

**WELCOME TO  
BUDGET SEMINAR  
2003**



# OVERVIEW OF TAX CHANGES

## Income Tax Changes for Businesses

- Revision of the Overseas Investment Incentive
- Enhancement of Tax Deduction for Upfront Land Premium
- Allowing of Single Tax Deduction for Patenting Costs
- Allowing of Automatic Writing Down Allowance for Intellectual Property Rights
- Extension of Tax Holiday for Singapore Commodity Exchange Limited



# OVERVIEW OF TAX CHANGES

## Income Tax Changes for Businesses (continued)

- Introduction of Integrated Industrial Capital Allowance Incentive
- Extension of Scope of Tax Exemption Granted to Approved Marine Hull and Liability Insurer
- Introduction of a New Research & Development Tax Incentive
- Enhancement & Expansion of the Global Trader Programme
- Introduction of a Concession for Enterprise Development



# OVERVIEW OF TAX CHANGES

## Income Tax Changes for Businesses/Individuals etc

- Revision of Tax Deduction/Relief for CPF Contributions
- Extension of Scope of Unilateral Tax Credit Scheme
- Exemption of Tax on Foreign Dividends, Branch Profits and Service Income
- Exemption of Tax on Payments for the Provision of Information and Digitised Goods



# OVERVIEW OF TAX CHANGES

## Income Tax Changes for Businesses/Individuals etc (continued)

- Revision of Tax Treatment of Indefeasible Rights of Use
- Enhancement of Further Tax Deduction Scheme for Overseas Talent Recruitment
- Enhancement of Approved Trustee Scheme
- Recognition of Donations of Land and Buildings as “Approved Donations”



# OVERVIEW OF TAX CHANGES

## Income Tax Changes for Businesses/Individuals etc (continued)

- Enhancement of Public Sculpture Donation Scheme
- Introduction of The Portable Medical Benefits Scheme



# OVERVIEW OF TAX CHANGES

## Income Tax Changes for Individuals

- Exemption of Tax on Interest Income Derived by Individuals
- Exemption of Tax on Employer-Subsidised Child Care Benefits
- Revision of Course Fee Relief



# OVERVIEW OF TAX CHANGES

## Other Tax Changes

- Zero-Rating of Trustee Services (GST)
- Introduction of Third-Party Logistics Company Scheme (GST)
- Introduction of New Property Tax Rebate for Commercial and Industrial Properties
- Remission of Stamp Duty on Donations to IPC
- Exemption of Stamp Duty on Leases with Average Annual Rent under \$1,000
- Abolition of Seller's Stamp Duty

