

## **Frequently Asked Questions for Budget 2009: Property Tax Deferral for Land Approved for Development**

Q1: Who is eligible to apply?

A1: Business owners may apply for the tax deferral. Non-business owners such as individuals, clans and associations will not be eligible.

Q2: What type of property is eligible for the tax deferral?

A2: The deferral shall apply to land which has a valid Provisional Permission (PP) or Written Permission (WP) at the time of application. Land refers to properties which are assessed on the basis of 5% of the market value of the property in accordance with Section 2(3)(b) of the Property Tax Act.

Q3: How do I apply?

A3: Please fill in the application form, attaching a copy of a valid PP or WP to develop the land, and send it to "Comptroller of Property Tax, 55 Newton Rd Singapore 307987". The application form can be downloaded from the IRAS website at <http://www.iras.gov.sg>. Go to 'Property'>'For land owners'>'Apply for tax exemptions or relief'

Q4: When can I apply for the deferral?

A4: You may apply for the deferral any time from 22 Jan 2009.

Q5: How do I know if my application will be successful?

A5: You will be notified of the outcome within 1 month from the date of receipt of your application.

Q6: When can I start deferring the tax?

A6: If you have a valid PP or WP as at 22 Jan 2009, the tax shall be deferred from 22 Jan 2009.

If you obtained your PP or WP after 22 Jan 2009, the tax shall be deferred from the date of PP or WP. If you bought the land after 22 January and there is a valid PP or WP as at the date of transfer, the tax shall be deferred from the date of transfer.

Q7: When will the deferral lapse?

A7: The deferral will lapse on:

- a) 21 January 2011; or
- b) Date when the PP or WP, whichever applicable, lapses, and development work is not in progress; or
- c) Date of issue of the first Temporary Occupation Permit (TOP), or where the TOP is not issued, the date of issue of the first Certificate of Statutory Completion (CSC); or
- d) Date when the owner goes into liquidation, insolvency or bankruptcy; or
- e) Date when the land is sold;

whichever is the earliest.

Q8: Do I have to inform IRAS after receiving the TOP for the development on the land?

A8: Yes, you must inform IRAS within 1 month of receiving the TOP for the development on the land to avoid any imposition of penalty.

Q9: What if I sell my property during the deferral?

A9: Please inform IRAS if you intend to sell your property. The deferral will lapse once you sell your property. You have to pay the outstanding tax in full before legal completion of your property. You are advised to apportion the tax with the buyer as IRAS will not apportion the tax between the buyer and seller. The procedure will be no different from the normal conveyancing procedure. You may consult your solicitor who is handling the sale of your property on the matter of tax apportionment.

Q10: What if my PP or WP lapse after the deferral is approved?

A10: The deferral period will expire on the date of expiry of the PP or WP. You are to pay the tax in full, without demand, within 1 month of the date of expiry the PP or WP. Please notify IRAS of any extension of the PP or WP, two weeks before the expiry of the PP or WP, so as to avoid disruption to the deferral.

Q11: What if I have paid up the tax for 2009 in full before 22 Jan 2009?

A11: You will get a refund of the tax paid for the period from 22 Jan 2009 to 31 Dec 2009 once IRAS approves your application for deferral. However, tax for the period from 1 Jan 2009 to 21 Jan 2009 must still be paid.

Q12: After the expiry of the tax deferral, how many days am I given to pay the tax?

A12: If the deferral expires before 21 January 2011, you are given up to 1 month to pay the tax in full, without demand.

If the deferral expires on 21 January 2011, you are given till 31 January 2011 to pay the tax in full, without demand.

If you have chosen to pay by GIRO, you can enjoy up to a maximum of 12 months interest-free instalments.

Q13: What if my annual value is revised downwards during the period of deferral? Do I get a refund?

A13: No, you will not get a refund of the tax. You simply defer the new tax amount based on the revised annual value until the expiry of the deferral.

Q14: Will I continue to receive property tax bills and/or valuation notices during the deferral period?

A14: Yes, you will continue to receive property tax bills and/or valuation notices from IRAS. You are not required to pay the tax so long as you continue to meet the deferral criteria.