

Evaluating the Effectiveness of Tax Reliefs and Rebates in Reducing Financial Burden for Malaysian Taxpayers: Evidence from Year of Assessment 2024

*Fatimah Alwi¹, Noor Saatila Mohd Isa², Nurfarizan Mazhani Mahmud³, Amizahanum Adam⁴,
Mahfuzah Ahmad⁵, Noor Faiza M Ja'afar⁶

^{1,3,4,5}Faculty of Accountancy, Universiti Teknologi MARA, Perak Branch

^{2,6}Faculty of Accountancy, Universiti Teknologi MARA, Selangor Branch

*Corresponding Author

DOI: <https://doi.org/10.47772/IJRISS.2026.100300317>

Received: 14 March 2026; Accepted: 19 March 2026; Published: 06 April 2026

ABSTRACT

Tax reliefs and rebates are designed to reduce taxpayers' financial burden by lowering chargeable income and tax payable. However, increasing living costs, inflationary pressures, and rising household expenses have raised concerns regarding the adequacy and relevance of existing relief provisions. Therefore, this study was carried out to evaluate the effectiveness of personal tax reliefs and rebates under the Malaysian Income Tax Act 1967 in reducing the financial burden of individual taxpayers for the Year of Assessment (YA) 2024. The data collection and discussion combined statutory analysis with survey-based evidence via a digital questionnaire. The population was Malaysian resident taxpayers and samples were chosen by means of random sampling. A total of 92 valid responses were analysed using descriptive statistics and thematic analysis to identify taxpayers' perceptions regarding the relevance and adequacy of existing tax reliefs. Main findings showed that reliefs and rebates for the year assessment of 2024 were able to reduce financial burden but only to some extent. However, single taxpayers benefited less from the statutory provisions as compared to the married couples with children and parents. Several suggestions were obtained including to relax and revise the statutory provisions. The amount of reliefs and rebates were also should be increased to match the increase in cost of living. Additionally, new types of reliefs and rebates as per neighbouring countries are welcomed.

Keywords: Tax reliefs and rebates, financial burden, Malaysian taxpayers, year of assessment 2024

INTRODUCTION

The rising cost of living in Malaysia has intensified public discourse on the adequacy of personal income tax provisions in supporting household financial well-being. Over the past decade, Malaysian households—particularly within the M40 income group—have faced persistent financial pressure due to inflation, subsidy rationalization, and increases in essential expenditures such as healthcare, childcare, insurance, and education (Lee & Khalid, 2022). Within this context, tax reliefs and rebates function as critical policy instruments designed to reduce taxable income and ultimately alleviate taxpayers' financial burden. For the Year of Assessment (YA) 2024, the Malaysian tax system continues to employ a progressive structure complemented by a wide range of reliefs aimed at supporting different life-cycle needs and socio-economic groups. However, concerns remain as to whether these measures remain relevant and sufficient amid changing economic realities.

Previous studies suggest that personal tax reliefs can enhance disposable income and serve as indirect social protection, especially when targeted effectively toward households with high dependency ratios or specific vulnerabilities (Bird & Zolt, 2019). In Malaysia, reliefs related to education, medical expenses, retirement savings, and childcare were originally designed to reflect typical household expenditure patterns, yet many of these thresholds have remained stagnant despite substantial increases in living costs (Ragayah, 2021). Meanwhile, rebates—particularly the RM400 rebate for taxpayers with chargeable income below RM35,000—

are limited in scope and may not fully address financial stress among low- to middle-income earners. Furthermore, empirical evidence indicates that itemised relief systems tend to disproportionately benefit higher-income taxpayers who have greater ability to incur qualifying expenditures (Keen & Slemrod, 2021).

Given these concerns, evaluating the relevance and adequacy of YA 2024 reliefs and rebates is both timely and essential. Such an evaluation offers insights into the extent to which current tax policies align with contemporary economic challenges, as well as whether they successfully mitigate taxpayer hardship in a period characterised by heightened cost-of-living pressures. This paper therefore examines the effectiveness of YA 2024 personal tax reliefs and rebates in reducing financial burden, with the broader aim of informing future reforms toward a more equitable and responsive tax framework.

