

A BILL

i n t i t u l e d

An Act to amend the Income Tax Act 1967.

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ENACTED by the Parliament of Malaysia as follows:

Short title

1. This Act may be cited as the Income Tax (Amendment) Act 2012.

Amendment of section 44

2. The Income Tax Act 1967 [*Act 53*] is amended in subsection 44(7), in the definition of “organization”—

(a) by inserting after paragraph (a) the following paragraph:

“(aa) an organization established and maintained exclusively to administer and augment a public or private fund established or held for the sole purpose of carrying out the objective in which the institution is operated or conducted;” and

(b) by substituting for paragraph (c) the following paragraph:

“(c) an organization established and maintained exclusively to administer and augment a public fund established and held solely for the purposes of religious worship or the advancement of religion and such fund is to be used—

(i) for the construction, improvement or maintenance of a building in Malaysia which is—

(A) intended to be used (and, when constructed, is used) exclusively for those purposes; and

(B) intended to be open (and, when constructed, is open) to any member of the public for those purposes; or

(ii) to provide facilities to carrying on the activity related to those purposes; or

(ii) to provide for the management of the activity related to those purposes.”.

EXPLANATORY STATEMENT

This Bill seeks to amend the Income Tax Act 1967 (“Act 53”).

2. *Clause 2* seeks to amend subsection 44(7) of Act 53 by inserting in the definition of “organization” a new category of organization to enable a person eligible to claim for deduction in respect of any gift of money made by that person for the management of an institution or organization approved by the Director General under Act 53. A person is also eligible to claim for deduction in respect of any gift of money made by that person to such organization which is to be used for the construction, improvement or maintenance of a building for religious purposes open to public or in carrying on and managing any activity related to the religious worship or advancement of religion which is approved by the Director General under Act 53.

FINANCIAL IMPLICATIONS

This Bill will not involve the Government in any extra financial expenditure.

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