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Tax-Foreigners

FOREIGN WORKERS WITH "RESIDENT" STATUS TO GET 1999 TAX EXEMPTION

KUALA LUMPUR, Nov 7 (Bernama) -- The income tax exemption next year also covers taxable foreign workers who have stayed in the country for more than 182 days and are categorised as "resident", Inland Revenue Board chief executive officer Najirah Mohd Tassaduk Khan said today.

She said the exemption would be given to foreign workers with this status since the term "foreign workers" carried numerous definitions and was not used in the Income Tax Act.

"The new rules will apply to them as the way tax laws apply to them," she told reporters after opening the 16th National Seminar on Taxation here.

Under the existing act, foreign workers have to pay income tax if they are categorised as resident after staying in the country for more than 182 days.

Najirah said a Transitional Provision, which outlines the mechanism of the new taxation system, would be implemented while waiting for the existing laws relating to income tax to be amended before the year 2000.

Prime Minister Datuk Seri Dr Mahathir Mohamad, in his 1999 budget speech on Oct 23, had announced that there would be an income tax exemption next year to facilitate the full switch to tax payments based on the current year of assessment instead of the preceding year, and the self-assessment system from the year 2000.

However, technically only those who started working in 1995 and after would not have to pay tax next year because they their taxes for incomes earned in 1998 were paid this year.

Those who started working before 1995 would still have to make payments in 1999 for incomes earned in 1998.

Najirah said the IRB would hold similar seminars on the new taxation system in Sabah, Sarawak, Pulau Pinang and Johor Baharu in English and in Kuala Terengganu in Bahasa Malaysia.

The half-day seminar was organised by the IRB Officers' Union.

-- BERNAMA

HJ YBY