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BUDGET-MACHINERY

WIDER CATEGORY OF MACHINERY AND EQUIPMENT MAKERS GET INCENTIVES

KUALA LUMPUR, Sept 20 (Bernama) -- To further develop the machinery and equipment (M&E) industry, tax incentives will be extended to manufacturers of specialised/process M&E for specific industry, packaging machinery, plastic extrusion machinery and parts and components of the above M&E.

In tabling the 2003 Budget at the Dewan Rakyat today, Prime Minister and Finance Minister Datuk Seri Dr Mahathir Mohamad noted that the industry, still at the early stage of development and dependent on imports, is strategic and therefore a wide category of manufacturers will be given tax incentives.

The tax incentives currently enjoyed by these manufacturers are pioneer status with tax exemption of 100 percent on the statutory income for 10 years; or investment tax allowance of 100 percent on qualifying capital expenditure incurred within a period of five years.

The allowance deducted for each year of assessment is to be set-off against 100 percent of the statutory income.

The tax incentives have already been granted to manufacturers of specialised M&E such as machine tools, plastic injection machines, material handling equipment, robotics and factory automation equipment.

The proposed tax incentives are effective for applications received by the Malaysian Industrial Development Authority (MIDA) from tomorrow. --

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