Although personal income tax reliefs and rebates are designed to reduce taxpayers' financial burden by lowering their overall tax payable, their effectiveness in achieving this goal has increasingly come into question. In practice, only a limited number of these provisions offer meaningful benefits to single or non-dependent taxpayers, leaving a significant segment of the taxpaying population inadequately supported. Moreover, many of the relief and rebate amounts have remained unchanged for several years despite substantial increases in the cost of living, healthcare expenses, education costs, and other essential household needs. As a result, the nominal value of these tax incentives has not kept pace with economic realities, reducing their practical relevance and impact. This mismatch between statutory relief thresholds and actual expenditure patterns suggests that current tax provisions may no longer be effective in easing financial pressures faced by individual taxpayers. Consequently, there is a need to critically assess whether the reliefs and rebates provided under the Malaysian income tax system remain adequate and relevant in reducing taxpayers' financial burden, particularly for YA 2024. Hence, this study was performed to evaluate the extent to which personal tax reliefs and rebates under the Year of Assessment 2024 effectively reduce the financial burden of individual taxpayers.

The significant of this study is to provide timely and meaningful insights into the effectiveness of personal tax reliefs and rebates in addressing the financial challenges faced by Malaysian taxpayers under the Year of Assessment 2024. As living costs continue to increase due to inflation, subsidy restructuring, and rising essential expenditures, it is critical to understand whether existing tax provisions fulfil their intended purpose of easing taxpayers' financial burden. The study contributes to academic literature by offering an updated analysis of the relevance of reliefs and rebates in a contemporary economic context, addressing a gap in existing research where many prior studies focus primarily on compliance, tax knowledge, or behavioral responses rather than the adequacy of tax incentives.

From a policy perspective, the findings can support tax authorities and policymakers in evaluating whether statutory thresholds and categories of reliefs reflect actual household expenditure patterns. By identifying which reliefs are no longer significant or widely beneficial—particularly for single taxpayers and middle-income individuals—the study provides evidence-based recommendations to enhance the fairness and responsiveness of Malaysia's personal income tax system. For practitioners, including tax consultants and financial planners, the study offers a clearer understanding of how tax incentives influence disposable income, enabling better advisory practices. Overall, the research adds value by informing future reforms aimed at creating a more equitable and effective tax structure.

However, this study has several limitations due to its scope. This study focuses specifically on the reliefs and rebates available to individual taxpayers under the Malaysian Income Tax Act 1967 for the Year of Assessment 2024. The scope includes only personal tax provisions, such as lifestyle reliefs, medical reliefs, child-related reliefs, retirement-related deductions, and applicable tax rebates. Business tax incentives, corporate deductions, and industry-specific reliefs fall outside the boundaries of this study. The evaluation emphasises the relevance, adequacy, and practical effectiveness of these provisions in reducing financial burdens, rather than taxpayer compliance behaviour or enforcement issues.

Several limitations must be acknowledged. The analysis relies primarily on statutory limits and publicly available economic indicators, which may not fully capture individual taxpayers' diverse financial circumstances. Additionally, the study does not involve primary data collection such as interviews or surveys; therefore, findings are based on secondary data and theoretical assessment rather than behavioural evidence. The

research also does not consider future changes in tax policy or potential revisions beyond YA 2024. Lastly, inflation and cost-of-living measures may vary depending on data sources, which may influence interpretations of adequacy. Nonetheless, these limitations do not diminish the relevance of the study, as its core purpose is to assess the structural effectiveness of reliefs and rebates within the existing tax framework.

LITERATURE REVIEW

Tax Reliefs and Rebates as Instruments for Reducing Financial Burden

Tax reliefs and rebates are essential fiscal instruments designed to enhance taxpayers' disposable income by reducing chargeable income and tax payable. They function as indirect financial assistance, particularly in periods of rising living costs. In progressive tax systems such as Malaysia's, reliefs and rebates ensure that taxpayers retain a greater portion of their income, thereby enabling them to manage essential expenditures more effectively. Recent literature emphasises that well-designed tax expenditures can mitigate household financial strain, especially when targeted toward non-discretionary costs such as healthcare, education and retirement savings (Barrios et al., 2020). These measures also serve a redistributive function, reducing inequality by allocating greater benefits to taxpayers facing higher financial pressure.

