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**INTRODUCTION OF CORPORATE TAX**  
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Corporate tax is the tax on the profits of a corporation. It is a tax on the income of a corporation, not on the income of its shareholders. The tax is levied on the corporation's profits, which are the corporation's income minus its expenses. The tax rate varies by country and by the type of corporation. In the United States, the corporate tax rate is 21% for corporations with taxable income of more than \$50,000. For corporations with taxable income of less than \$50,000, the tax rate is 15%.



**TAX REFORM**  
Tax reform is a process of changing the tax system. It can involve changes to the tax rates, the tax base, or the tax structure. Tax reform is often undertaken to address issues such as tax evasion, tax avoidance, and the burden of taxation. In the United States, the Tax Cuts and Jobs Act of 2017 is a major example of tax reform.

**CONCEPTS OF TAX RATES**



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## OBJECTIVE


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01 | 


**Introduction of  
Company Tax**

02 | 


**Importance of  
Company Tax**

03 | 


**Concept of Tax  
Rate**

04 | 

**Company  
Income Tax  
System**

05 | 

**Trends &  
Comparison of  
Global Company  
Income Tax**

06 | 

**Tax Reform**

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Due to blooming market in health products industry, **Ying** and **Lanlan** are considering to form a company.

However, both of them have no idea about possible **corporate income tax's** implication on their revenue...



# INTRODUCTION OF CORPORATE TAX

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- Company/corporate tax is tax levied **profits** of a company.
  - These could include taxes on income and other taxes.
  - Usually imposed on the **net taxable income**  
(i.e.: statement of financial income with amendments)
  - The tax rates **differs** by jurisdiction  
e.g.: Malaysia **24%**, US **35%**, Zimbabwe **25.5%**
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## Most economies around the world have a corporate income tax



Ninety five percent of economies in the 2012 *Paying Taxes* study charged corporate income tax on company profits.

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**95%**

Source: Corporate income tax- a global analysis (PWC)

# Fairness & Equity

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- Corporates is "**Legally Person**" granted several privileges.
- Charged for consume of **Public Goods**.
- **Deep pocket** of economy system.
- Shall pay **fair share** for maintenance of public services.



# Backstop to Personal Income Tax

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- Difficult to administrate tax on **capital income/ retained profit** accruing to individual
- Capital gain on shares **hard** to tax on **accrual** basic.
- Without CIT, many wealthier personal income go **untaxed**.

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