

## **Frequently Asked Questions**

### **New 40% Property Tax Rebate for Owner-Occupied Residential Properties - Budget 2009**

Q1: What is the new Property Tax Rebate for home owners announced in Budget 2009?

A1: Apart from the existing annual rebates that range from \$25 to \$150 as well as the \$100 rebate given out for the years 2008 and 2009, a further rebate of 40% on the property tax payable (after offsetting the existing rebates) will be granted to owner-occupied residential properties for calendar year 2009. See questions A5a and A5b for more information on the existing annual rebates.

Q2: Who is eligible for the 40% Property Tax Rebate?

A2: An individual or married couple who own(s) and live(s) in his or their residential property and pays the Owner-Occupier's Concessionary tax rate of 4% is eligible for the 40% rebate.

Q3: How do I qualify for the Owner-Occupier's Concessionary tax rate of 4%?

A3: Owner-Occupier's Concession is available to an individual owner or a married couple who live(s) in his or their residential property. The concessionary tax rate is 4% per annum and applies to one residential property at any one time. A residential property owned by a company, association or a body of persons does not qualify for the concession even if its staff lives in its residential property.

If you own and live in a private residential property, you need to apply for the concession. For more information on the concession, please refer to <http://www.iras.gov.sg> > Property > For Home Owners > Apply for owner-occupier's concession or tax reliefs > If you are occupying your property.

Q4: How do I apply for the Owner-Occupier's Concessionary tax rate of 4%?

A4: The most convenient way to apply electronically via *myTax* Portal at <https://mytax.iras.gov.sg>. Log in with your SingPass to Apply for Owner-Occupier's Concession.

Q5: What are the existing Property Tax Rebates?

A5a: Since April 1994, owners of owner-occupied residential properties with Annual Values (AV) below \$10,000 have been enjoying the ongoing GST rebates ranging from \$25 to \$150, depending on the AV of their properties.

AV	Annual GST Rebate
\$5,000 and below	\$150.00 or the actual tax, whichever is lower
\$5,001 to \$6,000	\$125.00
\$6,001 to \$7,000	\$100.00
\$7,001 to \$8,000	\$75.00
\$8,001 to \$9,000	\$50.00
\$9,001 to \$9,999	\$25.00
\$10,000 and above	No rebate

A5b: In addition, owners of owner-occupied residential properties will enjoy an annual property tax rebate in 2008 and 2009. This rebate is up to \$100 or the actual property tax amount (whichever is lower) after deducting the GST rebate.

Q6: How much tax savings can I enjoy after the 40% Property Tax Rebate is given?

A6: The two examples below illustrate the total tax savings an eligible owner will enjoy after taking into account the existing rebates as well as the new 40% Property Tax Rebate.

This new 40% rebate is deducted from the property tax payable for the calendar year 2009, after deducting the GST Rebate (if applicable) and the existing Property Tax Rebate of up to \$100. The 40% Property Tax Rebate will not be given or will be pro-rated if the concession ceases to apply. (See Example 2)

(a) Example 1

The annual value of an owner-occupied residential property is \$9,000. The property tax payable from 1 Jan 2009 to 31 Dec 2009 will be \$126 with tax savings of \$234.

See computation:

Property Tax Payable before rebate = \$360 [4% x \$9,000]

Less: GST Rebate = \$ 50  
Property Tax Rebate = \$100  
Balance = \$210

Less: 40% Property Tax Rebate = \$84 [40% x \$210]

Tax Payable after rebate = \$126

Tax Savings = \$\$234

(b) Example 2

The annual value of an owner-occupied residential property is \$9,000 and the 4% Owner-Occupier's concessionary tax rate will not be given from 1 Jul 2009. The property tax payable from 1 Jan 2009 to 31 Dec 2009 will be \$513 with tax savings of \$117 See computation:

1 Jan 2009 to 30 Jun 2009

Property Tax Payable before rebate = \$180 [4% x \$9,000/12 x 6 months]

Less: GST Rebate = \$ 25 [\$50/12 x 6 months]  
Property Tax Rebate = \$ 50 [\$100/12 x 6 months]  
Balance = \$105

Less: 40% Property Tax Rebate = \$42 [40% x \$105]

Tax Payable after rebate = \$63

1 Jul 2009 to 31 Dec 2009

Property Tax Payable = \$450 [10% x \$9,000/12 x 6 months]

1 Jan 2009 to 31 Dec 2009

Total Tax Payable before rebates = \$630 [\$180 + \$450]  
Total Tax After rebates = \$513 [\$63 + \$450]

Tax Savings = \$117

Q7: How do I apply for the 40% Property Tax Rebate?

