

BOOK REVIEW

Title : **Pencukaaian Malaysia - Pentadbiran, Penaksiran dan Pematuhan Cukai**
Authors : **Jeyapalan Kasipillai & Mustafa Mohd. Hanefah**
Publisher : **Universiti Putra Malaysia Press**
Total Pages : **249**
Price : **RM30.00**
ISBN No : **983-9319-40-X**
Reviewer : **Ho Juan Keng**
Faculty of Accounting
Universiti Teknologi Mara (UiTM), Malaysia.

Although this book was written based on tax laws as at 15 September 1998, it is the most up to date book on Malaysian Taxation in Bahasa Malaysia. It discusses both the legal and technical aspects of the Income Tax Act and Real Property Gains Tax (RPGT) in Malaysia, commencing with a concise introduction to the direct taxes that come under the administration of the Inland Revenue Board. The legal aspects are well supported with decided cases while the technical aspects are well illustrated with working examples. Relevant provisions of the Income Tax Act and RPGT Act are also cited, which readers will find useful for easy reference.

As for the topics on Income Tax, readers are introduced to the classes of income and the basis under which such income are chargeable to tax. The basis of how each class of income is deemed to be derived from Malaysia is covered in detail.

The topic on employment income discusses the meaning of employment for purposes of income tax and the various categories of gains or profits from an employment, such as cash remuneration and benefits in kind. In particular, numerous working examples illustrate how the value of gains or profits pertaining to benefits in

kind are being determined. It ends with discussion on the deductions available against employment income.

From employment, the book proceeds to the discussion of unearned income, namely dividend, interest, discount, rent, royalty, premium, pension and the special class of income derived by non residents. Exemptions available in relation to each of these income, where applicable, are highlighted and illustrated with working examples.

On issues pertaining to personal taxation, the book discusses personal relief and rebates available to resident individuals and non resident relief available to non resident individuals as well as the circumstances under which the income of a husband and wife/wives may be jointly or separately assessed. Again, the numerous working examples give clear illustrations of the applications and computations of the relief and rebates available to, as well as the tax chargeable on individuals.

The topic relating to business income begins with a discussions on the basis periods upon commencement of a business and as a result of changes to an accounting year end. However, the discussions covers only sole proprietorship busi-

nesses, conversion from sole proprietorship to partnership and on the admission of new partners and retirement of existing partners.

On the allowances under Schedule 3, Income Tax Act which relate to business enterprises, only capital allowances on plant and machinery and industrial building allowances are discussed.

The topic on business continues with the gains or profits from a business, the determination of gross income, deductions that are either available or not available against gross income, treatment of business adjusted losses and capital allowances and the determination of statutory, aggregate, total and finally the chargeable income. A step-by-step illustration together with flow charts enable readers to easily follow the computation process through each stage, from gross to chargeable income. This topic ends with working examples of how adjustments are made from accounting income to arrive at the taxable income. The process of computing income from a partnership business is explained with similar illustrations, flow charts and working examples.

Finally, on issues relating to Income Tax, the book discusses the offences and the related

penalties, the process of appealing to the Director General against an assessment, the possible outcome of such an appeal and finally how an appeal to the Special Commissioners, can be made.

The final chapter discusses Real Property Gains Tax (RPGT). This chapter commences with a brief history of RPGT and follows with the scope of charge to RPGT. The rest of the chapter discusses the determination of disposal and acquisition prices of real properties, exemptions available, taxation of chargeable gain and treatment of losses. Also discussed are the chargeability to RPGT on gains arising from disposal of shares in Real Property Companies and similar treatments in the event of inter company transfer.

The book ends with a list of Bahasa Malaysia - English terminology on taxation.

Those who are either tax illiterate or tax literate and conversant in Bahasa Malaysia, but not comfortable with English, should find this book very useful. It is not too technical for a layman, but sufficiently adequate for students and teachers of taxation. Wage earners, entrepreneurs and practitioners should also find this book useful.