COMPLETING YOUR TAX RETURN

A Step-by-Step Guide

Basis Year 2019

Year of Assessment 2020

OFFICE OF
THE COMMISSIONER
FOR REVENUE

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THE COMMISSIONER
FOR REVENUE

This information booklet has been produced by the Office of the Commissioner for Revenue to help you fill in your tax return for the basis year 2019 in a complete and correct manner.

Please note that the booklet is a guide only and has no legal force whatsoever.

For further information:

- Visit our website: **www.cfr.gov.mt**
- Call: **Freephone 153**
- Email: **taxpayerservice.cfr@gov.mt**

The Office of the Commissioner for Revenue uses the information provided to process your Income Tax Return and Self-Assessment in accordance with the Income Tax Acts and subsidiary legislation. We may check information provided by you, or information about you provided by a third party, with other information held by us. We will not disclose information about you to anyone outside the Office of the Commissioner for Revenue unless permitted by law. The Office of the Commissioner for Revenue treats your personal information in accordance with the Regulation (EU) 2016/679 (General Data Protection Regulation) and the Data Protection Act (Cap 586) to protect your privacy.

Any queries may be addressed to **The Data Controller, Office of the Commissioner for Revenue, Floriana, FRN 1700**.

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GENERAL INFORMATION

YOUR TAX RETURN: THE SELF - ASSESSMENT SYSTEM

Deadline and submission

Your income tax return should reach the Commissioner for Revenue by no later than 30th June 2020. If you do not submit your tax return by this date, the Commissioner for Revenue will issue a tax statement based on estimated amounts rather than accurate figures.

You may send your tax return to the Commissioner for Revenue by post from anywhere in Malta by using the envelope enclosed, free of charge.

Income tax rates

Income tax rates are explained in this booklet and a table listing all available income tax rates can be found at the back of the booklet.

Language choice

The income tax return is available in either Maltese or English. The language version you receive is based on the language choice made when you registered as a taxpayer in Malta. If you require your tax return in the second available language, contact the Office of the Commissioner for Revenue.

Checks and enquiries

Although the Commissioner for Revenue will be accepting your tax return as declared by you, he may make additional checks deemed necessary by certain circumstances. If the results of these checks show that you have not paid all chargeable tax, penalties may have to be imposed. The additional tax and interest will be charged as from the income tax return's due date (30th June 2020).

Further assistance

Should you require further assistance with completing your personal income tax return, please call our Freephone 153 to set up an appointment with one of our representatives.

MARRIED COUPLES

Joint tax return

A married couple's income is to be declared in a joint return. For the purposes of this self-assessment, the definition of "married couple" includes two partners who have registered their partnership as a civil union.

Responsible spouse

The married couple may choose which of the two spouses is to be the responsible spouse by filling in the appropriate form, which is available from the Office of the Commissioner for Revenue's Taxpayer Service.

In a joint tax return, the word "Self" refers to the responsible spouse. Therefore, steps 1 to 8 in the tax return must show the emolument and business income of the responsible spouse in the left-hand column (under "Self"). The emolument and business income of the other spouse is to be shown in the right-hand column (under "Spouse").

The income and relative deductions of a dependent child (i.e. a child who is not required to fill in an income tax return in his or her own right) are to be included with the income of the responsible spouse.

Separate computation

A married couple may apply the single (or parent, if applicable) rates of tax if they consider these to be more advantageous to them.

"Separate tax computation" applies only to income from employment, trade, business, profession, vocation or pension income received in view of past employment. All other income is chargeable in the hands of the spouse with the higher total emolument and business income.

Directors' fees are always chargeable in the hands of the responsible spouse – whether these are earned by the responsible spouse or by the other spouse.

The income tax return and the tax statement of a married couple will be issued in the name of the responsible spouse. However, responsibility for the payment of tax lies with both spouses jointly and severally.

Taxpayers who married during 2019

For those couples who got married in 2019, the income tax return of the responsible spouse is to include (1) the income of the responsible spouse for the whole of 2019 and (2) the income of the other spouse from the date of marriage to 31st December 2019. The "Married" rates, or separate tax computation, are to be applied thereon.

The tax return of the other spouse is to include his or her income from 1st January 2019 to the date of marriage. The "Single" rates are to be applied on this income.

SEPARATED / DIVORCED COUPLES

In cases where a couple has separated (both de facto and de jure), both spouses are required to register separately as taxpayers with the Commissioner for Revenue. This can be done by notifying the Commissioner for Revenue, specifying the date of separation and referring to any arrangements made between the spouses regarding alimony paid to the other spouse and/or the children.

Each spouse is responsible for filing his or her own tax return covering income earned from 1st January to 31st December. Each individual will be taxed as a single person and will be responsible for paying the relative tax on the income he or she earned. "Married" rates will apply only if the individual qualifies as a single parent (see following sections).

In cases of separation or divorce, it is important that the Office of the Commissioner for Revenue is notified regarding any change in the residential addresses of the respective spouses as soon as the change of address occurs.

PARENTS

Parent tax rates apply to parents who maintained under their custody a child, or who paid maintenance in respect of their child, during 2019.

Parent tax rates apply only when the child was not over 18 years old (or not over 23 years old, if receiving full-time instruction at a tertiary education establishment) and not gainfully occupied. Or, if the child was gainfully occupied, he or she did not earn an income in excess of €3,400. Students' grants are excluded from this amount because they are not income received through gainful occupation.

SINGLE PARENTS

Unmarried individuals, widows or separated/divorced individuals (both de facto and de jure) who maintained a child during 2019 may compute their tax charge by applying the "Married" tax rates instead of the "Parent" rates. To qualify for the "Married" rates, each of the following conditions must be met:

- The parent must have maintained a child who, during 2019, was not over 16 years old. If the child was over 16 years old, the parent might still qualify for the benefit provided the child was a full-time student or incapacitated from maintaining him or herself.

- The child did not have an income exceeding €3,400 (including any students' grants received).
- The parent was recognised by the Director of Social Security as the sole beneficiary of the child/ren's allowance.
- The parent was not in receipt of financial assistance from the other parent on behalf of the child/ren.
- The parents were not living together.

If you are a single parent, tick the correct tax status on page 1 of your income tax return. A self-declaration must also be submitted to the Commissioner for Revenue.

PERSONAL DETAILS

Identity details

Check the identity details printed on page 1 of your income tax return and make the appropriate corrections in the space provided. Please write your telephone number and email address on page 1.

Changes in personal details

It is important to note that changes in residential addresses or changes affecting your marital status that take place during the year should be communicated to the Office of the Commissioner for Revenue by email or letter when the change occurs.

Tax status

Your tax status ("single" or "married and living together") as known to the Office of the Commissioner for Revenue is printed on page 1. If the tax status is incorrect, tick the appropriate box showing your new tax status and the date of the change.