A7: Owners do not need to apply for the 40% Property Tax Rebate. IRAS will notify all eligible owners.

Q8: When will IRAS notify owners?

A8: Notifications will be sent from 1 April 2009 and all eligible owners will be notified by 31 Jul 2009.

Q9: How will my tax be adjusted if I am paying via GIRO monthly instalment?

A9: Owners who currently pay by GIRO will receive their revised property tax bills with the revised GIRO instalment plans showing the revised monthly payments from April 2009.

Q10: What is the threshold for auto-refund through cheques to taxpayers?

A10: Yes, IRAS will auto-refund the Property Tax if the tax credits are more than or equal to \$15. In such cases, you will receive a refund cheque. For your convenience, credits of less than \$15 will be carried forward to offset your future tax liability. However, if you wish to have your credit refunded, please email to [refund@iras.gov.sg](mailto:refund@iras.gov.sg) with the following information.

- State your request for the refund;
- Your Full Name/ Company's Name/ Property Address;
- Tax Reference number (e.g. NRIC/ FIN/ UEN/ Property Tax reference);
- Amount of credit balance due;
- Contact number;
- Email address (if any);

Q11: If I am currently paying via a one-time GIRO instalment (i.e. one instalment GIRO plan), will the full amount of Property Tax for 2009 be deducted in February or will the deduction take into account the new 40% rebate given?

A11: Owners who are paying via a one-time GIRO instalment will have their deductions rescheduled. IRAS will notify owners on their revised property tax and the new GIRO deduction date from April 2009.

Q12: I have already paid up the whole year tax, when will I receive the refund?

A12: From April 2009, eligible owners who paid their Property Tax for the whole year will receive their revised bills first, and receive refund cheques separately. All eligible owners will be notified by 31 Jul 2009.

Q13: I have not paid my Property Tax for 2009. Since there will be an additional 40% rebate for 2009 Property Tax, can I pay the amount after deducting this 40% property tax rebate?

A13: Owners who have not paid their 2009 property tax may proceed to pay the reduced property tax after taking into account the 40% property tax rebate. For enquiries, owners may email to [ptostax@iras.gov.sg](mailto:ptostax@iras.gov.sg) or call us on 1800 356 8600.

Q14: I sold my property before 22 Jan 2009. Will IRAS refund the additional tax that I had paid for the period 1Jan 2009 to 21Jan 2009?

A14: No. Owners who owned the property before 22 Jan 2009 will not be eligible for the new 40% rebate.

Q15: I have paid my property tax for 2009 and will be selling my property after 22 Jan 2009. Will IRAS refund the additional tax after I have sold my property?

A15: IRAS will issue the refund to the person who owns the property at the time of refund and will not apportion refunds between the previous owner and the prevailing owner. The seller is advised to make arrangements with the buyer if he

wishes to claim from the buyer a proportionate share of refund of the property tax rebate that relates to the seller's period of ownership.

This constitutes a private arrangement between sellers and buyers. You may consult your conveyancing lawyer if in doubt.

Q16: My property was let out in 2009. Does the 40% Property Tax Rebate apply to me?

A16: If you let out your property, the Owner-Occupier's Concessionary tax rate of 4% will cease to apply. The 40% Property Tax Rebate will not be given or will be pro-rated if the concessionary tax rate of 4% ceases to apply. Please refer to Example 2 in Question 6 for the tax computations.

Q17: I received a Valuation Notice from IRAS to inform me of a new AV and tax payable. Will I be receiving another notification on the 40% Property Tax Rebate?

A17: If the 40% Property Tax Rebate has been reflected in your valuation notice, IRAS will not inform you with a separate notice. However, if the 40% Property Tax Rebate has not been reflected in your valuation notice, IRAS will inform you separately of the 40% Property Tax Rebate from April 2009.

Q18: How do I gauge the total property tax amount for 2009, considering the AV for my property may be adjusted?

A18: If the AV of your property is adjusted in the course of the year, we will send you a Valuation Notice to inform the new AV, the new AV effective date, the revised tax computation and the new total property tax payable for 2009.