2025 BUDGET
TAX SNAPSHOT

MOORE Advent

Iron, Steel and Energy Industry
- Introduction of carbon tax by 2026.

LOGISTICS
- Investment tax allowance for a period of 5 years be given to Smart Logistics Complex investors and operators.

INDIVIDUAL / *RAKYAT*
- Introduction of 2% dividend tax on individual with annual dividend income exceeding RM100,000.
- Foreign-sourced income tax exemption be extended until 31st December 2036.
- Tax relief on purchase of domestic food waste composing machine.
- Personal relief on education and medical insurance premium be increased from RM3,000 to RM4,000.
- Personal relief on medical treatment of up to RM10,000 be expanded to include purchase of self-testing medical devices and disease detection examination fees.
- Personal relief on contributions to PRS and deferred annuities premiums of up to RM3,000 be extended until YA 2030.
- Personal relief on SSPN net savings of up to RM8,000 be extended to YA 2027.
- Personal relief on childcare of up to RM3,000 be extended to YA 2027.

CORPORATES & ENTREPRENEURS
- Sales tax be imposed on imported premium goods.
- Service tax be expanded to include new services such as commercial service transactions between businesses.
- Accelerated capital allowance be given for purchase of ICT, computer software package and consultation fee for 2 years.
- An additional 50% deduction be given on:-
  - expenses for capacity building and software acquisition for implementation of flexible work arrangements;
  - to employers who provide additional paid leave to employees caring for children or ill or disabled family members; and
  - employment expenses for hiring women returning to work.
- Excise duty rate on sugar sweetened beverages be increased in phases by RM0.40 per litre.
- Minimum wage be increased from RM1,500 to RM1,700.

FINANCIAL INSTITUTIONS
- Stamp duty exemption be given for *Skim Pembiayaan Mikro* loan or financing agreements for amounts of up to RM100,000.
- Fixed stamp duty of RM10 on loan or financing agreement for purchase of goods (other than hire purchase) under *Shariah* principles.

REAL ESTATE & PROPERTY
- Reintroduction of housing loan interest payment for first residential homes:-
  - up to RM7,000 for homes priced up to RM500,000; and
  - up to RM5,000 for homes priced above RM500,000 and up to RM750,000.
- Self-assessment system for stamp duty by phases effective 1st January 2026.

CAPITAL MARKET
- 100% stamp duty exemption be given on loan or financing agreements executed by MSMEs and investors through the Initial Exchange Offering platforms registered with the SC for 2 years.

Please refer to our Tax Flash – October 2024 (Special Edition) issue for the comprehensive write up of the 2025 Budget.