



SERVICE TAX POLICY NO. 2/2021

**SERVICE TAX TREATMENT ON GROUP A: ACCOMMODATION
FIRST SCHEDULE SERVICE TAX REGULATIONS 2018
UNDER THE PEOPLE AND ECONOMIC STRATEGIC EMPOWERMENT PROGRAMME
(PEMERKASA)**

- 1 The Prime Minister has announced under the People and Economic Strategic Empowerment Programme (PEMERKASA) on 17 March 2021, the service tax exemption for accommodation premises will be extended until 31 December 2021.
- 2 Service granted for the exemption is the taxable services as prescribed under column 2, Group A: Accommodation, First Schedule, Service Tax Regulations 2018, which is **provision of accommodation premises.**
- 3 Accordingly, there are two (2) service tax exemptions with regards to accommodation as follows:
 - 1.1. exemption from payment of service tax to any person staying in an accommodation premises; and
 - 1.2. an accommodation premises operator which is registered under service tax is exempted from charging a service tax on accommodation services.
- 4 **Provision of taxable services as prescribed in items (b), (c) and (d), column (2), Group A: Accommodation, First Schedule, Service Tax Regulations 2018 by the registered accommodation premises operator are subject to tax service.**
- 5 The tax exemption is for a period of six (6) months with effect from 1 July 2021 until 31 December 2021.
- 6 Responsibility of accommodation premises operator:
 - 6.1 Shall continue issuing invoice and shall state under the tax column as "0%" or "tax exempted"
 - 6.2 Shall submit the SST-02 form in accordance to the taxable period.
 - 6.3 Shall declare the total value of exempted services in item 18 (c) of SST-02 form.

- 7 Where the exempted services which occur on 31 December 2021 and end on 1 January 2022, the service shall be exempted from service tax.
- 8 With effect of this Service Tax Policy No. 2/2021, the Service Tax Policy No. 9/2020 (Amendment No.2) is revoked.

**BAHAGIAN CUKAI DALAM NEGERI
IBU PEJABAT KASTAM DIRAJA MALAYSIA, PUTRAJAYA**