Residency status

Different rates of tax apply to taxpayers who are not residents of Malta. Therefore, in your tax return, you are to indicate your residency status for income tax purposes.

Nonresident taxpayers

If your answer to question 1 is "No" (i.e. you were not resident in Malta for income tax purposes during 2019), you must answer question 2 and/or 3 and indicate the period during which you were in Malta during 2019. If you had multiple stays in Malta during 2019, attach a list of the relevant dates.

You can refer to our website for technical guidelines on who should be considered as resident in Malta for Maltese tax purposes.

Declaration

The declaration on page 1 is to be signed and dated. The tax return will not be considered complete unless properly signed. The tax return of a married couple must be signed by both spouses. If it is signed by the responsible spouse only, it will be deemed to have been signed by both.

OTHER INFORMATION

Tax advice

If you are attaching with your tax return the original written advice of a tax professional in terms of the Income Tax Act, you are required to tick the box adjacent to the item and supply the name of the tax professional in the space provided.

General basis of taxation

If you are domiciled and ordinarily resident in Malta, you should declare all your 2019 income (including that of your spouse and dependent children) from whatever source. If you are either not domiciled or not ordinarily resident in Malta, you should declare all income accruing to you in Malta or derived from Malta (including that of your spouse and dependent children), as well as any income that was remitted to Malta during 2019.

Disregard or round up the cents

When filling in your tax return, enter the amounts in euro, leaving out the cents. This is done as follows:

- When determining your CHARGEABLE INCOME, disregard any fraction of a euro. For example, if you received a salary of €11,155.65, enter €11,155 in box 1.

- When determining any DEDUCTION AGAINST INCOME, round up to one euro. For example, if you need to effect a deduction of €60.45 from rental income, enter €61 in box 16b.

- When computing the TAX DUE (that is, from section 26 onwards), disregard any fraction of a euro being equal to or less than fifty cents, and round up to one euro any fraction of a euro exceeding fifty cents.

COMPLETING YOUR INCOME TAX RETURN

EMOLUMENT AND BUSINESS INCOME

On page 2 of your tax return, you are required to include all your emolument and business income.

If your tax status is "Single", you must declare your income under the "Self" column. If your tax status is "Married and living together", you must declare the income of the responsible spouse under the "Self" column and the income of the other spouse under the "Spouse" column. If your tax status is "Single parent", you must declare your income under the "Self" column.

The numbered sections from this page of the booklet onwards correspond to the number of each section in your tax return.

1. Employment or Office

In this section, you are to include your gross income received during 2019 from employment or office. This includes salary or wages, bonuses, overtime, directors' fees, fringe benefits, and other payments and allowances, including commissions. More information regarding what should and should not be included in your gross income is provided later in this section.

For each separate source of income from employment or office, enter the PE number of the payer. FS3s are to be attached to page 3 of your tax return.

Directors' fees

If you or your spouse received director's fees, these are to be included in box 1 under the "Self" column. You may not opt for separate computation in respect of such fees.

Part-time employment

Part-time employment income up to a maximum of €10,000 – which qualifies under the part-time rules and on which tax at 15% has already been paid – is not to be included in your tax return unless you need to claim back some of the tax that has already been paid. In this case, include your part-time gross income in box 1 and claim the tax already deducted in box 35. If tax on part-time income is going to be claimed back, FS3s in respect of each source are to be attached to page 3. Any part-time income over €10,000, or part-time employment income that does not qualify under the part-time rules, is to be included in box 1.

Reduced income tax rates for police officers

Income received for extra duties carried out by police officers will be taxed separately at the rate of 15%. Therefore, such income should not be included in your income tax return unless you need to claim back tax that has already been paid.

Special tax rate of 7.5% on income derived from sport

A registered player, athlete or licensed coach earning an income taxed at the special rate of 7.5% should not include this income in the tax return unless the individual needs to claim back tax that has already been paid.

Salary arrears

Arrears of salary received in 2019 are taxable in 2019 and should be included in box 1.

Exemption for students' stipends

If you are a student filing your tax return, note that students' stipends are exempt from income tax and therefore should not to be included in your tax return.

2. Trade, Business, Profession or Vocation

For each source of income from trade, business, profession or vocation, you must provide the VAT number and the net profit earned during 2019. In the case that such business does not need VAT registration, mark the box N/A (not applicable). If this income was derived from a trade or business carried out in partnership, tick the appropriate box.

In the case of a loss, indicate the loss in brackets.

A Profit and Loss account is to be signed by the taxpayer or his/her accountant and attached to page 3 of the tax return. For this purpose, you may use the enclosed sample Profit and Loss statement.

If the trade or business is carried out in partnership, include the following details in your Profit and Loss account: (1) the partnership number, (2) the name of each partner and (3) the ID card number of each partner.

Note that special legislation is in place that provides for cross-checking between the VAT data available regarding sales and purchases.

Trading losses brought forward from previous years should not be declared in this section. They should be declared in box 21 on page 3 of your tax return.

Part-time self-employed 15% threshold

Part-time net profit of up to a maximum of €12,000, which qualifies under the part-time rules and on which tax at 15% has been paid, is not to be included in your tax return. Any profits in excess of €12,000 or profits from part-time self-employment that do not qualify under the part-time rules are to be declared in the tax return.

Sale of agricultural produce

If during 2019 you derived income from the sale of agricultural produce, refer to the leaflet issued with the RA1 form to help you fill in this part of the tax return correctly.

Income from student hosting

If you are registered with the Malta Tourism Authority as a host family and you received payments from a registered language school, you should fill in the RA6 form – available for download from the website of the Office of the Commissioner for Revenue (https://cfr.gov.mt/en/individuals/Pages/Return-Attachments-Individuals.aspx). Attach to page 3 of your income tax return the RA6 form together with the statement/s provided by the language school/s showing the total payments made for the year.

3. Pensions and Social Security Benefits

In this section, you are to include both local and foreign gross pension income and certain social security benefits received during 2019. For each source of pension income, include the PE number (or another reference number) and attach an FS3 or similar statement to page 3 of your tax return. Pensioners in receipt of a social security pension do not need to attach a social security pension statement with their income tax return.

Certain social security benefits, such as unemployment or sickness benefits, are taxable and should also be declared in box 3.

War pensions and certain allowances/benefits payable under the Social Security Act, which are exempt from income tax, do not need to be declared.

FSS tax deductions made from local pension payments are to be claimed in box 35.

Note that although pensions are being allowed a tax rebate, your gross pension income must still be declared in this section.

4. Overseas Employment

In this step, you must declare the gross amount of emoluments received under a contract of employment requiring the performance of work or duties mainly outside Malta. Insert the PE number of your employer in the box provided.

The following information in respect of each source of overseas employment must be provided on a separate statement and attached to page 3:

- Country where the duties were performed;
- Employer's name and PE number;
- Duration of contract;
- Amount of gross income (in euro).

