

Budget Cuts Income Tax Exemption For Shipping Firms
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KUALA LUMPUR, Oct 7 (Bernama) -- The 2012 Budget proposed a reduction of income tax exemption for shipping companies from 100 per cent to 70 per cent of statutory income.

The proposal, made in the Budget tabled by Prime Minister Datuk Seri Najib Tun Razak today, will be from year of assessment 2012.

Currently, income of shipping companies is fully exempted from tax under section 54A of the Income Tax Act 1967.

The objective of this incentive is to develop the national shipping industry and reduce the deficit in the balance of payments.

This incentive has been given for 27 years since year of assessment 1984.

The current policy is to grant incentives for a specified time period in order to assist a particular industry in its initial stage to be competitive.

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