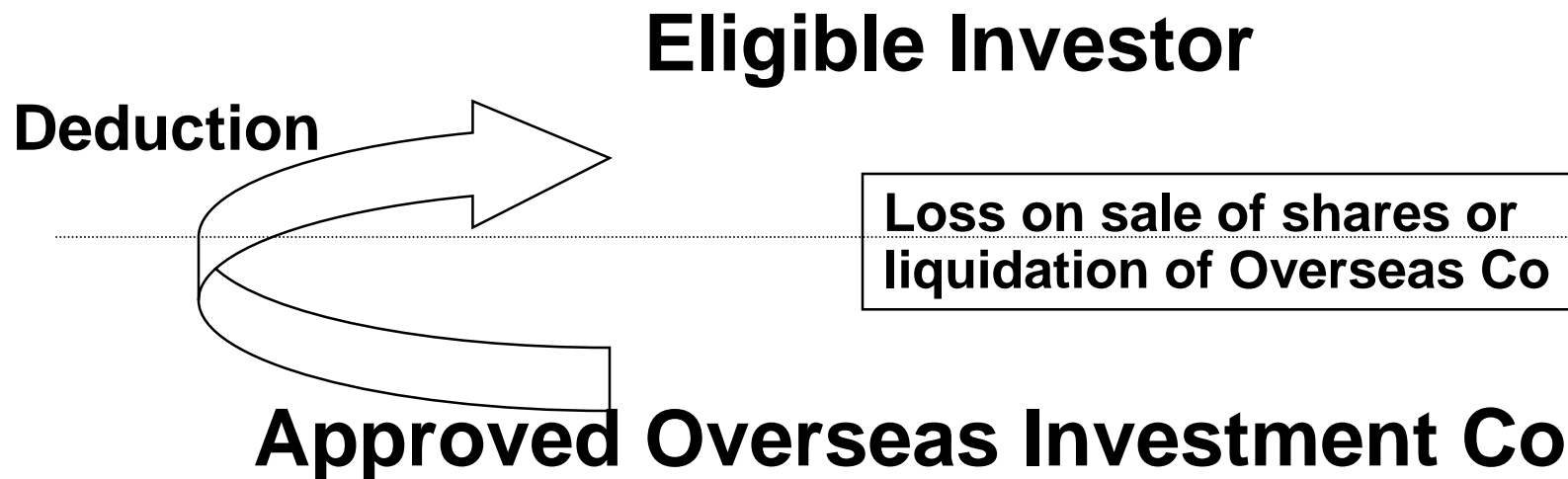


# **Income Tax Changes for Businesses**



# OVERSEAS INVESTMENT INCENTIVE (OII)

## Current Position



- Sale after 2 years from date of issue & not later than the 8<sup>th</sup> year from date of approval
- Liquidation before the end of 8 years from date of approval
- Amount of deduction capped at relevant % of equity invested



# OVERSEAS INVESTMENT INCENTIVE (OII)

## Tax Change

2 years tax  
deferment  
interest-free

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## Eligible Investor

Operating losses of investment  
company

## Approved Overseas Investment Co

- Operating losses during the first three years of the approved investment
- The amount of operating loss on which the tax to be deferred is calculated, will be capped at lower of the relevant % of equity interest or the equity investment