If you satisfy the conditions for overseas employment and you (or your spouse, if married) wish to have this income taxed at 15%, you are required to tick the box adjacent to this item.

5. Sub Total

Refer to your income tax return for instructions on how to calculate the Sub Total.

6. Deductions from Employment or Office

If you are an individual whose tax is calculated using the "Single" tax rates and during 2019 you only received employment income of no more than €9,700, you are to deduct the difference between your income and €9,100 by using this box in your tax return. For example, if your employment income during 2019 amounted to €9,400, you are to enter this amount in box 1a and deduct €300 (€9,400 – €9,100 = €300) in box 6.

7. Tax Exemptions

In this section, you may deduct any income declared in steps 1 to 3 that is exempt for tax purposes. This section may include the following kinds of exempt income.

Royalties derived from patents
Royalties and similar income derived from patents in respect of inventions for which approval was issued by Malta Enterprise are exempt from tax.

Persons returning to work
A married couple may opt to be taxed at "Married" tax rates, without taxing the spouse's employment income (other than income derived from holding the office of director), provided that the following conditions are all met:

- The spouse has been absent from any gainful occupation for at least five years.
- The spouse was not on the unemployment register during the time in question.
- The spouse is over 40 years old.
- The spouse's income does not exceed €9,700.

This incentive applies for a period of five consecutive years of assessment commencing from the basis year in which the spouse started work.

To apply for this incentive, you need to fill in an RA19 form – available for download from the website of the Office of the Commissioner for Revenue (https://cfr.gov.mt/en/individuals/Pages/Return-Attachments-Individuals.aspx)..

8. Total Emolument and Business Income

Refer to your income tax return for instructions on how to calculate Total Emolument and Business Income.

INVESTMENTS, CAPITAL GAINS AND OTHER INCOME

9. Local dividends

Local Dividends
Note that "local dividends" are categorized into two sections as follows.

Dividend income from shares listed on the Malta Stock Exchange

In Box 9ai, you should declare gross dividends arising from shares listed on the Malta Stock Exchange, which are distributed to individuals whose holding of shares in a company represent less than 0.5% of the share capital of the company. This only applies to dividends that represent profits derived from the basis year 2017 onwards.

In the case of tax return filers, these shareholders may be able to claim a refund (box 38) of the tax at source paid by the company on its corporate profits which represent the difference between the corporate rate of tax and their personal applicable tax rate.

Other local dividends
In Box 9aii, other local gross dividends are to be declared. Other local dividends are those local dividends that do not the match the features explained in the previous section and that therefore need to be declared and taxed differently. The tax treatment of such dividends is explained as follows:

Persons using the **single rates of tax** who earned an income of:

- less than €19,500, excluding any dividends, may only declare that amount of dividend which when added up with their other chargeable income does not exceed a total of €19,500.
- more than €19,500, excluding dividends, shall not declare any dividends.

Persons using the **married rates of tax** who earned an income of:

- less than €28,700, excluding any dividends, may only declare that amount of dividend which when added up with their other chargeable income does not exceed a total of €28,700.
- more than €28,700 excluding dividends shall not declare any dividends.

Persons using the **parent rates of tax** who earned an income of:

- less than €21,200, excluding any dividends, may only declare that amount of dividend which when added up with their other chargeable income, does not exceed a total of €21,200.

- more than €21,200 excluding dividends, shall not declare any dividends.

It is important to note that for the scope of any of the above calculations where an individual receives more than one dividend, the aggregate amount of such dividends shall be treated as a single dividend.

Moreover, in cases where a tax return filer is entitled to claim a deduction against a dividend declared in the tax return, the amount or portion of the dividend, up to the amount of the said deduction, may be declared. In such cases, one may add the relative deduction amount to the respective threshold.

The following examples will help you arrive at the correct amount of dividends that should be included in your self-assessment.

Example 1:
Single Rates
A single person receiving employment income of €18,000 and local gross aggregated dividend of €3,000. The gross dividend amount is made up of €2,000 from Company A and €1,000 from Company C. The tax at source (TAS) on these dividends amounts to €1,050.

Chargeable income (excluding aggregate gross dividends)
€18,000

Less: relevant threshold (single rates)
€19,500

Dividends that may be declared
€1,500

In this example, the tax at source that can be claimed is determined by dividing the dividends to be declared in box 9a (€1,500) by the total dividends (€3,000) and multiplying the result by the total tax at source (€1,050), i.e. €1500 / €3000 x €1050.

Therefore, in this case €525 tax at source may be claimed in box 38.

Example 2:
Parent Rates
A person using the parent rates of tax receiving employment income of €32,000 and local gross aggregated dividend of €5,000. The gross dividend amount is made up of €3,000 from Company A, €1,000 from Company B and €1,000 from Company C.

Chargeable income (excluding aggregate gross dividends)
€32,000

Less: relevant threshold (parent rates)
€21,200

Dividends that may be declared **€0**

In this example, no dividends may be declared because the chargeable income excluding dividends exceeds the €21,200 threshold.

Example 3:
Married and living together
A married couple that does not qualify for the parent rates where Spouse A has an employment income of €19,000 and Spouse B has an employment income of €9,500. The couple also receives a gross dividend of €4,200. Tax at source on this dividend amounts to €1,470.

Option 1 - Separate Computation

Spouse A
Chargeable income (excluding aggregate gross dividends)
€19,000

Less: relevant threshold (single rates)
€19,500

Dividends that may be declared
€500
In this example, the tax at source claimed in box 38 is €175, i.e. (€500 / €4200) x €1,470.

Note that the dividend is being taxed with the higher income earner (in this example, Spouse A).

Spouse B
Total chargeable income of Spouse B amounts to €9,500. As this is the separate computation option, Spouse B's income is taxed using the single tax rates as per Example 1.

Option 2 - Joint Computation

Chargeable income (excluding aggregate gross dividends)
€28,500

Less: relevant threshold (married rates) **€28,700**
Dividends that may be declared
€200

In this example, the tax at source claimed in box 38 is €70, i.e. (€200 / €4200) x €1,470.

Local interest
Local interest income (including foreign currency accounts held at local banks) must be included in box 9b. Interest income from local banks, which has been taxed at source at 15%, should not be declared in your tax return. The 15% withholding

tax on local interest income is final and cannot be claimed back. Non-residents should note that their local interest income (i.e. interest on investments made in Malta) is exempt from income tax in Malta.

10. Foreign Investment Income

If you are domiciled and ordinarily resident in Malta, you must declare all foreign dividends and foreign interest income. Therefore, in this step of your tax return, you must include the gross amount of foreign dividends and foreign interest.

All other taxpayers (i.e. not domiciled or ordinarily resident in Malta) are required to declare only foreign dividends and foreign interest received in Malta.

Foreign dividends
In box 10a, include the total amount of gross foreign dividends (in euro).

