




## Income Tax (Special Deduction for Reduction of Rental to a Tenant other than a Small and Medium Enterprise) Rules 2021

 <small>9 September 2021 8 September 2021 P.S. (A) 354</small>	<b>WARTA KERAJAAN PERSEKUTUAN</b>  <b>FEDERAL GOVERNMENT GAZETTE</b>
<b>KAEDAH-KAEDAH CUKAI PENDAPATAN</b> (POTONGAN KHAS BAGI PENGURANGAN SEWA KEPADA PENYEWAWA SELAIN DARIPADA PERUSAHAAN KECIL DAN SEDERHANA) 2021  <b>INCOME TAX (SPECIAL DEDUCTION FOR REDUCTION OF RENTAL TO A TENANT OTHER THAN A SMALL AND MEDIUM ENTERPRISE) RULES 2021</b>	
<small>DIJABARKAN OLEH: PUBLISHED BY: JAMBATAN PELAJIAN NEGARA/ ATTORNEYS GENERAL'S CHAMBERS</small>	


- IN exercise of the powers conferred by paragraphs 154(1)(b) and paragraph 33(1)(d) of the Income Tax Act 1967 [Act 53], the Minister makes these Rules, which was gazetted on 8 September 2021.
- These rules are deemed to have effect from the year of assessment 2021


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- A deduction equal to the total amount of rental reduction of not less than thirty percent (30%) of the rate of monthly rental under the existing tenancy agreement for a business premise for the purpose of determining the adjusted income of a landlord from its rental income under paragraph 4(a) or (d) of the Act in a basis period for a year of assessment shall be allowed.
- The landlord is entitled for the deduction if the rent for the qualifying months is paid in advance [*Advance rental*] and the landlord retains supporting documentation showing the reduction in rental offered by way of refund or any other methods as negotiated between the landlord and the tenant.

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– the landlord shall keep—

- A tenancy agreement which is stamped under the Stamp Act 1949 [Act 378];
- a separate statement of income for rental income for the qualifying months in the basis period for a year of assessment;
- a confirmation made by the—
  - landlord stating the amount of reduction of rental given; and
  - tenant stating the receipt of reduction of rental

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Interpretation

- “qualifying months”* means the month of January of the year 2021 until December of the year 2021;
- “landlord”* means any person who rents out a business premises to a tenant;
- “tenant”* means a person resident in Malaysia and carries on business at a business premises
- “business premises”* means premises used by a small and medium enterprise only for the purposes of its business and includes a bazaar lot, stall, vehicle park, storage warehouse or any place used only for the purposes of business;


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Non-application

- These Rules shall not apply to a landlord who has claimed deduction for reduction of rental under the Income Tax (Special Deduction for Reduction of Rental to a Small and Medium Enterprise) Rules 2021 [P.U. (A) 353/2021].

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