# OVERSEAS INVESTMENT INCENTIVE (OII)

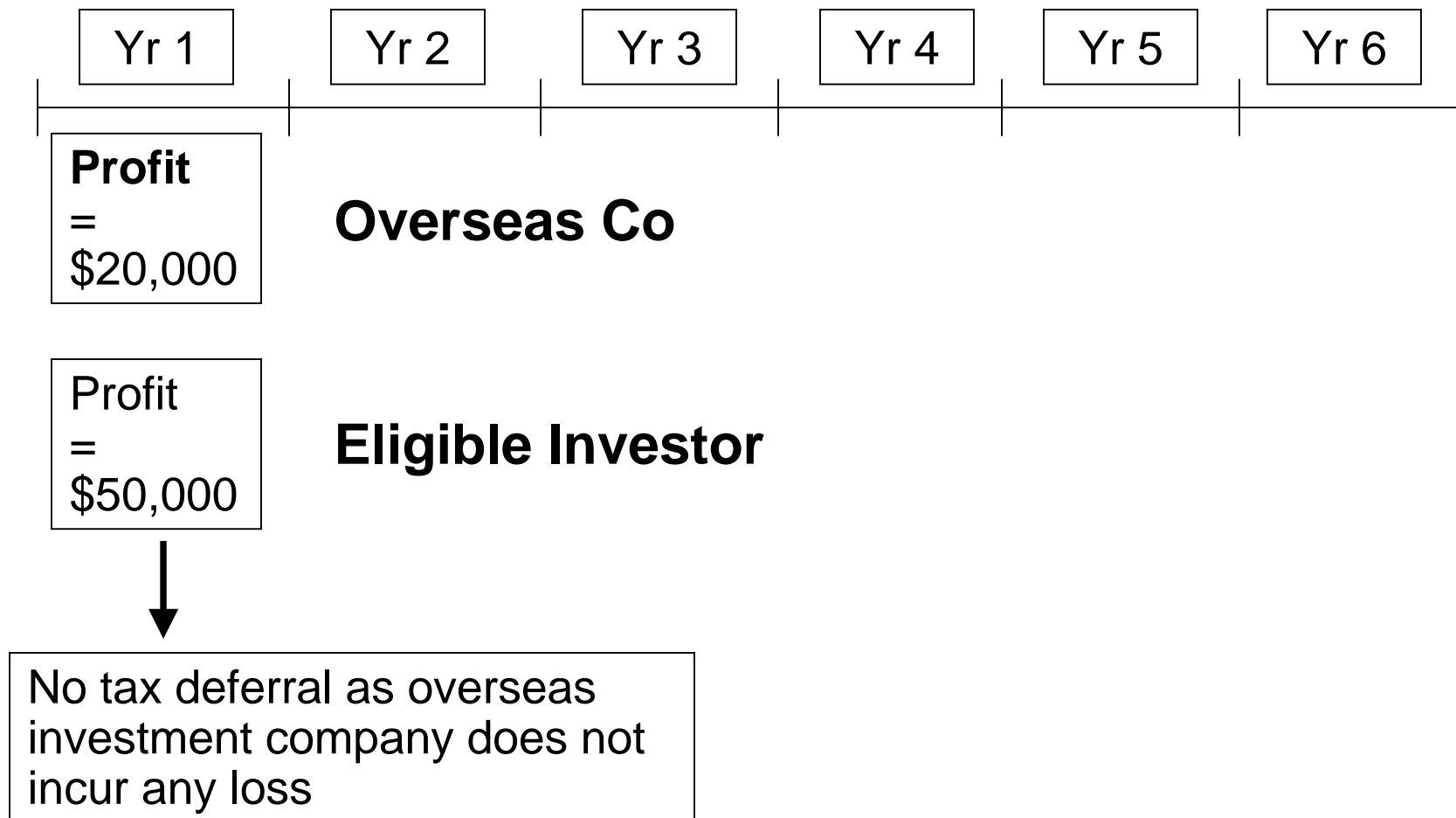
## Example

	Yr 1	Yr 2	Yr 3	Yr 4
<b>Date of investment</b>				
<b>Overseas Co's profit/loss position</b>				
<b>Equity Holding is 100%</b>	Profit = \$20,000	Loss = \$10,000	Loss = \$30,000	Loss = \$40,000