Foreign interest
In box 10b, include the total amount of gross foreign interest (in euro), except:

- foreign interest from which final tax at 15% has been withheld;
- foreign interest on which an arrangement will be made with an authorised financial intermediary by 30th June 2020 for the payment of tax at 15%.

The 15% tax is final and cannot be claimed back in your tax return.

11. Rental Income

In box 11a, you should enter your total income from gross rents, premiums, key money, laudemia and any other receipts arising from immovable property. In box 11b, enter your total income from ground rents received.

Deductions against rental income are to be made in section 16.

Note that if income from the rental of property is carried out as a business activity (e.g. the short letting of holiday accommodation), this is to be included in section 2 and not in this section of your tax return.

Rental income received from the Housing Authority that was subject to a final tax of 5% should not be declared in your tax return.

Rental income and ground rents declared through TA24 and on which the 15% final tax has been paid should not be declared in your tax return.

12. Capital Gains Income

Enter the net amount of capital gains derived during 2019 in this section of your tax return. Taxable capital gains arise from the transfer of the ownership or usufruct of, or from the assignment or cession of any rights over, any immovable property, not subject to final withholding tax, securities, business goodwill, copyright, patents, trademarks and trade names.

FAQs about the transfer of immovable property situated in Malta are available on the website of the Office of the Commissioner for Revenue (www.cfr.gov.mt).

13. Income From Alimony

If you received alimony payments from an estranged spouse, this income is taxable and should be included in box 13 of your tax return. Income received during the year from an estranged spouse as maintenance payments for your child/ren is tax exempt and should not be declared.

14. Other Income

In box 14, you must include any other income to be declared which has not been included elsewhere in your tax return. You should attach appropriate documentation regarding each amount of other income declared to page 3 of your tax return.

15. Total

Refer to your income tax return for instructions on how to calculate the Total.

DEDUCTIONS

16. Rental Deductions

Deduct the following expenses in connection with rental income:

- In box 16a, deduct ground rent payable.
- A further deduction of 20% (on gross rent less ground rent) is allowable irrespective of whether or not actual expenditure has been incurred. Include this deduction in box 16b.

Example:
Gross rent = €400
Less: ground rent payable
eg. €40=€360

Enter €72 in box 16b.

In this example, with a gross rent less ground rent of €360, €72 (20% of €360 = €72) should be entered in box 16b.

The 20% further deduction is not allowable against the ground rents declared in box 11b. Only the ground rents paid may be deducted.

The total amount of deductions for each separate rental property in boxes 16a and 16b must not exceed the amount of rental income declared for that property in section 11.

17. Interest Payable on Capital

This section of your tax return refers to interest payable on capital used in acquiring income. No deduction is allowed for interest of a personal or private nature. In the space provided, note down the number of the box in which you declared the income against which you are claiming this interest. If you are claiming this interest against multiple sources of income, attach a list of these sources.

18. Alimony Payments

In this section, you may deduct the amount of alimony paid to your estranged spouse. The alimony payment is to have been established by the Courts or agreed by a public deed of personal separation under the authority of the Courts. Maintenance payments made for dependent children are not deductible.

19. Deduction of Fees Paid

Subject to the satisfaction of certain conditions, taxpayers who paid the fees noted in the following table may claim a deduction of the lower amount between the amount paid and the maximum amounts in the table.

For example, if you paid €90 for sports services, you can claim a deduction of €90 in box 19d of your tax return (because the fees you paid are the lower amount compared with €100 in the table below).

And, if you paid €2,500 for private childcare facilities, you can claim a deduction of €2,000 in box 19c of your tax return (because the amount in the table below is the lower amount).

Where applicable, the noted amounts are per child.

Box	Deductions	Maximum Amount	Form
Box 19a	Private independent school fees: Secondary Level Primary Level Kindergarten Level	 €2,600 €1,900 €1,600	N/A
Box 19b	Fees payable for the services of a facilitator	€9,320	RA3
Box 19c	Fees paid for private child-care services	€2,000	N/A
Box 19d	Fees paid for approved sports activities	€100	N/A
Box 19e	Fees paid for private homes for the elderly or disabled	€2,500	Certificate
Box 19f	Fees paid for tertiary education	€10,000	RA14
Box 19g	Fees paid for approved creative or cultural courses	€100	N/A
Box 19h	Fees paid for school transport fees	€150	N/A

A list of qualifying private schools, childcare centres and homes/respite centres for the elderly and disabled may be found on the website of the Commissioner for Revenue (**cfr.gov.mt**), or you can contact our Call Centre on Freephone **153**.

To claim a deduction for fees paid for sports, creative and cultural courses and school transport, the appropriate forms should be submitted to the relevant entities towards the beginning of the year. Refer to the website of the Commissioner for Revenue (**cfr.gov.mt**) for further details, or you can contact our Call Centre on Freephone **153**.

20. Other Allowable Deductions

In this section, you can deduct any other allowable expense in respect of income declared in steps 9 to 14. In the space provided, you must indicate the number of the box in which you declared the income against which you are claiming this deduction and/or specify the type of deduction being made. If you are claiming this deduction against multiple sources of income, attach a list of these sources to your tax return.

Claims for deduction in respect for donations made to the University Research, Innovation and Development Trust can be included in this box. A donation between €150 and €50,000 may be claimed as a deduction. To this effect the Trust shall issue a certificate to the donor showing the value of the donation and that its scope was for research and development. This certificate is to be attached to your tax return.

Other deductions such as the ones shown in the following table that are available against business income are to be included in box 2.

Deduction	Amounts	Form
Donations made to University Research, Innovation and Development Trust	100% of donation, subject to a minimum of €150 and a maximum of €50,000	Certificate
Qualifying expenditure in relation to workplace accessibility	100% of eligible costs incurred, up to a maximum of €20,000	RA12
Qualifying expenditure in relation to childcare facilities at the workplace	100% of eligible costs incurred, up to a maximum of €20,000	RA13
Employers providing apprenticeship and work placement	€600 for each work placement; €1,200 for each apprenticeship	N/A
Employers providing employment to qualifying mature workers	€5,800 per annum (pro rata) for the first 2 years; and 50% of training costs incurred, up to a maximum of €400	N/A
Qualifying expenditure in relation to Embellishment Projects	120% of eligible costs incurred, up to a maximum of €90,000	RA27
Qualifying expenditure on transportation cost of employees	150% of eligible costs incurred, up to a maximum of the lower of €25,000 or €300 per employee	RA25

In order to claim these deductions, certain conditions and procedures must be met and the appropriate forms/certificates should be attached to page 3 of your income tax return.

Refer to the website of the Commissioner for Revenue (**cfr.gov.mt**) for further details, or you can contact our Call Centre on Freephone **153**.

21. Trading Losses Brought Forward

Trading losses incurred in prior years that may be set off against this year's chargeable income are to be declared in this part of your tax return. Ensure that you have not already set off these trading losses brought forward against the income declared in section 2. In the space provided, insert the VAT number of the business activity from which the trading losses have been brought forward.

