

IRAS CIRCULAR

Property Tax Deferral for Land Approved For Development (Budget 2009)



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Circular on Property Tax Deferral for Land Approved For Development (Budget 2009)

1 Property Tax Deferral for Land Approved For Development (Budget '09)

The Government has on 22 January announced its decision to defer property tax on land approved for development, from 22 January 2009 to 21 January 2011. The deferral is part of the Government's efforts to ease cash-flow for businesses during the present economic downturn as well as help position companies to be ready for the upturn.

2 Eligibility

The deferral will only be given to business owners and exclude individuals, clans and association.

3 Land Qualifying for Deferral

Only land with a valid Provisional Permission (PP) or Written Permission (WP) at the time of application will qualify for the deferral.

If the development project on land is conducted in phases, only the part of the land on which the PP or WP is issued shall be eligible for deferral. Property tax will continue to be payable for the portion of land which is not issued with PP or WP.

4 Period of Deferral

The deferral period shall start from:

- a) 22 January 2009: where PP or WP is issued on or before 22 January 2009; or
- b) Date of PP or WP: where PP or WP for the land is issued after 22 January 2009; or
- c) Date of Transfer to the New Owner: where land is transferred after 22 January 2009, and there is a valid PP or WP as at the date of transfer;

whichever is the latest.

The deferral period shall expire 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.

5 Obligations of Owner

Owners must inform IRAS within one month of the following, to avoid imposition of penalty:

- a) 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
- b) Date when the owner goes into liquidation, insolvency or bankruptcy; or
- c) Date when the land is sold.

6 Application for Deferral

Application can only be made by the current owner. Current owners who wish to apply for the property tax deferral is required to submit an application form to the Comptroller of Property Tax.

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'.

7 Outcome of Deferral

Applicants will be notified of the outcome within 1 month from the date of application. If property tax has already been paid for the approved deferral period, owners can expect to receive a refund. If tax payable is revised during the deferral period, tax payable upon the expiry of the deferral period will be adjusted accordingly. Successful applicants, who have had their tax deferred, may continue to receive electronically generated valuation notices and bills from IRAS from time to time, informing applicants of any revised tax amount or any outstanding tax payable. Applicants need not make payment during the period of deferral as long as the deferral criteria are still being met.

8 Payment upon Expiry or Revocation of Deferral

Upon the expiry or revocation of the deferral period before 21 January 2011, the owners are given 1 month to pay the tax in full, without demand.

For deferral which terminates on 21 January 2011, the owners are given till 31 January 2011 to pay the tax in full, without demand.

Owners paying their property tax through GIRO can enjoy up to a maximum of 12 months interest-free instalments.

9 Contact Information

For enquiries on this circular, please contact:

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