Empirical evidence suggests that tax deductions and credits significantly influence taxpayers' capacity to meet rising expenses. Ohno, Imahori, and Kojima (2025) found that income-increasing deductions in Japan effectively lowered financial stress by raising disposable income, although the real benefit depended heavily on whether deduction thresholds kept pace with contemporary living costs. Similarly, Zhan, Liang, and Yu (2025), studying China's personal income tax reform, observed that deductions tied closely to household essentials—such as education and elder support—had the strongest impact on reducing financial burden among low- and middle-income groups. These findings reinforce the argument that reliefs must align with actual expenditure patterns to remain relevant.

In the Malaysian context, household vulnerability has been rising due to inflation, wage stagnation, and subsidy rationalisation. Mansor et al. (2022) highlighted that many households, especially within the B40 and M40 groups, exhibit significant financial stress due to limited savings buffers and increasing living costs. When statutory reliefs remain unchanged for long periods, their real value diminishes, reducing their effectiveness in cushioning financial pressure. Mani Ras et al. (2024) similarly noted that inadequate relief levels may weaken compliance incentives because taxpayers perceive tax provisions as unresponsive to economic realities. These studies indicate that while reliefs and rebates play an important theoretical role in supporting financial well-being, their practical impact depends on regular review and adjustment.

Analysis of Relief and Rebate Changes Under Year of Assessment 2024

Evaluating the effectiveness of YA 2024 tax reliefs requires analysing the extent to which each item has experienced changes in amount, scope, or eligibility. The Malaysian Income Tax Act 1967 remains the legal foundation for relief and rebate provisions, but adjustments are often made through the annual Federal Budget speech and subsequent public rulings. A key concern is that many relief thresholds have remained stagnant for years, despite increasing costs of education, insurance, childcare, and medical care.

a. Individual and Spouse Relief

The individual relief of RM9,000 (Income Tax Act 1967, s.46(1)(a)) has not been revised for more than a decade. With inflationary pressures rising significantly since 2010, the real value of this relief has diminished. Studies on relief adequacy suggest that static thresholds create structural inequities and reduce the ability of tax systems to reflect real cost-of-living conditions (Papanikolaou, 2021).

b. EPF and Life Insurance (RM7,000)

Although this relief supports long-term financial security, the cap has remained unchanged despite increased recommended retirement savings rates. Barrios et al. (2020) emphasise that retirement-related tax expenditures must evolve in line with demographic and economic changes to remain effective.

c. SOCSO and Employment Insurance System (EIS) Relief

The RM350 limit remains largely symbolic, given rising wage levels and enhanced social security contributions. Ohno et al. (2025) argue that extremely low deduction caps may have negligible burden-reducing effects.

d. Lifestyle Relief (RM2,500)

This relief covers books, electronics, sports equipment, and internet subscriptions. While the category expanded over the years, the amount remains insufficient relative to technological and educational expenses. Rising costs of digital devices have reduced the real benefit. Similar issues were noted by Zhan et al. (2025), who found that outdated thresholds weaken the effectiveness of education-related deductions.

e. Medical Expenses for Self, Spouse, and Parents (RM10,000)

This relief saw some expansions (e.g., vaccination, fertility treatments), but the ceiling amount remains low given Malaysia’s rising healthcare costs. Research by Roslan and Samsudin (2024) shows that healthcare constitutes a major financial pressure point for Malaysian families, indicating that the relief may no longer reflect realistic expenditure.

f. Child Reliefs and Childcare

Child reliefs (RM2,000–RM8,000) have been adjusted only minimally. With childcare costs rising significantly, the RM3,000 childcare centre relief may not adequately support working parents. Zhan et al. (2025) found that child education reliefs are most effective when closely aligned with actual expenditure, suggesting scope for policy improvement.

g. Education Fees for Self (RM7,000)

This cap has remained unchanged for many years, although postgraduate programmes have significantly increased in cost. Literature recommends periodic revision of education-related deductions to maintain relevance (Barrios et al., 2020).

h. Personal Rebate (RM400)

The rebate for chargeable income under RM35,000 remains unchanged, even though this threshold now captures a declining share of taxpayers due to salary increases. Rebates are generally considered strong equity tools when updated regularly (Papanikolaou, 2021), but Malaysia’s stagnant thresholds undermine this potential.

