

Tax Deductions In Hiring And Accommodating Workers With Disabilities.

Tax treatment of business expenses
in respect of disabled persons

Public Ruling No. 3/2019



Objectives of this Public Ruling (PR)

Providing training to disabled persons who are not employees to enable them to seek employment

让残疾人士能接受训练，以便能拥有更多的工作机会



Employing disabled persons as employees

让残疾人士也能被招聘为公司员工



Deductions are only allowable if the DISABLED PERSONS fulfilled the following requirements :

1

- Registered with the Department of Social Welfare (DSW) and the Disabled Person's Card ("Kad OKU") are acquired

2

- Provide a certification from the Social Security Organization (SOCSSO)



What kind of expenses qualified for deductions?

1. Remuneration to an employees ranging from:-

- a) Wages
- b) Salaries
- c) Overtime payment
- d) Commission
- e) Tips & allowances
- f) Bonus or incentives
- g) Fees or perquisites
- h) Employee's share option
- i) scheme (ESOS)
- j) Tax borne by the employer



What kind of expenses qualified for deductions? (continue)



2. Capital expenditure for purchase of any equipment necessary to assist disabled persons

3. Alteration and renovation of a business premise



Extra Deduction?

The following expenses are allowed for a 1 time double deductions.

Expenditure incurred in training a disabled person who is not an employee of the company; in simple words **SPONSORING A TRAINING**

However note that the training has to be;

- ✓ Approved by the Minister of Finance and conducted in Malaysia
- ✓ Conducted by a training institution approved by the Minister of Finance



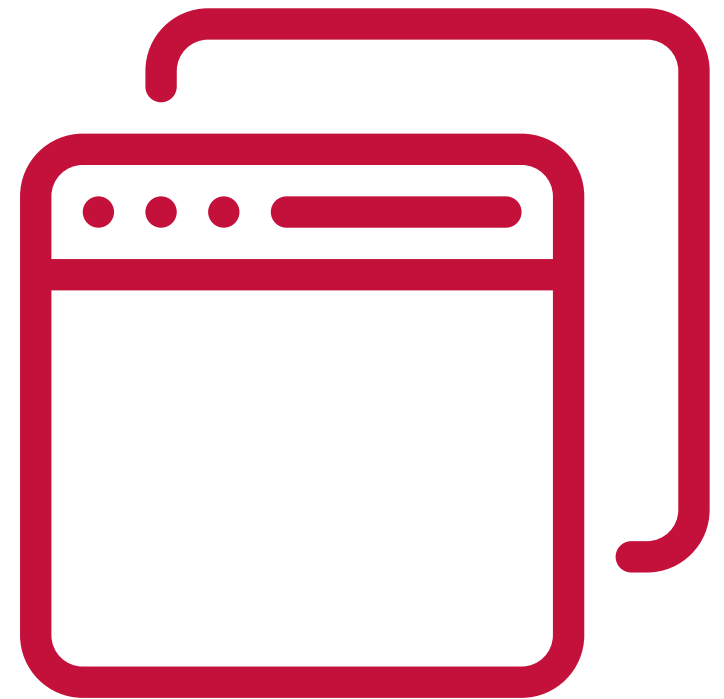
How to qualified for double deductions?



1. Obtained a letter of approval from relevant authority approving the training programme
2. Obtained a letter from a training institution approved by the Minister of Finance certifying that the disabled person has participated in the training programme

Claim Procedures

1. Should be made in the Income Tax Return Form.
2. All supporting documents for business expenses for disabled persons are to be kept by the claimant for purposes of verification upon tax audit by the Inland Revenue Board of Malaysia.



Reference

http://lampiran1.hasil.gov.my/pdf/pdfam/PR_03_2019.pdf

