

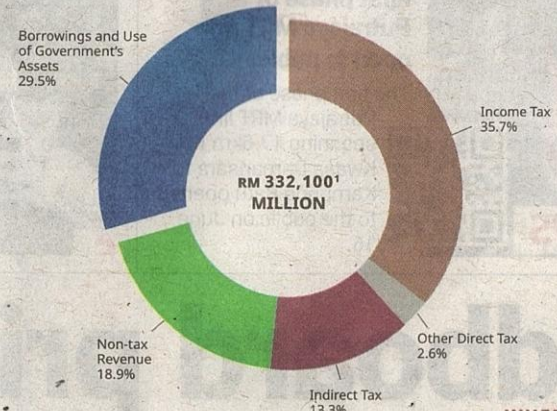
Profits of any given business are shared through taxes paid to the Inland Revenue Board of Malaysia (HASIL).
The Star 20/6/2022 (Page 11)

EVERY MALAYSIAN'S DUTY TO PAY INCOME TAX

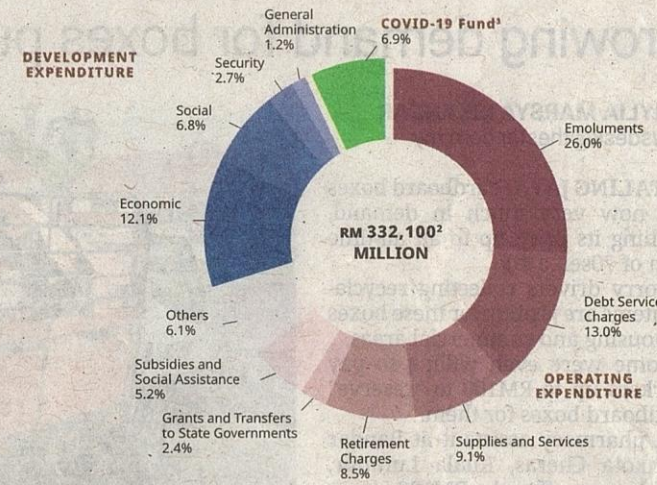
If you have any income, you are obligated to declare your earnings

2022 FEDERAL GOVERNMENT BUDGET

WHERE IT COMES FROM



WHERE IT GOES



¹ Consists of revenue and borrowings
² Excludes contingency reserves
³ COVID-19 Fund under the Temporary Measures for Government Financing (Coronavirus Disease 2019 (COVID-19) Act 2020
 Source: Ministry of Finance, Malaysia

THE younger generation is now more interested than ever in starting their own businesses.

Relevant skills in a chosen business as well as digital literacy are among the factors in earning a lucrative income. With social media, many business owners share their successes, profits and luxurious lifestyle with the public.

While those social media stories have served as an inspiration for the younger generation to be equally successful, from another perspective, it can be seen as them flaunting their riches, especially to those who cannot afford the same lifestyle.

So, it's not wrong if the profits of the business are shared through taxes paid to Lembaga Hasil Dalam Negeri Malaysia (HASIL, or Inland Revenue Board of Malaysia).

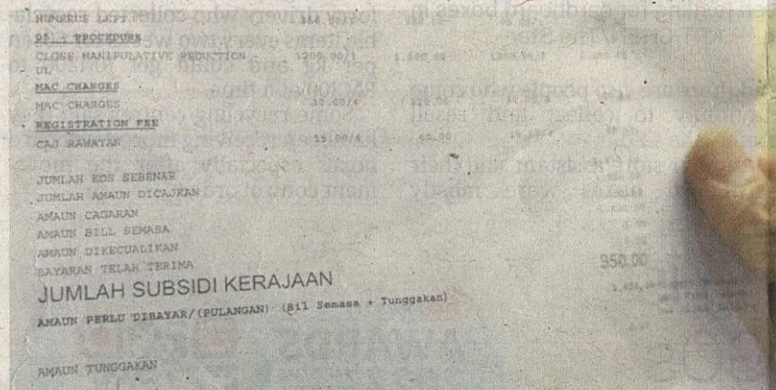
Based on Budget 2022, income tax collection is the highest contributor to the country's income at 35.7% compared to other sources like indirect taxes, other direct taxes, non-tax revenue and loans, and use of government assets.

The government channels these financial resources to development expenditures and managing the country.

Shared benefits

If all business owners carry out their responsibility as taxpayers, more income tax can be collected for the benefit of all Malaysians.

The government has allocated a substantial budget to preserve the nation's prosperity. When the



Taxpayers' contributions can help to ease the plight of low-income fellow Malaysians in the form of government subsidies.

nation was battling the Covid-19 pandemic, where did the government get funds to set up facilities to treat patients, if not from the taxes paid by the people.

Not only that, the taxes collected also helped aid the less fortunate when a multitude of companies and small businesses had to declare bankruptcy due to the movement restrictions.

Among the aid that the government has given the people are the Covid-19 Special Assistance (Bantuan Khas Covid-19) and Prihatin Special Grant (Geran Khas Prihatin). This is what it means to collectively share the benefits.

Income tax is the highest source of the country's income used for development and operating expenditures.

In recent viral news, a husband was surprised when he only needed to pay under RM20 for his wife's

medical expenses even though she had been treated over three days at a government hospital.

Similarly, the public also shared their experiences in the comments and expressed their thanks to other taxpayers who have helped ease the financial burden of fellow Malaysians.

Influencers are taxable

Individual tax is not just applicable to those who do business or work part-time whether conventional or online, it also applies to professionals like doctors who open their own clinic, lawyers with their own law firms or accountants with their own accounting firms.

Being an influencer is also a profession which can be taxed under the Individual with Business Income (Individu Berpendapatan Perniagaan) category.

Social media influencers are not something new since the younger generation has actively dabbled in this field and can earn up to five figures a month.

According to a study conducted by Malaysian Communications and Multimedia Commission (MCMC) on Dec 29, 2022, almost 90% of Malaysians own a smartphone and have access to the Internet.

Companies or businesses have been using the Internet to promote their products online to reach customers directly as this method is also more affordable compared to traditional advertising through print, radio or television.

This is where social media influencers – those known as Instagram, YouTubers, TikTokers – and companies partner up for product advertisements.

Influencers with a large following would usually receive a lucrative payment from these types of ads.

This income is taxable and they would need to register with HASIL as a taxpayer.

A list of other incomes that can be taxed in the individual category can be found on www.hasil.gov.my. To find out:

1. Go to www.hasil.gov.my
2. Click "Services"
3. Click "Individual"
4. Go to "Introduction to Individual Income Tax"
5. Click "When is Taxable"

I'm taxable, what's next?

Register your income tax file the

moment you start a business as individuals with business income are automatically eligible to pay taxes regardless of the minimum annual income amount.

If you do not have an income tax number, register online through the e-Daftar application at <https://edaftar.hasil.gov.my/> and select Online Registration Form.

You will receive your income tax number within three working days once you submit the application.

You can declare your business income for 2021 in B Form at mytax.hasil.gov.my via e-Filing and pay income tax through ByrHASIL from now till June 30 this year.

Those who use e-Filing have additional time until July 15 to declare and pay their income taxes.

More information

New taxpayers are well aware of their responsibilities to pay taxes but may need some guidance or advice in understanding their taxes.

HASIL provides group tax briefing sessions for companies, associations and others, and can be conducted either face to face at your premises or online. You can send in an email application to taxeducation@hasil.gov.my for this service.

It's important for all to understand what tax is and how it contributes to the country and the people – to carry out your responsibilities as a taxpayer and ensure the prosperity and well-being of Keluarga Malaysia.