Collectively, the evidence indicates that YA 2024 reliefs and rebates have undergone minor structural changes but lack substantial revisions in value. Academic findings consistently emphasise that tax reliefs must evolve alongside economic conditions to maintain their burden-reducing effectiveness.

The summary of the above relief and rebates is tabulated below:

Table 1: The Future Value of Reliefs and Rebates as per YA2024

TYPE OF RELIEF AND REBATE	NO CHANGES SINCE YA	AMOUNT (RM)
Individual	2015	9,000
Medical expenses for parents	2021	8,000
Basic supporting equipment	2015	6,000
Education (self)	2016	7,000

Medical expenses for serious disease	2023	10,000
Lifestyle	2017	2,500
Purchase of breastfeeding equipment	2017	1,000
Childcare fees	2017	3,000
Net deposit in Skim Simpanan Pendidikan Nasional	2015	8,000
Payment of alimony to wife	2016	4,000
Child relief (below 18 years old)	2016	2,000
Child relief (18 years old and above, unmarried, full-time students in A-level, certificate, matriculation or preparatory courses)	2016	2,000
Child relief (18 years old and above, unmarried, full-time students in tertiary level of education)	2016	8,000
Additional child relief for disabled child who pursue study in tertiary level	2016	8,000
Life insurance (max RM3,000) & EPF (max RM4,000)	2019	7,000
Deferred annuity and Private Retirement Scheme	2015	3,000
Contribution to Social Security Organization (SOCSO)	2022	350
Tax rebate (self)	2009	400
Additional tax rebate	2009	400
Departure levy	2011	8-20 (economy class) 50-150 (others)

The future value of the relief and rebates as in YA2024

Table 1 presents an analysis of the adjusted value of selected Malaysian reliefs and rebates projected for YA2025. The adjustments are calculated using the compound growth formula $FV = PV \times (1+r)^n$, assuming a steady 2% annual increase in living costs as per stated in the website of Department of Statistics Malaysia (DOSM, 2024). This method illustrates how the actual worth of these tax benefits has declined over time when their fixed amounts remain unchanged. For example, the individual tax deduction set at RM9,000 since 2015 would be worth RM10,970.95 in 2025 if adjusted for inflation, showing a reduction in its real financial benefit. Similarly, the RM400 personal tax rebate, unchanged since 2009, has a current value equivalent to RM549.11 in 2025 terms, further indicating its declining impact. More recent tax deductions, such as the RM8,000 allowance for parents' medical expenses introduced in 2021, also show reduced value at RM8,659.46. These findings highlight a policy gap, while the cost of living continues to increase, the limits for reliefs and rebates have not been consistently revised. By comparing the inflation-adjusted values to their original fixed amounts, Table 3 stresses the importance of regularly updating tax relief thresholds to reflect current economic conditions. This ensures that the financial support provided through the tax system continues to meet the needs of households and supports their disposable income effectively in a changing economic environment.