22. Total Deductions

Refer to your income tax return for instructions on how to calculate Total Deductions.

23. Total After Deductions

Refer to your income tax return for instructions on how to calculate Total After Deductions.

TAX COMPUTATION

In this section, you are required to determine your chargeable income (sections 24 and 25) and compute the tax due (sections 26 and 26A).

24. Chargeable Income

You can determine your amount of chargeable income using the instructions included in your tax return, depending on your status. For further clarification, refer to the following examples.

Example 1:
Single Persons
If you placed €12,000 in box 8a (total emolument and business income) and €500 in box 23, in **Box 24a** add the amounts of box 8a (€12,000) and box 23 (€500). Therefore, you should add €12,500 to Box 24a.

Example 2:
Married and Living Together (Separate or Parent Computation)

Assume that:

- in box 8a, the total emolument and business income of the responsible spouse was €15,000;

- in box 8b, the other spouse's income was €13,500;

- the amount in box 23 is €900.

In this case, you would:

- in **box 24b**, copy the amount from box 8a (€15,000).

- in **box 24c**, copy the amount from box 8b (€13,500).

- in **boxes 24e and 24f**, the amount in box 23 (€900) is to be added either to box 24b or to box 24c, depending on which of the two is the higher amount. In this example, it would be box 24b (because €15,000 is the higher amount).

Example 3:
Married and Living Together (Joint Computation)

Using the figures from Example 2, we have:

- in box 8a the total emolument and business income of the responsible spouse of €15,000;

- in box 8b the total emolument and business income of the other spouse of €13,500;

- the amount in box 23, €900.

In this case, you would add the amounts in box 8a (€15,000), box 8b (€13,500) and box 23 (€900), and then enter the total in **box 24d**. In this example, the total you would enter in box 24d is €29,400.

Single parents
If you qualify as a single parent (i.e. you meet all the required conditions), you do not need to complete any of these calculations. All you need to do is fill in box 24d.

25. Total Chargeable Income

Refer to your income tax return for instructions on how to calculate Total Chargeable Income.

26. Tax on Chargeable Income

In this step, you are required to calculate the amount of tax due on your chargeable income. The following examples demonstrate how to calculate the amount of tax using the single, married and parent tax rates. **These rates can be found at the back of this booklet**. (Remember to round off calculated figures as explained in the "Other Information" section at the start of this booklet.)

Different tax rates and other considerations apply to **non-resident individuals**. Therefore, such individuals may not be able to accurately calculate the amount of tax due in step 26 from the information contained in this booklet. **For further information, please contact our Call Centre on Freephone 153.**

Example 1:

Single Persons

In this example, a single person has a Total Chargeable Income in box 25a of €12,750.

Tax on Chargeable Income (€12,750) is calculated using the "Single" tax rates as follows:

i. Match the Total Chargeable Income figure to the appropriate tax band. In this case, €12,750 falls within the €9,101–€14,500 range.

ii. Then, multiply the Total Chargeable Income by the appropriate tax rate for that tax band. In this case, it is 0.15. And, subtract the figure in the third column of the tax rates table. In this case, that is €1,365.

    So, the calculation here would be: (€12,750 x 0.15) – €1,365 = €547

So in **Box 26a** enter €547

Example 2:

Single Persons Qualifying for Parent Tax Rates

In this example, a single person who maintains a child of five years old and qualifies for the "Parent" tax rates has a Total Chargeable Income in box 25a of €18,500.

Tax on Chargeable Income (€18,500) is calculated using the "Parent" tax rates as follows:

i. Match the Total Chargeable Income figure to the appropriate tax band. In this case, €18,500 falls with the €15,801–€21,200 range.

ii. Then, multiply the Total Chargeable Income by the appropriate tax rate for that tax band. In this case, it is 0.25. And, subtract the figure in the third column of the tax rates table. In this case, that is €3,155

So, the calculation here would be: (€18,500 x 0.25) – €3,155 = €1,470

In **box 26a**, enter €1,470.

Example 3:

Married and Living Together

In this example, the Total Chargeable Income of the taxpayer is €15,900 (in box 25b) and that of the other spouse is €13,500 (box 25c).

In this case, first calculate tax due using the separate computation method and then by using joint computation. Then, **you can choose the option that is more advantageous to you**.

The calculation of tax due using **SEPARATE COMPUTATION** is made following two steps:

Step 1 - Responsible Spouse
The tax on the Total Chargeable Income of the responsible spouse (€15,900) is calculated using the "Single" tax rates as follows:

i. Match the Total Chargeable Income figure to the appropriate tax band. In this case, €15,900 falls within the €14,501–€19,500 range.

ii. Then, multiply the Total Chargeable Income by the appropriate tax rate for that tax band. In this case, it is 0.25. And, subtract the figure in the third column of the tax rates table. In this case, that is €2,815.

So, the calculation here would be: (€15,900 x 0.25) – €2,815 = €1,160

In **box 26b**, enter €1,160.

Step 2 - Other Spouse
The tax on the Total Chargeable Income of the other spouse (€13,500) is calculated using the "Single" tax rates as follows:

i. Match the Total Chargeable Income figure to the appropriate tax band. In this case, €13,500 falls within the €9,101–€14,500 range.

ii. Then, multiply the Total Chargeable Income by the appropriate tax rate for that tax band. In this case, it is 0.15. And, subtract the figure in the third column of the tax rates table. In this case, that is €1,365.

So, the calculation here would be: (€13,500 x 0.15) – €1,365 = €660

In **box 26c**, enter €660.

NOTE: The total tax for this married couple using separate computation is **€1,820** (i.e. €1,160 + €660).

We shall now use **JOINT TAX COMPUTATION**, taking the same figures used in the "separate computation" example. This will help us decide which of the two options is the more advantageous to the couple.

The Total Chargeable Income is €29,400 (Box 25d). The tax on Total Chargeable Income is computed using the "Married" tax rates as follows:

i. Match the Total Chargeable Income figure to the appropriate tax band. In this case, €29,400 falls within the last range in the tax rates table: €28,701–€60,000.

ii. Then, multiply the Total Chargeable Income by the appropriate tax rate for that tax band. In this case, it is 0.25. And, subtract the figure in the third column of the tax rates table. In this case, that is €3,905.

So, the calculation here would be: (€29,400 x 0.25) – €3,905 = €3,445

In **Box 26d**, enter €3,445.

NOTE: For this married couple, total tax using joint computation is **€3,445**.

Given that the joint computation method resulted in €3,445 while separate computation resulted in €1,820, it is more advantageous for this married couple to opt for the separate tax computation method.

Example 4
Married and Living Together

A married couple has a child who is 19 years old and attends a tertiary-level educational institution (and his only income is a student's stipend, which does not exceed €3,400).

As in example 3, the responsible spouse's chargeable income is €15,900 and that of the other spouse is €13,500.

