

M40 GROUP

INDIVIDUAL TAX REDUCED BY 2PC

This will provide people with RM800m of surplus income, says Tengku Zafrul

KUALA LUMPUR

LOSE to one million resident individual taxpayers will enjoy reduced taxes as part of the government's efforts to increase disposable income, said Finance Minister Tengku Datuk Seri Zafrul Tengku Abdul Aziz.

Resident individual tax will be reduced by two per cent for taxable incomes of between RM50,000 and RM100,000 per annum, he said yesterday.



Tengku Zafrul said for taxable incomes between RM50,000 and RM70,000 per annum, the tax rate will be lowered from 13 per cent to 11 per cent, while for taxable incomes within the RM70,000 to RM100,000 per annum range, the rate will be reduced from 21 per cent to 19 per cent.

Additionally, he said, the tax rate for taxable incomes between RM250,000 and RM400,000 per annum, as well as between RM400,000 and RM600,000 per annum will be at 25 per cent.

"With this special income tax treatment, tax savings for the middle-income group (M40) will be up to RM1,000, and for the top-income group, it will be up to RM250.

"Consequently, an estimated RM800 million will be available as surplus income that the people can spend."

He said the good news for the almost one million taxpayers among middle-income households was proof that the government had never neglected the group and always strived to increase the disposable income

from which the group could benefit.

INFO BOX

11pc

tax rate for the RM50,000 to RM70,000 bracket

19pc

tax rate for the RM70,000 to RM100,000 bracket

Tengku Zafrul also said an initiative called e-Pemula M40 will be implemented, which is an e-wallet credit offer of RM100 to people in the M40 group with an annual income of less than RM100,000 to promote cashless payments.

"It is estimated that eight million individuals are eligible to claim this credit with an allocation of RM800

million," he added.

The government had also proposed a tax exemption for in-

comes received from assessment years 2023 to 2028 to encourage more women to return to work after a career break.

Tengku Zafrul said to empower women's role at the corporate leadership level, the Securities Commission Malaysia will introduce a special training programme to enhance their skills.

The government will also identify and increase the number of women who are qualified to be appointed as members of boards of directors, he said.

Up to October this year, women constituted 29 per cent of the composition of the boards of directors of 100 major public-listed companies.

"All 100 companies have at least one woman as a board member."