Table 2: The Future Value of Reliefs and Rebates as per YA2024

TYPE OF RELIEF AND REBATE	NO CHANGES SINCE YA	AMOUNT (RM)	FUTURE VALUE IN YA 2024 (RM)
Individual	2015	9,000	10,755
Medical expenses for parents	2021	8,000	8,490
Basic supporting equipment	2015	6,000	7,170
Education (self)	2016	7,000	8,202
Medical expenses for serious disease	2023	10,000	10,200
Lifestyle	2017	2,500	2,872
Purchase of breastfeeding equipment	2017	1,000	1,149
Childcare fees	2017	3,000	3,446
Net deposit in Skim Simpanan Pendidikan Nasional	2015	8,000	9,560
Payment of alimony to wife	2016	4,000	4,687
Child relief (below 18 years old)	2016	2,000	2,343
Child relief (18 years old and above, unmarried, full-time students in A-level, certificate, matriculation or preparatory courses)	2016	2,000	2,343
Child relief (18 years old and above, unmarried, full-time students in tertiary level of education)	2016	8,000	9,373
Additional child relief for disabled child who pursue study in tertiary level	2016	8,000	9,373
Life insurance (max RM3,000) & EPF (max RM4,000)	2019	7,000	7,729
Deferred annuity and Private Retirement Scheme	2015	3,000	3,585
Contribution to Social Security Organization (SOC SO)	2022	350	364
Tax rebate (self)	2009	400	540
Additional tax rebate	2009	400	540
Departure levy	2011	8-20 (economy class) 50-150 (others)	10-26 (economy class) 65-194 (others)

METHODOLOGY

Sample

Samples of this study only involved resident individual taxpayers, including those who earned business income from sole proprietorships or partnerships. Random sampling method was used to select the samples from all over Malaysia to avoid biasness in choosing sample (Sekaran and Bougie, 2016). The population was resident taxpayers of Malaysia. Therefore, pensioners who did not derive other types of income from Malaysia were excluded. The target sample size was 200 respondents whose contact numbers, email address or social platforms were available.

Data Collection

Data were collected by digital questionnaires (ie Google Form) to enable its distribution through emails, Whatsapp, Telegram or any other social media platforms at the lowest cost.

The questionnaire consists of five sections. The first section collected demographic variables of the samples. The second section obtained the respondents' opinions on the relevance of relief and rebates for the YA2024 in terms of types and amount. The third section obtained the respondents' opinions on the possibility to implement relief and rebates of other SEA neighboring countries in Malaysia. The fourth section was to obtain the respondents' opinion on a list of possible relief and rebates to be implemented in the future. Finally, the last section was to allow the respondents to propose any other potential relief and rebates not listed in the previous section.

A list of statements was in the questionnaire in all sections except Section A and section E. Respondents are required to present their opinions based on 7-Likert scale, which 1 represents strongly disagree and 7 as strongly agree. An additional scale 8 is included as not applicable if the samples are not eligible to claim such relief or rebates.

Next, data were analyzed using Excel to compute its frequency (f) and percentage for each variable. The respondents' opinions on the current relief and rebates as well as suggestions for new relief and rebates are analyzed using thematic analysis.

RESULTS AND DISCUSSION

Descriptive analysis

Only 92 respondents were available as presented in Table 3. All of them were tax residents of Malaysia in YA2025. Slightly more than 60% of the respondents were females. The biggest number of respondents were aged between 40 and 59 years old (f=28) and between 50 and 59 years old (f=42). 52 out of the 92 respondents were employees in the governmental sector. About half of them were classified as M40 earners and resided in Selangor, Kuala Lumpur and Putrajaya. 83.7% of the respondents were married but only 51.1% of them had between one to three children.

Table 3: Descriptive Analysis for Respondents

	Frequency	Percentage (%)
Gender of respondents:		
Male	36	39.1
Female	56	60.9
Age of respondent of respondents:		
25 years and below	2	2.2

26-29 years old	4	4.4
30-39 years old	13	14.1
40-49 years old	28	30.4
50-59 years old	42	45.7
60 years and above	3	3.3
Sector of employment:		
Government sector	52	56.5
Private sector	34	37.0
Self-employed	6	6.5
Range of income per month:		
Up to RM5249	19	20.6
RM5250 - RM11819	48	52.2
RM11820 and above	25	27.2
Residential area:		
Perlis, Pulau Pinang, Kedah, Perak	24	26.1
Selangor and Wilayah Persekutuan (Kuala Lumpur and Putrajaya)	47	51.1
Negri Sembilan, Melaka, Johor	9	9.8
Kelantan, Terengganu, Pahang	11	12.0
Sabah, Sarawak, Wilayah Persekutuan (Labuan)	1	1.0
Marital status:		
Single	14	15.2
Married	77	83.7
Divorced	1	1.1
No. of children		
Nil or not applicable	14	15.2
1-3	47	51.1
4-6	27	29.3
More than 6	4	4.3
Race:		
Malay	92	100
Chinese	-	-
Indian	-	-
Others	-	-