<b>Eligible investor Co's profit/loss position</b>				
<b>Profit = Normal CI</b>	Profit = \$50,000	Profit = \$50,000	Loss = \$50,000	Profit = \$50,000



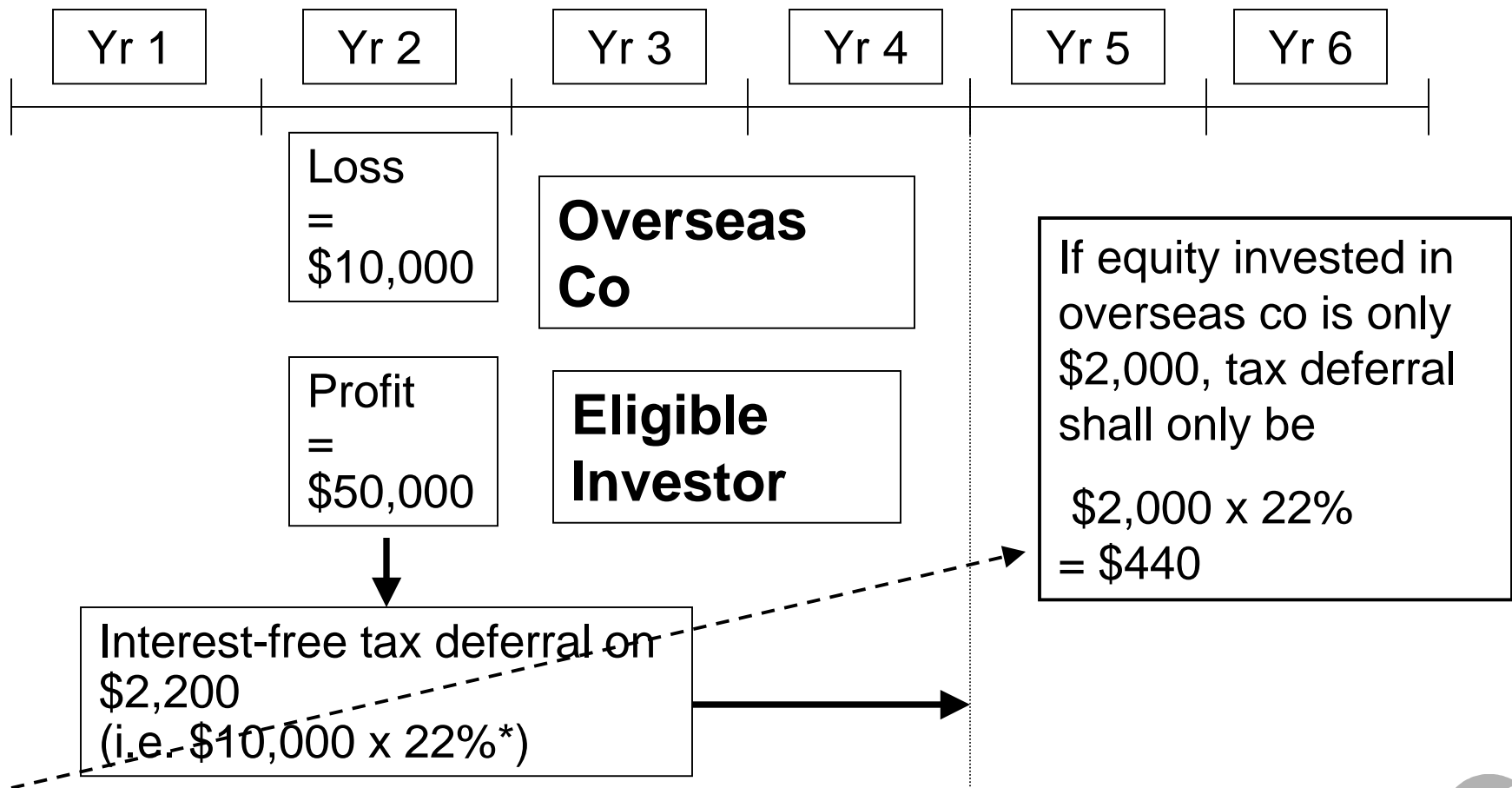
# OVERSEAS INVESTMENT INCENTIVE (OII)