The calculation of tax due using the **PARENT COMPUTATION** method is made following two steps:

Step 1 - Responsible Spouse

The tax on the Total Chargeable Income of the responsible spouse (€15,900) is calculated using the "Parent" tax rates as follows:

i. Match the Total Chargeable Income figure to the appropriate tax band. In this case, €15,900 falls within the €15,801–€21,200 range.

ii. Then, multiply the Total Chargeable Income by the appropriate tax rate for that tax band. In this case, it is 0.25. And, subtract the figure in the third column of the tax rates table. In this case, that is €3,155.

So, the calculation here would be: (€15,900 x 0.25) – €3,155 = €820

In box **26b**, enter €820.

Step 2 - Other Spouse

The tax on the Total Chargeable

Income of the other spouse (€13,500) is calculated using the "Parent" tax rates as follows:

i. Match the Total Chargeable Income figure to the appropriate tax band. In this case, €13,500 falls within the €10,501–€15,800 range.

ii. Then, multiply the Total Chargeable Income by the appropriate tax rate for that tax band. In this case, it is 0.15. And, subtract the figure in the third column of the tax rates table. In this case, that is €1,575.

So, the calculation here would be: (€13,500 x 0.15) – €1,575 = €450

In box **26c**, enter €450.

NOTE: The total tax for this married couple using Parent Tax Computation is €1,270 (€820 + €450). As we saw In Example 3, the Joint Tax Computation method on this married couple's income was €3,445. Therefore, it is more advantageous for this married couple to opt for the Parent Tax Computation method.

Example 5
Single Parents

In this example, a single parent has a Total Chargeable Income in box 25d of €14,800.

In the case of single parents, the Tax on Chargeable Income is calculated in the same way as that of a married couple using joint computation.

Therefore:

i. Match the Total Chargeable Income figure to the appropriate tax band. In this case, €14,800 falls within the €12,701–€21,200 range.

ii. Then, multiply the Total Chargeable Income by the appropriate tax rate for that tax band. In this case, it is 0.15. And, subtract the figure in the third column of the tax rates table. In this case, that is €1,905.

So, the calculation here would be: (€14,800 x 0.15) – €1,905 = €315

In box 26d, enter €315.

OVERSEAS EMPLOYMENT

Taxpayers who satisfy the conditions for overseas employment may choose to have such income taxed either at the normal tax rates or at a flat rate of 15%. However, when calculating the tax due, the overseas employment is to be treated as the first part of the income. To establish your more advantageous option, you should calculate the tax due in three steps:

Step 1:
Compute the tax due on your aggregate chargeable income (including the overseas employment) using the appropriate normal tax rates ("single", "married" or "parent").

Step 2:

i. Calculate the tax for overseas employment at normal "single" or "married" rates.

ii. Deduct the tax on overseas employment using the normal rates Step 2(i) from the tax on total income using normal rates from Step 1.

iii. Compute the tax charged at 15% on the overseas employment and add the amount to the resultant tax Step 2(ii).

Step 3:
Compare the results between Steps 1 and 2 to determine the more advantageous method for you.

Example 1:
Assuming that a single person placed €10,000 in box 1a as employment income and €25,000 in box 4a as overseas employment.

The computation would work out as follows:

In Step 1:
The tax computed on the Total Chargeable Income (€35,000), using single rates, would be €6,025.

In Step 2:

i. Tax on overseas employment using the normal single rates would be €3,525.

ii. Deduct the tax on overseas employment calculated at normal rates (€3,525) from the tax on the total chargeable income (€25,000 + €10,000) taxed at normal rates (€6,025). The result would be €2,500.

iii. Add the amount of tax at 15% charged on the overseas employment (€3,750) to the resultant tax amount arrived at above (€2,500). This amounts to €6,250. This amounts to €6,250.

In Step 3:
Check which computation method (Step 1 or Step 2) is the more advantageous one for you and enter the resultant figure in section 26. In this example, it is more advantageous for this taxpayer to opt for having the overseas income taxed at the normal tax rates.

Beneficiaries of a tax programme in relation to specific industries
Several schemes are in place in order to attract highly qualified persons to occupy an "eligible office" with companies licensed and/or recognised by the competent authority regulating the specific sector.

Individuals benefitting under any one of the below schemes are subject to income tax at a flat rate of 15% on their employment income.

Scheme	Form
Highly Qualified Persons Rules	RA17
Qualifying Employment in Innovation and Creativity	RA18
Repatriation of Persons Established in a Field of Excellence	N/A
Qualifying Employment in Aviation	RA21
Qualifying Employment in Maritime Activities and the Servicing of Offshore Oil and Gas Industry Activities	RA29

To claim the flat rate of 15%, a specific form must be endorsed by the competent authority and attached to page 3 of your tax return.

For more information, please visit the website of the Commissioner for Revenue (**cfr.gov.mt**), or you can contact our Call Centre on Freephone **153**.

26A. Tax Rebate for Certain Income Brackets

Box 26e:
A single person using the "**Single" tax rates** whose chargeable income for the year is higher than €19,500 but lower than €19,620 is allowed a tax rebate calculated as follows:

€17,440 – (box 25a – box 26a)

This tax rebate amount should be inserted in box 26e.

or

A single person using the **"Parent" tax rates** whose chargeable income for the year is higher than €21,200 but lower than €21,340 is allowed a tax rebate calculated as follows:

€19,055 – (box 25a – box 26a)

This tax rebate amount should be inserted in box 26e.

Box 26f and **Box 26g**
A married person using the **"Single" tax rates** (Separate Computation) whose chargeable income for the year is higher than €19,500 but lower than €19,620 is allowed a tax rebate calculated as follows:

Self: €17,440 – (box 25b – box 26b). This tax rebate amount should be inserted in box 26f.

Spouse: €17,440 – (box 25c – box 26c). This tax rebate amount should be inserted in box 26g.

If any of the spouses' chargeable income does not fall within the above-mentioned thresholds, an amount of "0" should be inserted in box 26f and/or box 26g.

or

A married person using the **"Parent" tax rates** (Separate Computation) whose chargeable income for the year is higher than €21,200 but lower than €21,340 is allowed a tax rebate computed as follows:

Self: €19,055 – (box 25b – box 26b). This tax rebate amount should be inserted in box 26f.

Spouse: €19,055 – (box 25c – box 26c). This tax rebate amount should be inserted in box 26g.

If any of the spouses' chargeable income does not fall within the above-mentioned thresholds, an amount of "0" should be inserted in box 26f and/or box 26g.

Box 26h:
A married person or single parent using the **"Married" tax rates** whose chargeable income for the year is higher than €28,700 but lower than €28,860 is allowed a tax rebate calculated as follows:

€25,550 – (box 25d – box 26d)

This tax rebate amount should be inserted in box 26h.

