

**Tax Exemption For 62,628 Companies Since 2001 - Najib
Bernama
June 18, 2012**

KUALA LUMPUR, June 18 (Bernama) -- A total of 62,628 companies have been given cumulative income tax exemption for the period 2001 to 2011.

Prime Minister Datuk Seri Najib Tun Razak said the tax exemption was provided for under the Investment Incentive Act 1968 in line with the objective of achieving sustainable national economic development and ensuring prosperity for the people.

"Generally, the granting of tax exemption in Malaysia is to encourage domestic and foreign investment in the production of goods or providing services to help in maintaining the country's competitiveness in attracting investment.

"In ensuring that the national development objective could be realised, the tax exemption is provided for a specific period and rate so that economic activities can generate sources of finance to fund the country's development programmes," he told the Dewan Rakyat sitting.

Najib, who is also the Finance Minister, said this in his written reply to Er Teck Hwa (DAP-Bakri) who wanted to know the number of companies or individuals who were taxable but were given exemption since independence until now, and the conditions for granting tax exemption.

On the conditions for granting tax exemption, he said in the context of providing tax exemption to companies, emphasis was given to their roles in developing the country from an economy based on natural resources and agriculture during the independence era, to an economy based on industry and now progressing to service-based industry.

"In the granting of income tax exemption to individuals, generally it is limited and aimed at reducing the burden of the tax payer and encouraging participation of the individuals in certain activities," he said.

He said income tax exemptions were granted to individuals for certain incomes, for exemption pension payment.

"When tax exemption is granted on the earnings of individuals who do not have any other income, they are given exemption from declaring the income to the Inland Revenue Board, as such, there is no record on the number of individuals involved," he said.

-- BERNAMA

Copyright © 2012 BERNAMA

Source: <http://www.bernama.com/bernama/v6/newsindex.php?id=673901>