## Example



# OVERSEAS INVESTMENT INCENTIVE (OII)

## Example

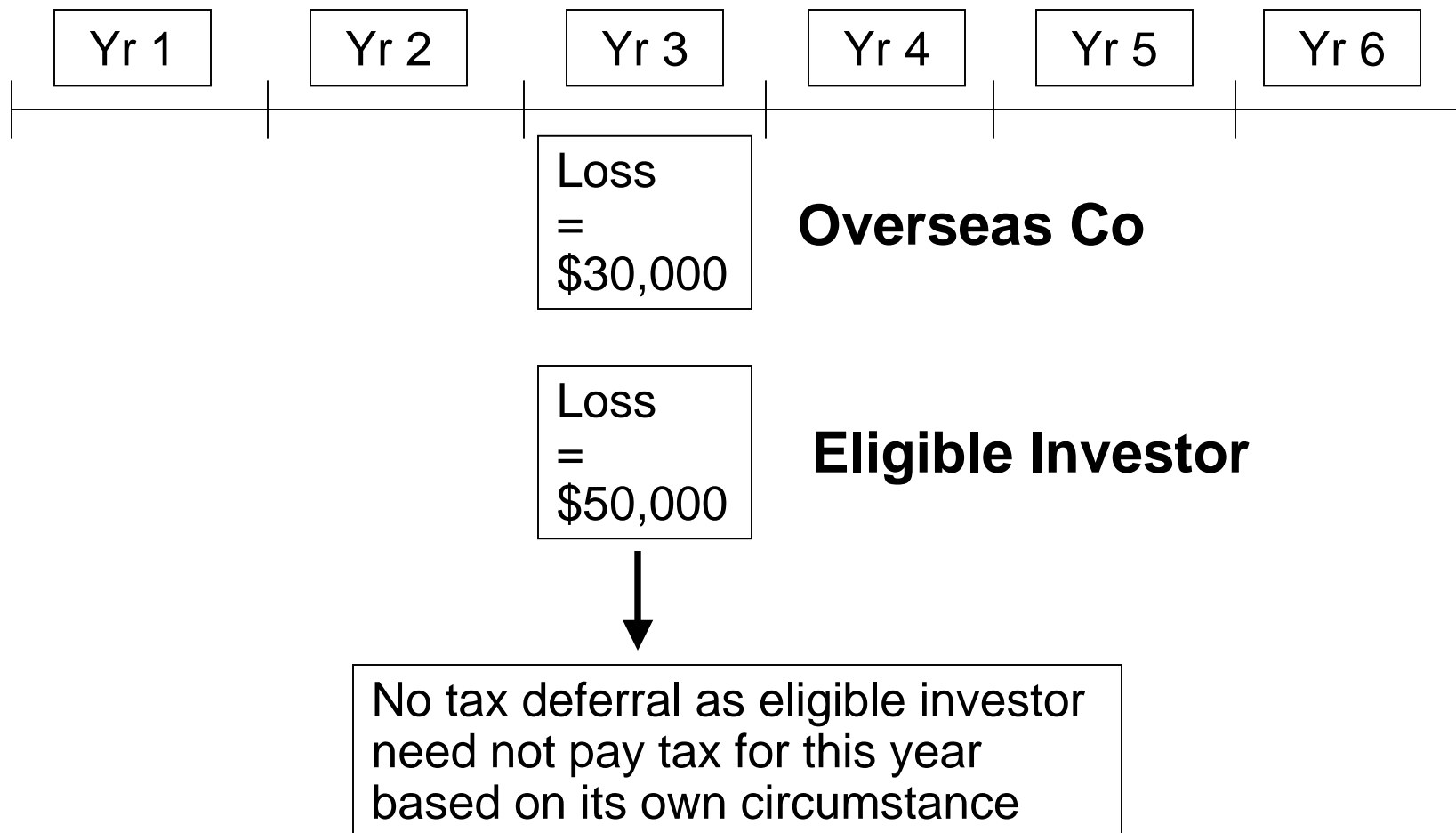


\* 22% is used for illustration purpose only



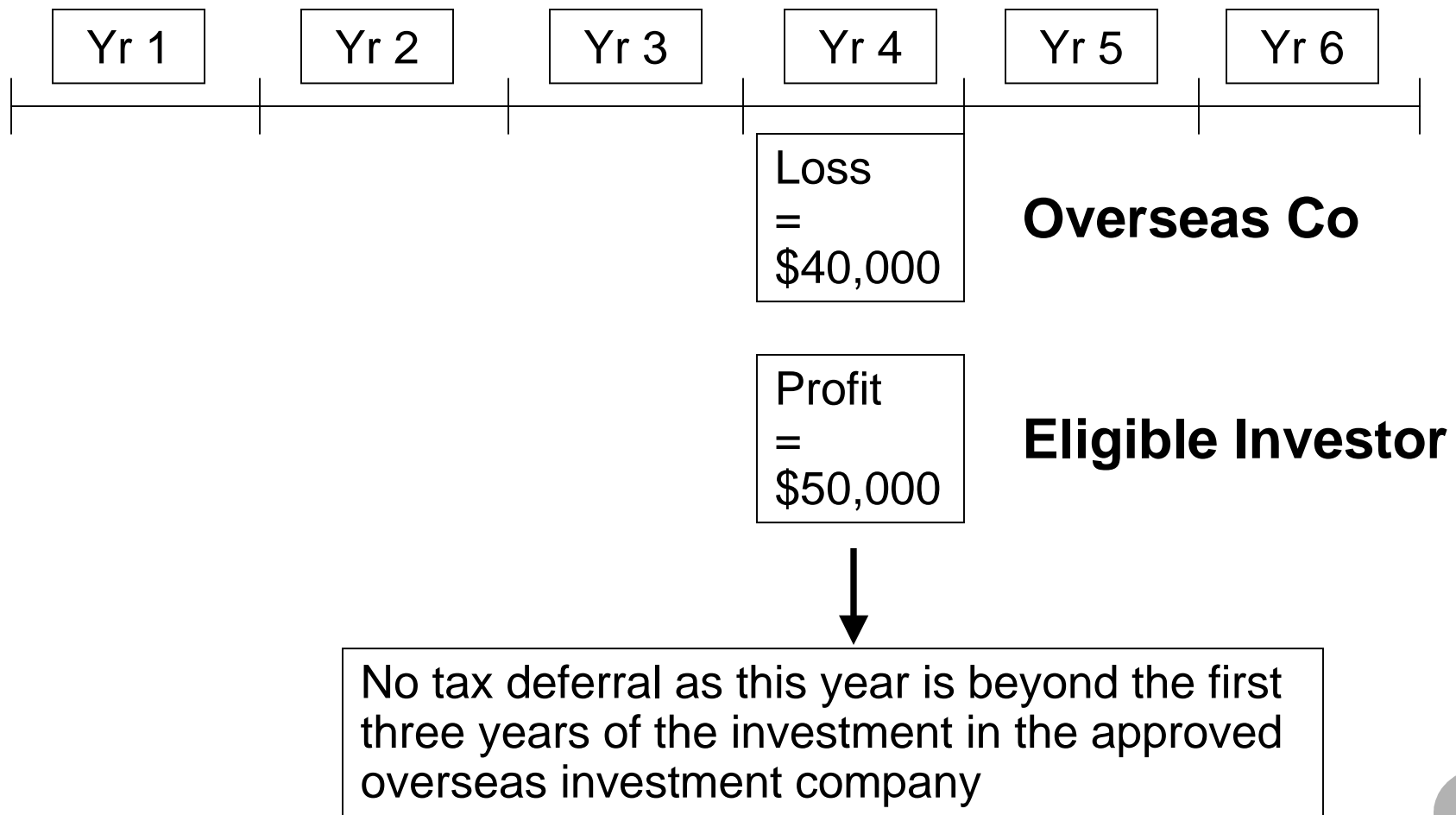
# OVERSEAS INVESTMENT INCENTIVE (OII)