26A. Tax Rebate on Pensions

Individuals earning a social security pension, treasury pension and any other local or foreign pension are allowed a tax rebate in accordance with the established thresholds mentioned in this section. This benefit applies to individuals who were **at least 61 years** old in the year when the pension was received.

The qualifying pension income thresholds for basis year 2019 are as follows:

- For individuals using single tax rates, the threshold is €13,434.
- For individuals using married tax rates, the threshold is €13,434 and you are allowed a further tax rebate on any additional income up to €1,000.
- For individuals using parent tax rates, the threshold is €13,434.

Calculation of the tax rebate for pensions

Example 1:
If an individual is using **single tax rates**, a tax rebate shall be allowed as a set-off against the tax on his or her chargeable income as follows:

Tax rebate = (pension income less €9,100) multiplied by 15% (with a rebate capping of €650)

For a pension income of €13,000, the calculation would be: (€13,000 – €9,100) x 15% = €585

Therefore, the tax rebate in this example would be €585.

Example 2:
If an individual is using **parent tax rates**, a tax rebate shall be allowed as a set-off against the tax on his or her chargeable income as follows:

Tax rebate = (pension income less €10,500) multiplied by 15% (with a rebate capping of €440)

For a pension income of €13,100, the calculation would be: (€13,100 – €10,500) x 15% = €390

Therefore, the tax rebate in this example would be €390.

Example 3:
If an individual is using **married tax rates**, a tax rebate shall be allowed as a set-off against the tax on his or her chargeable income as follows:

Tax rebate = (pension income less €12,700) multiplied by 15% (with a rebate capping of €110)

For a pension income of €13,200, the calculation would be: (€13,200 – €12,700) x 15% = €75

However, in this example, the taxpayer also earned a further €1,000 from another source. So, an **additional tax rebate** shall be allowed against the tax on his or her total chargeable income as follows:

Tax rebate = (total chargeable income less €12,700) multiplied by 15% less the rebate already granted (with a rebate capping of €150)

For this individual's total chargeable income of €14,200 (€13,200 pension + €1,000 income from another source), the calculation would be:

- (€14,200 – €12,700) x 15% = €225
- €225 less rebate already granted (€75) = €150

The additional tax rebate amounts to €150. Therefore, the total amount of tax rebate this individual may claim is €225 (€75 + €150).

26B. Tax After Tax Rebate

Refer to your income tax return for instructions on how to calculate the Tax After Tax Rebate.

27. Total Tax on Chargeable Income

Refer to your income tax return for instructions on how to calculate the Total Tax on Chargeable Income.

In this section, it is important that you indicate whether or not you have opted for the Parent Tax Rates. If you have opted for the Parent Tax Rates, tick the box.

TAX CREDITS

28. Persons Returning to Employment Tax Credit

If you are claiming the tax credit for persons returning to employment, ensure that before proceeding with this step you fill in the RA4, RA7 or RA9 forms. This is essential for choosing the tax computation method that is more advantageous to you. Refer to the explanatory booklets issued with the RA4, RA7 and RA9 forms to help you fill in this box correctly.

The available tax credits in this section are:

Tax Credit for Persons Returning to Employment	Maximum tax credit	Form
Tax credit for persons returning to employment	€2,000	RA4
Tax credit for women returning to work after having a child where total tax due on gainful employment is less than €2,000	€2,000	RA7
Tax credit for women returning to work after having a child where total tax due on gainful employment income is more than €2,000	€5,000	RA9

29. Sale of Agricultural Produce

For help completing this section, refer to the leaflet issued with the RA1 form.

30. Other Tax Credits

In this step, you may deduct any other tax credits. Please refer to the following table for some of the tax credits available. Note that the availability of such credits is subject to satisfying a number of conditions and, in certain circumstances, prior approval must be obtained from the relevant entity.

Tax Credits available to employers / self-employed

Tax credit	Maximum tax credit	Form	Further information on:
Voluntary Occupational Pension Scheme	25% of the qualifying contributions, up to a maximum of €500 per employee per year	RA23	CfR Website: cfr.gov.mt
MicroInvest tax credits for micro enterprises and self-employed	€50,000	RA15	Malta Enterprise: maltaenterprise.com.mt
Seed Investment Scheme	35% of the aggregate value of investments, up to a maximum of €250,000	RA20	Mimcol: mimcol.com.mt
POYC tax credit on service of home delivery of medicine	100% of cost incurred, up to a maximum of €14,000	RA22	
Tax credits for research, development and innovation		RA24	Malta Enterprise: maltaenterprise.com.mt
Tax credit in terms of the Business Development and Continuity Scheme		RA26	Malta Enterprise: maltaenterprise.com.mt
Tax credit (Construction Waste Recycling) rules	25% of the gross fees, up to a maximum of €8 per tonne	RA28	CfR: cfr.gov.mt

Other tax credits

Tax credit	Maximum tax credit	Form
Personal Retirement Scheme tax credit	25% of the qualifying contributions made to a qualifying personal retirement scheme, up to a maximum of €500 per year	N/A
Voluntary Occupational Pension Scheme	25% of the qualifying contributions made by the employee to a qualifying scheme, up to a maximum of €500 per year	
Tax Credit (Relevant Qualifications for Industry) Rules	70% of the eligible study costs	RA 10
Tax Credit on Higher Educational Qualifications	Equal to 100% tax charge on employment income	N/A

When claiming any tax credits in this step, it is important to indicate the type of tax credit being claimed in the space provided. Claims for tax credits must be made using specific forms issued by the Commissioner for Revenue. These forms are available upon request from the Office of the Commissioner for Revenue. They must be filled in and, together with supporting documents, attached to page 3 of your tax return.

For further information, please contact our Call Centre on Freephone **153**.

31. Total Tax Credits

Refer to your income tax return for instructions on how to calculate the Total Tax Credits. If you are not claiming any tax credits, enter "0".

32. Tax Due After Deducting Tax Credits

In this step, you may deduct the credit for the double taxation relief to which you are entitled in respect of tax paid in a foreign country. To arrive at the correct amount of the tax credit for double taxation relief, the following information is needed:

33. Relief from Double Taxation

In this step, you may deduct the credit for the double taxation relief to which you are entitled in respect of tax paid in a foreign country. To arrive at the correct amount of the tax credit for double taxation relief, the following information is needed:

- Details of gross income subject to double taxation
- Amount of foreign tax
- Total income taxed in Malta, including foreign interest
- Tax charged in Malta on the total income

Example 1:

- Gross income subject to double taxation = foreign interest of €1,200
- Amount of foreign tax = €180
- Total income taxed in Malta, including foreign interest = €15,600
- Tax charged in Malta on the total income = €1,085

In this example, the rate at which foreign interest was taxed overseas was 15% (€180 divided by €1,200). The effective rate in Malta is 7% (divide the tax in Malta of €1,085 by the total income of €15,600).