Respondents' Opinions on whether Reliefs and Rebates were Effective in Reducing Their Financial Burden

More than half of the respondents agree or strongly agree that reliefs provided by the IRB have effectively reduced their financial burdens. Those reliefs were individual reliefs, medical expenses for serious disease, medical expenses for parents and carer expenses, child relief, tax rebates, religious payment, and departure levy on religious pilgrimage. However, several reliefs were found to be less relevant. They were reliefs for disabled taxpayers, disabled spouses and disabled children. The possible explanation is there were no disabled taxpayers among the respondents. Wife/husband relief was also found to be less relevant due to most taxpayers opting for separate assessments upon furnishing their tax returns.

The themes and details are as follows:

a. The amount of the reliefs and rebates should be increased to match the increased cost of living:

The rate for all the reliefs, especially personal relief of RM9000 per year or RM750 per month is not relevant in current cost of living. The personal relief rates have remained the same for so many years and not reflecting the rising inflation and costs of living.

Increase the individual tax relief. RM9k is not relevant with the current high cost of living especially for those staying in cities such as Kuala Lumpur, Johor Bharu. Lifestyle relief also needs to be increased and in order to get a healthy lifestyle (work life balance).

Living in a big city with a small salary is a constant struggle. We need the Governor to recognize the burden and expand tax exemptions for those facing high living costs and financial commitments.

Revise personal rebate and rebate for child under 18 and above 18... especially children who undergone course at IPTS (private universities or colleges).

b. Introducing new types of reliefs

The current legislation is more beneficial to working, married taxpayers with children and parents. This has caused single taxpayers and senior taxpayers to miss out the chances of reducing their tax liabilities via current legislations. Hence, the respondents suggested a number of new reliefs:

Tax Relief working citizen above 55 years.

Special Relief for single person.

Relief on people who commute using public transportation.

Getting married for the first time should be provided a one-off relief.

Purchase of personal computer, smartphone and tablet (not for business use) should be a stand-alone relief and separated from the current lifestyle relief.

Taxpayers who provide financial aid to their children above 18 years old should be provided with a specific relief.

Hibah for spouses and children should be eligible for relief under life insurance.

c. Current legislation should be relaxed more to be more significant in reducing taxpayers' financial burdens

Some taxpayers have to provide financial support to their extended family such as siblings, nephews and nieces apart from their own spouse(s), children and parents. However, such groups are not included in the eligibility criteria of reliefs and rebates. Additionally, some taxpayers have to support their children who are above 18

years old due to prolonged duration of study or unemployment. Thus, below are their suggestions in relation to this point:

The scope of child for Net Deposit for SSPN and child relief should be extended to nephews and nieces if a taxpayer becomes their guardians over the divorce or death of the taxpayers' siblings.

Payment to other children, grandchildren or extended family members as carers of elders would be eligible as relief for the payer/child.

Taxpayers who provide financial aid to their extended family members (e.g. grandparents, siblings, nephews and nieces) should be provided with a specific relief.

Taxpayers who provide financial aid to their parents should be provided with a specific relief.

d. Applying Reliefs of Other Countries in Malaysia

A few suggestions were obtained to provide reliefs of our neighbor countries such as Thailand and Singapore.

Providing reliefs on expenses incurred for antenatal care and child delivery would be great.

Please provide reliefs for taking care disabled siblings.

Working mums have to spend on other things when go out working...please provide reliefs for this group...

