

What's New?

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Finance Bill 2020 - Amendment of section 34A(1) of ITA 1967: Double deduction on Research and Development Expenditure



**2020 財政法案 -
1967年所得稅法令
Finance Bill 2020**



研究与开发 双重扣税

**Double deduction for
Research and Development**

Double deduction for Research and Development

[Income Tax Act 1967]

This amendment comes into operation on the coming into operation of this Act.



34A(1)

Subject to this section, in ascertaining the adjusted income of a person **resident in Malaysia** from a business for the basis period for a year of assessment, a deduction shall be made, as specified in subsection (4), from the gross income from the business for that period in respect of expenditure, not being capital expenditure incurred on plant, machinery, fixtures, land, premises, buildings, structures or works of a permanent nature or on alterations, additions or extensions thereof or in the acquisition of any rights in or over any property, incurred by that person during that period on research and development approved by the Minister **and the amount of expenses on research and development incurred during that period outside Malaysia shall not be more than thirty per cent (30%) of the total expenses on research and development incurred by that person**

[Only applicable to a person resident in Malaysia]



Finance Bill 2020 - Amendment of section 34A(1) of ITA 1967: Double deduction on Research and Development Expenditure

- With these amendments:
 - Double deduction under section 34a of Act 53 is only applicable to a person resident in Malaysia; and
 - The double deduction shall not be allowed if the amount of expenses on research and development incurred in the basis period outside Malaysia is more than thirty per cent (30%) of the total expenses on research and development in that basis period.



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