

REAL PROPERTY GAINS TAX (RPGT)



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DEFINITION

REAL PROPERTY GAINS TAX (RPGT)

RPGT is a form of Capital Gains Tax levied by the Inland Revenue (LHDN) that is chargeable upon profit made from the sale of the property, where the resale price is higher than the purchase price (chargeable gain)

Chargeable gain is the profit that the owner makes for selling a property at a higher price than purchase price

Formula for RPGT

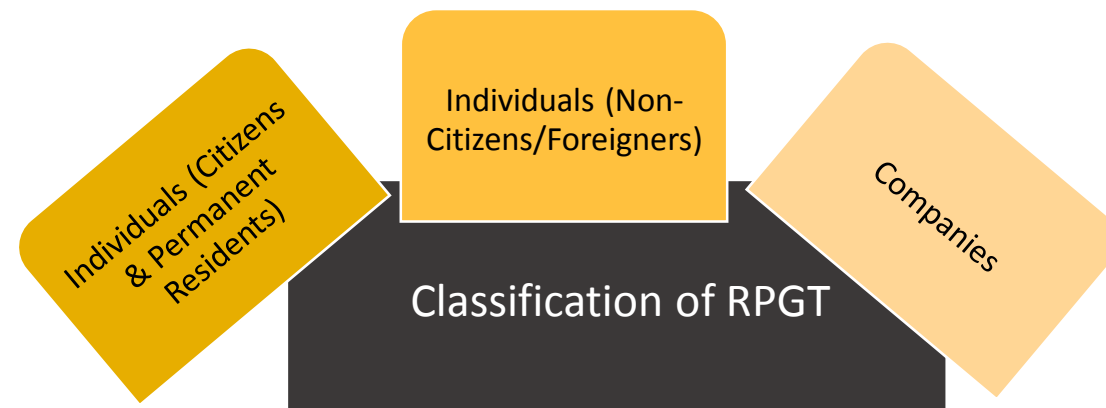
RPGT Payable = Net Chargeable Gain x RPGT Rates

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RATES OF RPGT

REAL PROPERTY GAINS TAX (RPGT)

	Citizens	Non - Citizens	Companies
≤ 3 rd year	30%	30%	30%
4 th year	20%	30%	20%
5 th year	15%	30%	15%
≥ 6 th year	5%	10%	10%



* Rates are as at 1st January 2019

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CALCULATION OF RPGT

REAL PROPERTY GAINS TAX (RPGT)

**Chargeable
Gain** = Disposal
Price -
Purchased
Price

**Net Chargeable
Gain** = Chargeable
Gain - Exemption
Waiver

Tax payable =
RPGT Rate (based
on holding period)
* Net Chargeable
Gain

**Exemption
Waiver**
(RM10,000 or
10% of
Chargeable Gain,
whichever
is higher)

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EXEMPTIONS

REAL PROPERTY GAINS TAX (RPGT)

PRIVATE RESIDENCE

Exemption on gains from the disposal of one private residential property once-in-a-lifetime to individual

TRANSFER AS GIFTS

Exemption on gains arising from the disposal of real property between family members (e.g. husband and wife; parents and children; grandparents and grandchildren)

CHARGEABLE GAIN

10% of profits OR **RM10,000** per transaction (whichever is higher) is not taxable

5 TERMS

REAL PROPERTY GAINS TAX (RPGT)

The total price paid when **buying** of the property

The costs include:

Valuation fees

Legal fees

Stamp duty

Agent fees

PURCHASED PRICE

DISPOSAL PRICE

The total price paid when **disposing** of the property

The costs include:

Advertising fees

Legal fees

Renovation costs

Agent fees