

### **Amount of input tax allowable**

**39.** (1) The amount of input tax for which any taxable person is entitled to credit in any taxable period shall be so much of the input tax for the period that is allowable and reasonable to be attributable, as may be prescribed, to the following supplies made or to be made by the taxable person in the course or furtherance of any business in Malaysia:

- (a) any taxable supply, including a taxable supply which is disregarded under this Act;
- (b) any supply made outside Malaysia which would be a taxable supply if made in Malaysia; or
- (c) any other supply as may be prescribed.

(2) Input tax attributable to any exempt supply shall be treated as input tax attributable to a taxable supply—

- (a) where the value of all exempt supplies would be less than the prescribed amount and less than the prescribed proportion of the total value of all supplies; or
- (b) in other prescribed circumstances.