The tax rate in Malta is lower than the foreign tax rate. Therefore, the lower rate (7%) will be used to calculate the amount of tax credit in box 33.

Therefore, in this example, this individual may enter €84 in box 33 (multiplying €1,200 by the lower rate of 7%).

Then, the tax in box 27 (€1,085) may be reduced further using the amount in box 33 (€84); so, this individual's tax for 2019 is €1,085 – €84 = €1,001.

Example 1 may be summarised as follows:

<table>
<tr><td>Double-taxed income</td><td>1,200</td><td rowspan="2">Overseas Effective Rate
=180/1,200
=15%</td></tr>
<tr><td>Foreign tax</td><td>180</td></tr>
</table>

<table>
<tr><td>Total income taxed in Malta</td><td>15,600</td><td rowspan="2">Malta Effective Rate
=1,085/15,600
=7%</td></tr>
<tr><td>Malta tax</td><td>1,085</td></tr>
</table>

The lower rate is to be used to work out the amount of relief, i.e. €1,200 x 7% = €84.

Example 2:

- A widower had foreign income of €3,500.
- Foreign tax was €525 (that is, at the rate of 15%).
- His total income (including the foreign income) was €24,500.
- Total Malta tax €3,400.

The foreign tax rate was 15% (€525 divided by €3,500).

The effective rate in Malta was 13.9% (€3,400 divided by €24,500). The local rate was lower than the foreign rate. Therefore, it will be this lower rate that will be used to calculate the tax credit due to him in box 33.

The tax credit is calculated by multiplying €3,500 by the lower rate (13.9%), resulting in €487.
Therefore, the tax due by this individual for 2019 is: €3,400 – €487 = €2,913

Example 2 may be summarised as follows:

Double-taxed income	3,500	Overseas Effective Rate =525/3,500 =15%
Foreign tax	525	

Total income taxed in Malta	24,500	Malta Effective Rate =3,400/24,500 =13.9%
Malta tax	3,400	

In this case, the amount of relief from double taxation is: €3,500 x 13.9% (the lower rate) = €487

For further information, please contact our Call Centre on Freephone **153**.

34. Tax Due After Relief of Double Taxation

Refer to your income tax return for instructions on how to calculate the Tax Due After Relief of Double Taxation. The relief of double taxation cannot create a refund of tax. Therefore, if the result of this calculation is negative, insert "0" in box 34.

TAX PAYMENTS

Tax payments during 2019
To conduct a correct self-assessment, you will need to know the tax you paid during 2019 as well the tax that is still outstanding. These totals should not include any payments for tax arrears from years preceding 2019.

35. FSS Tax Deductions

In this step, you should enter any FSS tax withheld during 2019 from employment income or local pensions. This amount can be found on the FS3 given to you by your employer or pension provider. For each separate amount of FSS tax deduction, enter the PE number of your employer or pension provider and the amount of tax deductions made during 2019.

In step 35, you may also deduct the tax that was deducted from your part-time employment income at the special 15% rate if such part-time income was also included in section 1.

Do not include in box 35 any tax deductions made from your emoluments or any direct payments made by you for tax arrears for years preceding 2019. These amounts, which are separately shown on your FS3, have no bearing on the amount of tax due on your total chargeable income in 2019. Details of these payments will have already been provided to the Office of the Commissioner for Revenue directly by your employer.

36. Provisional Tax Payments

In this section, the total of all your provisional tax payments made in 2019 is provided. Check these amounts against your receipts.

37. Provisional Tax Paid on Capital Gains

In box 37, you will find the total of all payments made for the transfer of property that were not subject to a final tax. Check the amounts against your receipts. Note that you may deduct such amounts only if you have filled out capital gains in box 12.

38. Tax at Source on Local Dividends

In this step, you should only include tax deductions that were made (usually at 35%) from the local dividend income you included in box 9ai and 9aii.

39. Tax at Source on Sale of Agricultural Produce

For help on this part, please refer to the explanatory booklet issued with the RA1 form.

40. Other Tax Payments

In this step, you may deduct any other tax payments made in 2019 that were not included elsewhere in your tax return.

41. Total Tax Payments

Refer to your income tax return for instructions on how to calculate the Total Tax Payments.

TAX UNDERPAID OR OVERPAID

42. Tax Underpaid or Overpaid

Check boxes 34 and 41 of your tax return as follows:

i. If box 34 is higher than box 41, enter the difference in box 42a.

If box 34 is higher than box 41, it means that you have not paid all the tax due for 2019, and you must pay the outstanding balance by **30th June 2020**.

Payments can be made online via https://cfr.gov.mt/onlinepayments or through internet banking, quoting the payment reference number.

Alternatively, you can send a cheque payable to the Commissioner for Revenue, using the enclosed envelope. You can also make your payment at a MaltaPost branch.

It is important to include/present your payment slip with the cheque.

If you fail to settle your balance for 2019 by 30th June 2020, you will be charged interest at 0.33% per month, or part thereof, on the outstanding amount.

If you fail to settle the balance for 2019 by the 30th June, 2020, you will be charged interest at 0.33% per month or part thereof on the outstanding amount.

ii. If box 34 is lower than box 41, enter the difference in box 42b.

If box 34 is lower than box 41, it means that the Commissioner for Revenue owes you a refund for tax that you overpaid in 2019.

We will be repaying you the balance within six months following 30th June 2020. If the refund is not paid to you by the end of December 2020, you will be due interest at a rate of 0.33% per month. Interest will start accruing from 1st January 2021. However, your tax refund will not be issued unless you have submitted all your income tax and VAT returns where applicable.

iii. If the amount in box 34 equals that in box 41, enter "0" in boxes 42a and 42b.

If the amount in box 34 equals that in box 41, it means you do not need to pay any outstanding tax balance, and you are also not due a refund from the Commissioner for Revenue for tax overpaid in 2019.

TAX RATES

Single rates

Chargeable income	Multiply by	Subtract
0 – 9,100	0	0
9,101 – 14,500	0.15	1,365
14,501 – 19,500	0.25	2,815
19,501 – 60,000	0.25	2,725
60,001 and over	0.35	8,725

Married rates

Chargeable iIncome	Multiply by	Subtract
0 – 12,700	0	0
12,701 – 21,200	0.15	1,905
21,201 – 28,700	0.25	4,025
28,701 – 60,000	0.25	3,905
60,001 and over	0.35	9,905

Parent rates

Chargeable income	Multiply by	Subtract
0 – 10,500	0	0
10,501 – 15,800	0.15	1,575
15,801 – 21,200	0.25	3,155
21,201 – 60,000	0.25	3,050
60,001 and over	0.35	9,050

Use these rates to calculate tax due in Section 26 of your tax return. Information on how to use the “Chargeable income”, “Multiply by” and “Subtract” figures is provided in the overview of Section 26 in this booklet.

Different rates of tax apply to non-residents.
These tax rates are available on the CFR website **www.cfr.gov.mt**