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BUDGET-UNIT TRUST

INTEREST INCOME OF UNIT TRUST BE EXEMPTED FROM INCOME TAX

KUALA LUMPUR, Oct 23 (Bernama) -- The government proposed that interest income earned by unit trusts be exempted from income tax.

Prime Minister Datuk Seri Dr Mahathir Mohamad when tabling the 1999 Budget proposals at the Dewan Rakyat here today said that the move is to develop unit trusts and property unit trusts as a collective investment vehicle.

Dr Mahathir, who is also the First Finance Minister said the interest income exempted from tax at the unit or property unit trusts' level will also be exempted from tax when it is distributed to their unit holders.

This proposal will be effective from the year of assessment 1999.

Currently, interest, dividend and rental income of unit trusts and property unit trusts are subject to income tax at 28 percent.

However, interest income received by an individual from certain savings or fixed deposits in financial institutions is exempted from tax. --

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