CONCLUSION

This study evaluated the effectiveness of personal tax reliefs and rebates in reducing the financial burden of Malaysian taxpayers for the Year of Assessment (YA) 2024. Within Malaysia's progressive income tax system, reliefs and rebates serve as important policy instruments designed to increase taxpayers' disposable income and provide indirect financial support for essential expenditures such as healthcare, education, and family responsibilities. However, the findings of this study suggest that while these provisions continue to offer some financial relief, their overall effectiveness has weakened due to the lack of periodic revisions in their statutory thresholds.

The analysis comparing statutory relief values with inflation-adjusted estimates demonstrates that many reliefs and rebates have experienced a decline in real value over time. Reliefs such as the individual relief of RM9,000 and the RM400 personal tax rebate have remained unchanged for many years despite significant increases in the cost of living. As a result, the ability of these provisions to meaningfully reduce taxpayers' financial burden has gradually diminished. The survey findings further reinforce this observation, as many respondents indicated that although certain reliefs—particularly those related to medical expenses and child support—remain beneficial, the current relief amounts are insufficient to reflect contemporary economic realities.

The study also highlights several structural limitations within the existing tax framework. Current relief provisions appear to benefit married taxpayers with dependents more than single individuals or taxpayers who support extended family members. This suggests that the existing tax relief structure may not fully capture the diversity of modern household financial responsibilities.

Nevertheless, several limitations should be acknowledged. The study relied primarily on a relatively small sample of respondents and secondary data sources, which may limit the generalisability of the findings. Additionally, the analysis focused on taxpayers' perceptions and statutory comparisons rather than detailed behavioural or econometric assessment of tax burden reduction. Future research could address these gaps by incorporating larger datasets, conducting longitudinal analyses, and examining the behavioural responses of taxpayers to tax incentives. Such studies would provide deeper insights into how tax reliefs and rebates influence household financial well-being and could further support evidence-based tax policy reforms in Malaysia.

REFERENCES

1. Barrios, S., Coda Moscarola, F., Figari, F., & Gandullia, L. (2020). Size and distributional pattern of pension-related tax expenditures in European countries. *International Tax and Public Finance*, 27(5), 1287–1320. <https://doi.org/10.1007/s10797-019-09580-7>
2. Bird, R. M., & Zolt, E. M. (2019). Tax policy in developing countries: Looking back—and forward. *National Tax Journal*, 72(4), 755–772. <https://doi.org/10.17310/ntj.2019.4.05>
3. Income Tax Act 1967 (Malaysia).
4. Keen, M., & Slemrod, J. (2021). Rebellion, retribution, and reform: The politics and economics of taxation. *Journal of Economic Perspectives*, 35(4), 173–200.
5. Lee, H. A., & Khalid, M. A. (2022). Malaysia's cost of living crisis: Socioeconomic implications for households. *Malaysian Journal of Economic Studies*, 59(1), 23–40.
6. Mani Ras, T., Abdul Wahab, N., Abdullah, M., Abdul Rashid, S. F., & Abu Hassan, N. S. (2024). Economic constraint and self-tax relief: Effects on tax compliance and tax evasion. *Jurnal Pengurusan*, 72, Article 6. <https://doi.org/10.17576/pengurusan-2024-72-6>
7. Mansor, M., Sabri, M. F., Mansur, M., & Ithnin, M. (2022). Predictors of financial stress and financial well-being among B40 households in Malaysia. *International Journal of Environmental Research and Public Health*, 19(19), 12490.
8. Ohno, T., Imahori, T., & Kojima, D. (2025). Effects of income-increasing deductions on household burden reduction. *Japan and the World Economy*, 73, 101296.
9. Papanikolaou, N. (2021). Tax progressivity and income inequality. *Journal of Risk and Financial Management*, 14(2), 60.
10. Ragayah, M. Z. (2021). Reassessing household financial vulnerability in Malaysia. *Institutions and Economies*, 13(3), 45–61.
11. Roslan, P. A. S., & Samsudin, H. (2024). Factors contributing to rising cost of living for M40 in Malaysia. *Journal of Quality Measurement and Analysis*, 20(3), 121–133.
12. Zhan, X., Liang, L., & Yu, M. (2025). Tax incentives and household consumption: Evidence from PIT reform. *Finance Research Letters*, 77, 107142.