

# APPENDIX 2

## Rental Qualified as a Business Income

	Individual (three residential houses)	ABC Sdn Bhd (two shop-offices)
<b>Rental Income</b>	311,616	311,616
<b>Less:</b> Personal relief	8,000	-
Wife relief	3,000	-
Child relief (3 x 1,000)	3,000	-
Life insurance	3,000	-
<b>Allowable Direct Expenses</b>		
Quit Rent & Assessment Fees	15,950	15,950
Insurance	3,524	3,524
Upkeep of Premises	10,576	10,576
Term Loan Interest	55,000	55,000
	<b>(102,050)</b>	<b>(85,050)</b>
<b>Net Rental Income</b>	<b>209,566</b>	<b>226,566</b>
<b>Less: Administrative &amp; General Expenses</b>		
Water & Electricity	-	4,800
Traveling Expenses	-	5,280
Telephone Expenses	-	4,680
Secretarial & Accounting Fee	-	4,500
Audit Fee	-	4,000
EPF & SOCSO	-	6,240
Printing & Stationery	-	4,800
Medical Fee	-	6,000
Staff Refreshment	-	6,000
Upkeep of Office	-	2,400
Upkeep of motor vehicles	-	7,200
		(55,900)
Taxable Income	209,566	170,666
Individual First 150,000	27,975	
Balance 59,666@27%	16,082.82	
	44,057.82	
Company @ 20%		34,133.20
<b>Tax saving for Company vs Individual</b>		<b>9,924.62</b>