## Example



# OVERSEAS INVESTMENT INCENTIVE (OII)

## Example



# OVERSEAS INVESTMENT INCENTIVE (OII)

Applicable to

- Approved overseas investments made on or after 1 Jan 2004

Objective of Tax Change

- To help Singapore companies expand

Administering agency – IE Singapore


- Further details to be released by Jul 2003



# UPFRONT LAND PREMIUM

⇒ Deduction under section 14N of ITA for upfront lump sum payment for lease of industrial land

	<b>Current Position</b>	<b>Tax Change</b>
<b>Period of Lease</b>	<b>30 years or less</b>	<b>60 years or less</b>
<b>Type of Lease</b>	<b>Lease granted on or after 1 Jan 1998 by JTC or HDB</b>	<b>Lease granted from YA 2004 to 27 Feb 2013 by JTC or HDB</b>
<b>Purpose of Lease</b>	<b>for the construction or use of a building or structure for the purpose of carrying on qualifying activities</b>	<b>for the construction or use of a building or structure for the purpose of carrying on qualifying activities</b>



# UPFRONT LAND PREMIUM

## Objective of Tax Change

- To further enhance the scheme

## Enquiries may be referred to

- JTC
- EDB



# PATENTING COSTS

## Current Position

- Not tax deductible

## Tax Change (wef 1 Jun 2003)

- Single tax deduction
  - ✓ For any patenting costs which do not qualify for the Patent Application Fund Plus Scheme
- Patenting costs incurred during the 10-year period from 1 Jun 2003
- Patenting costs include fees for filing, professional fees



# PATENTING COSTS

## Objectives of Tax Change

- To encourage more companies to patent their inventions
- To make Singapore an attractive base for intellectual property management

Further details to be released by EDB

- by end May 2003



# AUTOMATIC WDA FOR IP RIGHTS

## Current Position

- WDA granted case-by-case for expenditure incurred on or after 23 Feb 2001
- Seven categories of IP rights:
  - ✓ Patents
  - ✓ Copyrights and related rights
  - ✓ Trademarks
  - ✓ Registered designs
  - ✓ Geographical indications
  - ✓ Layout designs of integrated circuits
  - ✓ Protection of confidential information
- Straight-line over 5 years under S19B



# AUTOMATIC WDA FOR IP RIGHTS

## Tax Change (wef 1 Nov 2003)

- WDA granted automatically so long as qualifying criteria are met
- For qualifying expenditure incurred from 1 Nov 2003 to 31 Oct 2008

