

Pekeliling KP/Arahan Teknikal

Nombor Pekeliling : 02

Tarikh Keluaran :

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Tajuk : 10. Income Tax (Deductions for the Employment of Disabled Person) Rules 1982-Tax-changes for 1982

Seksyen : 10. Income Tax (Deductions for the Employment of Disabled Person) Rules 1982

10. INCOME TAX (DEDUCTIONS FOR THE EMPLOYMENT OF DISABLED PERSON) RULES 1982

The above Rules gazetted as P.U.(A) 73 are made to encourage the employment of physically or mentally disabled persons by allowing a double deduction of the remuneration paid to such employees in computing the adjusted income of the employer. The Rules have effect for the year of assessment 1982 and subsequent years of assessment.

10.1 The remuneration must be of a kind allowable under Section 33 of the Income Tax Act 1967 and means any wages, salary, leave pay, fee, commission, bonus, gratuity, allowances (including a housing allowance and other like allowance) or other emoluments paid in cash by or on behalf of any employer to an employee. It does not include, however, contributions by the employer to Employees Provident Fund or any approved provident fund or contributions to SOCSO.

10.2. In order to qualify for double deduction of the remuneration paid to a physically or mentally disabled employee it is necessary to satisfy the Director General that -

- (a) the employee is physically or mentally disabled and
- (b) he would not have been able to perform the work of a normal person.

It is sufficient proof of an employee's disability if an employer is able to produce a certificate by a medical practitioner or by a registered society or association involved in the care and rehabilitation of disabled persons. The second test is more difficult to apply. It must be taken to mean that a disabled person cannot perform the work of a normal person without a lowering of productivity or he cannot perform the work without the aid of special equipment or apparatus. As an example, a one-arm person may be quite able to

perform a clerical desk-job at the same level of productivity as any other normal person but would be handicapped if he is required to use the manipulative skills of both arms (and hands) in an assembly function without the use of external aid. It is necessary therefore to examine the type of job in which the disabled person is engaged in and if it can be shown that his productivity is lower than that of a normal person or he is not able to perform the job without the aid of special equipment or apparatus, then he can be considered have satisfied the test.