

**MINISTRY OF HIGHER EDUCATION**  
*Private Higher Education Institution Management Sector*



**(I) TAX INCENTIVES FOR PRIVATE HIGHER EDUCATION INSTITUTIONS**

	<b>ELIGIBILITY</b>	<b>TAX INCENTIVES</b>	<b>AGENCY</b>	<b>TYPES OF FORMS</b>
1.	<p>PHEIs that provides technical or vocational courses and also science courses in selected fields :</p> <ul style="list-style-type: none"> <li>biotechnology</li> <li>medical and health sciences</li> <li>molecular biology</li> <li>material sciences and technology</li> <li>food sciences and technology</li> </ul> <p>Existing PHEIs providing the above courses that undertake new investments to upgrade their training equipment or expand their training capacities also qualify for this incentive</p>	<p>Investment Tax Allowance of 100% for 10 years offset against 70% of statutory income for each year of assessment</p>	MIDA	<p>a. New Technical and Vocational Training Institutions or new PHEIs in the field of science</p> <p>- Form T/JA-1</p> <p>b. Existing Technical and Vocational Training Institutions or Existing PHEIs in the field of science</p> <p>- Form T/JA-2</p>
2.	<p>Multimedia Faculties in Institutions of Higher Learning:</p> <p>Tax incentives accorded to MSC companies extended to multimedia faculties which provide courses in media, computer, information technology, telecommunications, communications and contents related to data, voice, graphics and images</p>	<p>Pioneer Status (PS) with 100% tax exemption for a period of 10 years or Investment Tax Allowance (ITA) of 100% for 5 years offset against 100% of statutory income for each year of assessment.</p> <p>Duty free importation of multimedia equipment.</p>	MDEC	<p>PIA'86(PS-BP)/MSC-(06) for Pioneer Status;  PIA'86(ITA)/MSC-(06) for ITA;</p> <p>Lampiran C</p> <p>Multimedia Development Corporation Sdn Bhd,  Industry Development Division,  MSC Headquarters  2360 Persiaran APEC  63000 Cyberjaya  Attn: Manager, Operation-IDD</p>

3.	Companies involved in the export of educational services	<p>i. Tax exemption on income equivalent to 50% of the value of the increased export of higher education</p> <p>ii. Double deduction for expenses incurred in the promotion of export of higher education</p>	LHDN	<p>Form LHDN/BT/AIES/2003-1 Pin 2007</p> <p>Form LHDN/BT/DD/POE/HE/2004</p> <p>Chief Executive/Director General Inland Revenue of Malaysia Technical Department 12th Floor, Block 9 Government Office Complex Jalan Duta 50600 Kuala Lumpur</p>
4.	<p>Any person who owns buildings used for industrial, technical or vocational training approved by the Minister of Finance</p> <p>Any company who owns buildings used for a school or an educational institution approved by the Minister of Higher Education</p>	Expenses incurred in constructing or purchasing the building are eligible for Industrial Building Allowance of 10% for 10 years	LHDN	No specific form
5.	Computers and information technology assets including software acquired by IPTS	Expenses incurred eligible for Accelerated Capital Allowance ie: Initial allowance of 20% and annual allowance of 40%	LHDN	No specific form
6.	PHEIs approved technical and vocational training institutions, private language centres	Exemption of Import Duty, Sales tax and Excise Duty on all educational equipment including laboratory, workshop, studio and language laboratory equipment	MIDA	PC Services (2007)
7.	Non-resident franchisors providing franchised education programs approved by Ministry of Higher Education	Tax exemption on royalty income paid by educational institutions to non-resident franchisors	LHDN	No specific form

8.	Incentive for lecturers providing accreditation of Franchised Education Programs	Fees or honorarium received from MQA by lecturers/experts who provide services in the validation, moderation or accreditation process to ensure franchised education programs are the same quality as those of franchisor institutions, are exempted from income tax	LHDN	No specific form
9.	Companies that do not contribute to HRDF, but provide training for their employees	Companies that incurred expenses for approved training of its employees are eligible for Double Deduction. The training should be at approved training institutions	LHDN	No specific form available  Tax payers can directly claim the expenses occurred. However, it has to be substantiated with documents.
10.	Deduction for pre-employment training	Training expenses incurred before the commencement of business qualify for single deduction. The institution must prove that they will employ the trainees	LHDN	No specific form available  Tax payers can directly claim the expenses occurred. However, it has to be substantiated with documents.
11.	Deduction for non-employee training	Expenses incurred in providing practical training to residents who are non employees of the institution qualify for single deduction	LHDN	No specific form available  Tax payers can directly claim the expenses occurred. However, it has to be substantiated with documents.
12.	PHEIs that has incurred expenses for the development and compliance of new courses	Expenses incurred for the development and compliance of new courses qualify for single deduction amortised for 3 years	LHDN	No specific form available  Tax payers can directly claim the expenses occurred. However, it has to be substantiated with documents.

13.	Non-profit oriented Government assisted and private schools (including schools formed by a body of persons, trust body or a company limited by guarantee)	100% tax exemption on all income received by non-profit oriented schools.	LHDN	No specific form available
14.	Life Long Learning Individual tax payers pursuing studies - at the tertiary level in selected fields* of study at any institution or professional body in Malaysia as approved by the MOF - at the post graduate level in all fields (masters and doctorate) *technical, vocational, industrial, scientific, law, technological, accounting, Islamic Finance skills	Tax relief not exceeding RM5,000 per annum	LHDN	Tax returns form  Tax payers can directly claim the expenses occurred. However, it has to be substantiated with documents.

## (II) TAX INCENTIVES FOR CONTRIBUTORS TO EDUCATION SECTOR

1.	A company or an individual incurring expenditure in the provision of services, public amenities and contributions to a charity or community project pertaining to education approved by Minister of Finance	Single deduction is given for the expenses incurred.  Provided no further deduction of the same amount be allowed under Sec 44(6) ITA.	MOF	
2.	Library: A company or an individual incurring expenditure in the: Provision of library facilities which are accessible to the public; Contributions to public libraries and libraries of schools and institutions of higher education.	Single deduction is given for the expenses incurred.  Amount allowed cannot exceed RM100,000 per year of assessment.	LHDN	No specific form available  Tax payers can directly claim the expenses occurred. However, it has to be substantiated with documents.

3.	<p>Scholarship: A company incurring expenditure in the provision of scholarship to a student for a diploma or degree course or equivalent of a diploma or degree program undertaken at a recognised higher educational institution in Malaysia.</p>	<p>Single deduction is given for the expenses incurred. Provided that the student:</p> <ul style="list-style-type: none"> <li>i. full time education;</li> <li>ii. has no means of his own; and</li> <li>iii. total monthly income of parents/guardian not exceed RM5,000</li> </ul>	LHDN	<p>No specific form available</p> <p>Tax payers can directly claim the expenses occurred. However, it has to be substantiated with documents.</p>
4.	<p>Research: A company or individual contributing in cash to an approved research institution.</p>	<p>Double deduction for expenses incurred.</p> <p>Provided no deduction of the same amount be claimed under Sec 33, 34 and 34A ITA 1967.</p>	LHDN	Not applicable for education sector
5.	<p>Research: Payment made for the use of services of: an approved research institute or approved research company approved by Minister of Finance.</p> <p>A research and development company or contract research and development company which is defined under section 2 PIA 1986.</p>	<p>Double deduction for expenses incurred.</p> <p>Provided no deduction of the same amount be claimed under Sec 33, 34 and 34A ITA 1967.</p>	LHDN	Not applicable for education sector