

## FACT SHEET: INVESTMENT TAX ALLOWANCE

You may find that you are better suited for Investment Tax Allowance (ITA) rather than Pioneer Status. Generally speaking, ITAs are better for companies that may need to incur significant capital expenditure for new equipment or other assets or for companies that need to carry out a comprehensive Research and Development (R&D) programme that eats up capital.

A company awarded the ITA can claim an allowance of 60% on its qualifying capital expenditure for machinery, plant or other equipment used for the awarded project and incurred within five years of the initial capital expenditure.

The company can offset this allowance against 70% of its statutory income for each year of assessment. Any unutilised allowance can be carried forward to subsequent years until fully utilised.

The remaining 30% of its statutory income will be taxed at the prevailing company tax rate in the country at the time.

Your account manager will work with you to determine what suits you best. You can also refer to the [Malaysia Industrial Development Authority \(MIDA\)](#) website.