



## Income Tax (Cost of Renovation and Refurbishment of Business Premise) Rules 2020

- The Economy Stimulus Package 2020 announced on 27 February 2020 provides a tax deduction of up to RM300,000 on renovation and refurbishment costs incurred from 1 March 2020 to 31 December 2020 [**\*P.U. (A) 381 extended to 31.12.2021**].
- This move is aimed at encouraging businesses to undertake renovation and refurbishment in preparation for a subsequent upturn.

**RM20 BILLION ECONOMIC STIMULUS PACKAGE**

Anchored on three strategies:

- 1 Mitigating impact of COVID-19
- 2 Spurring people-centric economic growth
- 3 Promoting quality investments

**TUN DR MAHATHIR MOHAMAD**  
INTERIM PRIME MINISTER  
At the launch of  
2020 Economic Stimulus Package  
Putrajaya

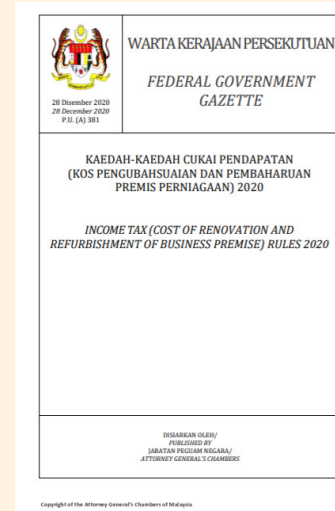
Bernama Infographics

12/30/2020
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## Income Tax (Cost of Renovation and Refurbishment of Business Premise) Rules 2020



- In exercise of the powers conferred by paragraph 154(1)(b) read together with paragraph 33 (1) (d) of the Income Tax Act 1967 [Act 53], the Minister makes the this rules.
- These Rules have effect from the year of assessment 2020.



12/30/2020

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## Income Tax (Cost of Renovation and Refurbishment of Business Premise) Rules 2020



- The Income Tax (Cost of Renovation and Refurbishment of Business Premise) Rules 2020 confirms the qualifying renovation or refurbishment expenditure announced in the Economy Stimulus Package 2020, a deduction is allowed for the costs of renovation and refurbishment of business premise incurred by the person from 1 March 2020 until 31 December 2021 and used for the purpose of its business.
- The total amount of deduction allowed is subject to the maximum amount of three hundred thousand ringgit.

12/30/2020


CCS & Co [Chartered Accountants]





## Meaning of "costs of renovation and refurbishment of business premise"

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- The costs of renovation and refurbishment of business premise incurred for the purposes specified in the [First Schedule](#) but shall not include the cost for the purposes specified in the [Second Schedule](#), which is certified by an external auditor.









## First Schedule:


### Qualifying Expenditure

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1. General electrical installation
2. Lighting
3. Gas system
4. Water system
5. Kitchen fittings
6. Sanitary fittings
7. Door, gate, window, grill and roller shutter
8. Fixed partitions
9. Flooring (including carpets)
10. Wall covering (including paint work)
11. False ceiling and cornices
12. Ornamental features or decorations excluding fine art
13. Canopy or awning
14. Fitting room or changing room
15. Recreational room for employee
16. Air-conditioning system
17. Children play area
18. Reception area
19. Surau








## Second Schedule: Non-Qualifying Expenditure



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- Specifically mentioned in the Rules are the following expenditure which does not qualify:
- Designer fee
- Professional fee
- Purchase of antique (purchase of an object or work of art which, represents a previous era in human society, is a collectable item due to its age, rarity, craftsmanship or other unique features and appreciates in value over time)



<p><b>For further consultation, please contact:</b></p> <p><b>Chin Chee Seng</b> Partner +6012 365 4331 cschin@ccs-co.com</p> <p><b>Jared Low</b> Assurance Manager +6018 763 4813 jared@ccs-co.com</p> <p><b>Wong Woei Teng</b> Audit Manager +6017 237 8233 woeiteng@ccs-co.com</p> <p><b>Vivian Lim</b> HR Manager +6012 618 6220 vivian@ccs-co.com</p> <p><b>Yap Huey Shan</b> Assistant Audit Manager +6012 369 7222 hueyshan@ccs-co.com</p>	<h1 style="font-size: 2em; margin: 0;">CCS &amp; Co</h1>
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