipment</b> for any sports activity below Sports Development Act 1997 [Act 576] (excl motorized two-wheeled bicycles) and <b>gym membership fees</b> for own use or wife/husband or child; and</p> <p>(d) Internet subscription fee expenses for personal use or wife/husband or child.</p> <p>Purchases or expenses must be proven with receipts of payment. The amount of deduction allowed is limited to <b>RM2,500</b></p>	<p>Income tax relief for restructured lifestyles and amended as follows:</p> <p>(a) <b>claims for the purchase of sports equipment and membership fees for gyms are excluded</b> from this provision. However, these expenses can be claimed under paragraph 46(1)(u).</p> <p>(b) the <b>exemption for lifestyle is also expanded in scope to cover self-enrichment course fees.</b></p> <p>The amount of deduction allowed is limited to <b>RM2,500</b>.</p> <p>Expenses for self-enrichment course fees under lifestyle do not need to be registered or recognized by any Government body. Adequate expenses are proven by a receipt issued by the course provider. An intended course is a course in which taxpayers are encouraged to study skills that are not related to the job such as the course related to hobbies, religion or language.</p>

# Statutory Changes in Form TP1 [5 of 6]

**Effective Date: From year of assessment 2024**

TAX RELIEF	CURRENT	PROPOSAL
TAX RELIEF LIFESTYLE FOR THE PURCHASE OF SPORTS EQUIPMENT, RENTAL/ENTRY FEES FOR SPORTS FACILITIES AND REGISTRATION FEES IN SPORTS COMPETITIONS	<p>The existing provision gives tax relief up to <b>RM500</b> to individuals for the purchase of sports equipment for any activity sports under the Sports Development Act 1997 [Act 576] (not including motorized two-wheeled bicycles), rental fees or fees admission to any sports facility and registration fee payment for participation in any sports competition which the organizer approved and licensed by the Sports Commissioner.</p> <p>Purchases or expenses must be for personal use or wife/husband or child and evidenced by a payment receipt. The amount allowed for deduction is limited to RM500. The amount of this deduction does not include the amount of the deduction that has been claimed under paragraph 46(1)(p).</p>	<p>Income tax relief for structured sports equipment and activities revised and amended as follows:</p> <p>(a) allowed claim limit increased from RM500 to <b>RM1,000</b>.</p> <p>(b) the amount of expenditure allowed is:</p> <p>(i) <b>purchase of sports equipment</b> for any sports activity under the Sports Development Act 1997 [Act 576] (not including motorized two-wheeled bicycles);</p> <p>(ii) rental <b>fees</b> or entry fees to <b>sports facilities</b>;</p> <p>(iii) payment of the <b>registration fee</b> to participate in the <b>competition</b>; and</p> <p>(iv) <b>gym membership fees</b> or sports training.</p>

# Statutory Changes in Form TP1 [6 of 6]

**Effective Date: From year of assessment 2024 to 2027**

TAX RELIEF	CURRENT	PROPOSAL
TAX RELIEF FOR ELECTRIC VEHICLE (EV) CHARGING FACILITY PAYMENT EXPENSES	<p>The existing provision gives tax relief up to RM2,500 to the individual on the amount spent by him for electric vehicle (EV) charging facility fees such as the following:</p> <ul style="list-style-type: none"><li>(a) EV charging device installation cost;</li><li>(b) purchase including hire purchase of charging equipment EV;</li><li>(c) rental of EV charging equipment; or</li><li>(d) EV charging facility subscription fee.</li></ul> <p>The EV must be used by the individual claiming for the purpose of personal and not for business. Tax relief is granted for assessment year 2022 and assessment <b>year 2023</b> must be proved with a payment receipt issued in the name of an individual who make a claim for relief.</p>	<p>Paragraph 46(1)(v) is amended to <b>extend</b> the grant period tax relief for EV charging facility fees for <b>another four (4) year</b> period starting from the assessment year 2024 to the year assessment <b>2027</b>.</p>

# **End of Presentation**