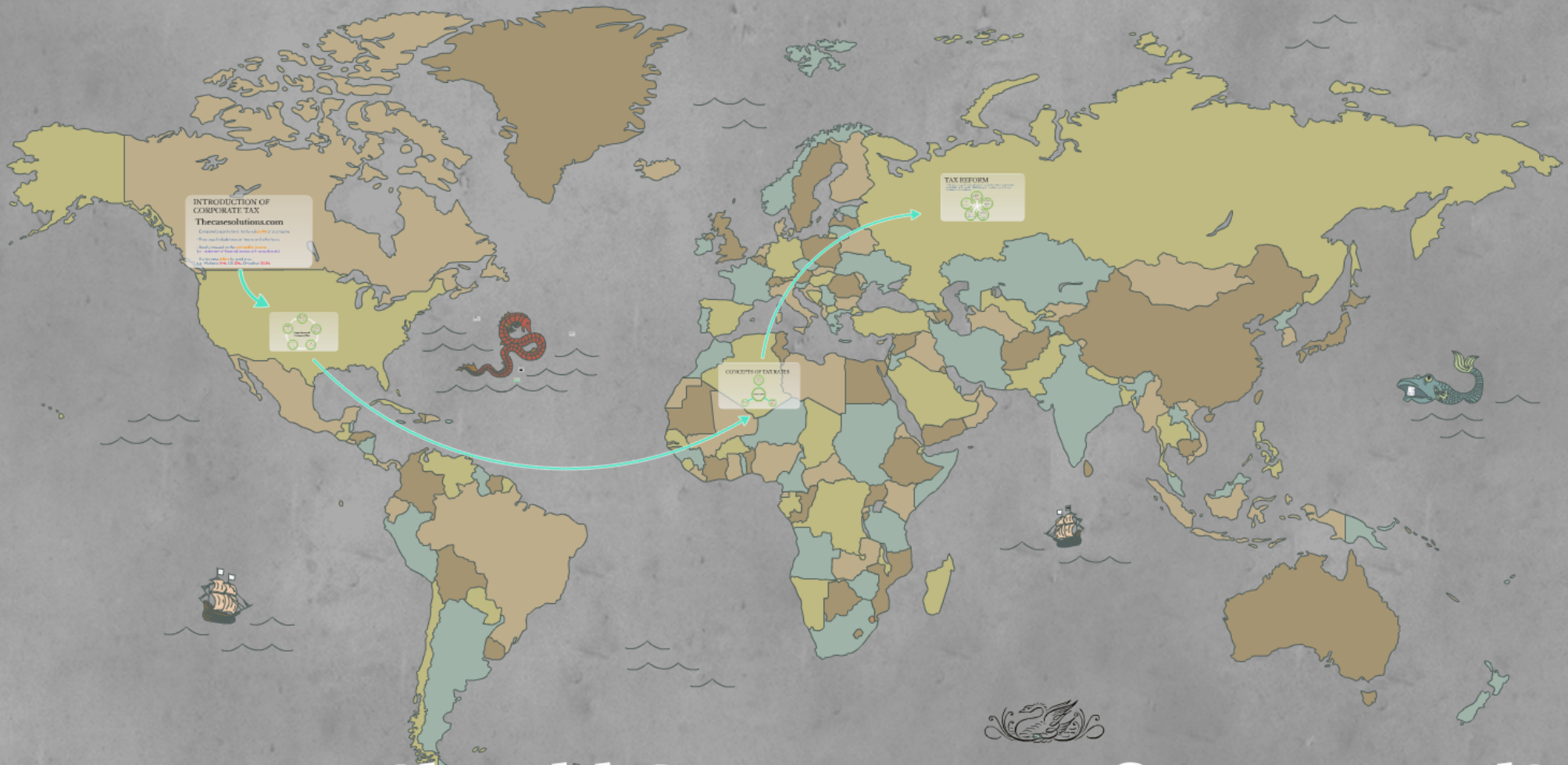


Should Corporate Profits Be Taxed?

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INTRODUCTION OF CORPORATE TAX
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Corporate tax is the tax on the profits of corporations.
It is levied on the net income of the corporation after deducting the expenses incurred in the production of income.
It is levied on the net income of the corporation after deducting the expenses incurred in the production of income.



CONCEPTS OF TAX RATES

TAX REFORM



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OBJECTIVE

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%**
- 
- 

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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