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PEOPLE WHO BEGAN WORK AFTER PCB INTRODUCTION NEED NOT PAY TAX NEXT YEAR

KUALA LUMPUR, 24 Okt (Bernama) -- Tax payers who started work after the introduction of the Tax Deduction Schedule (PCB) on Jan 1, 1995, will have no deductions next year for income tax.

This was because their tax for this year had already been settled through salary deductions this year, the Inland Revenue Board (LHDN) said in a statement today.

Their salary deductions would however resume in January 2000, it said.

This also applied to tax payers in Sabah and Sarawak, said the statement issued to explain the nex tax assessment system announced by Prime Minister Datuk Seri Dr Mahathir Mohamad in the Budget for next year.

Under the new system taxpayers would have to pay as they earn with tax for a particular year to be paid in that year itself instead of being assessed the following year.

The Board said for people who had been working before the introduction of the PCB they would still have to pay tax next year for the year of assessment 1998.

The board advised all employers to wait for a written directive from the board before stopping salary deductions for income tax.

Until the directives were issued, they would have to continue deducting the salaries for income tax, the statement added.

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