## Objective of Tax Change

- To increase Singapore's attractiveness as an international IP holding location

## Further details to be released by EDB/IRAS

- By end Oct 2003



# S'PORE COMMODITY EXCHANGE LIMITED (SICOM)

## Current Position

- Tax holiday up till 26 May 2002

## Tax Change

- Tax holiday for another 5 years from YA 2004 to YA 2008

## Objective of Tax Change

- To aid SICOM to improve on its facilities and strengthen its financial reserves



# INTEGRATED INDUSTRIAL CAPITAL ALLOWANCE INCENTIVE (IICA)

## Current Position

- Capital allowance  $\Rightarrow$  plant or machinery for the purpose of trade, business or profession
- Capital allowance not available if plant or machinery is not used for the purpose of trade, business or profession

## Example

$\Rightarrow$  If a company not in leasing trade, acquired a plant and leased it to its overseas subsidiary company



# INTEGRATED INDUSTRIAL CAPITAL ALLOWANCE INCENTIVE (IICA)

## Tax Change

- IICA - with effect from 1 Mar 2003
  - ✓ Capital expenditure on provision of qualifying plant & machinery leased to a subsidiary outside Singapore
  - ✓ Approved Singapore Co. need not carry on a trade or business of leasing of that plant or machinery
  - ✓ Used for the sole purpose of manufacturing goods for sale by the Singapore Co.
- Qualifying period = 5 years
- Window approval period of 10 years from 1 Mar 2003



# INTEGRATED INDUSTRIAL CAPITAL ALLOWANCE INCENTIVE (IICA)

## Objective of Tax Change

- To accommodate changing business models

## Administering Agency - EDB

- Further details to be released by end Mar 2003



# APPROVED MARINE HULL AND LIABILITY INSURER

## Current Position

- Tax exemption on underwriting income
  - ✓ Acceptance of offshore marine hull and liability business
  - ✓ Approved marine hull and liability insurers



# APPROVED MARINE HULL AND LIABILITY INSURER

Tax Change (wef YA 2004)

- Extended to cover
  - ✓ income derived from writing onshore marine hull and liability
- Approved marine hull and liability insurers will also enjoy
  - ✓ exemption on dividends and interest from outside Singapore, gains from sale of offshore investments and interest from ACU deposits



# APPROVED MARINE HULL AND LIABILITY INSURER

## Tax Change (continued)

- Condition

- ✓ derived from investing
  - onshore and offshore marine hull and liability business income, or
  - shareholders' funds used to support onshore and offshore marine hull and liability business.

## Objective of Tax Change

- To further encourage the development of marine insurance expertise in Singapore



# NEW R&D TAX INCENTIVE

## Current Position

- Foreign-sourced income remitted taxable unless granted tax exemption under ITA or EEIA

## Tax Change (wef 1 Jun 2003)

- New R&D Tax Incentive
  - ✓ Foreign sourced royalty and foreign sourced interest income remitted to Singapore by approved companies  $\Rightarrow$  tax exempt



# NEW R&D TAX INCENTIVE

## Tax Change (continued)

- Qualifying conditions

- ✓ Tracking of foreign-sourced royalty/interest
- ✓ Expend 100% of exempt income on R&D activities
- ✓ 20% for R&D activities in Singapore



# NEW R&D TAX INCENTIVE

## Objective of Tax Change

- To increase stockpile of funds for R&D activities

## Administering Agency – EDB

- Further details to be released by 1 Jun 2003



# GLOBAL TRADER PROGRAMME (GTP)

## Current Global Trader Programme

- ✓ Concessionary rate of tax of 10%
- ✓ Incentive period of up to 5 years



# GLOBAL TRADER PROGRAMME (GTP)

## Tax Change (wef 28 Feb 2003)

– Enhancement & expansion of GTP

- 5% or 10% concessional tax rate
- Approved high-growth, medium sized trading companies to enjoy concessional rate of tax of 10% (incentive period = 3 years)



# GLOBAL TRADER PROGRAMME (GTP)

## Objectives of Tax Change

- Strengthen Singapore's competitiveness
- Give a further boost to status as an international trading centre

Administering agency – IE Singapore



# CONCESSION FOR ENTERPRISE DEVELOPMENT

## Current Position

- Date of Commencement = a question of fact

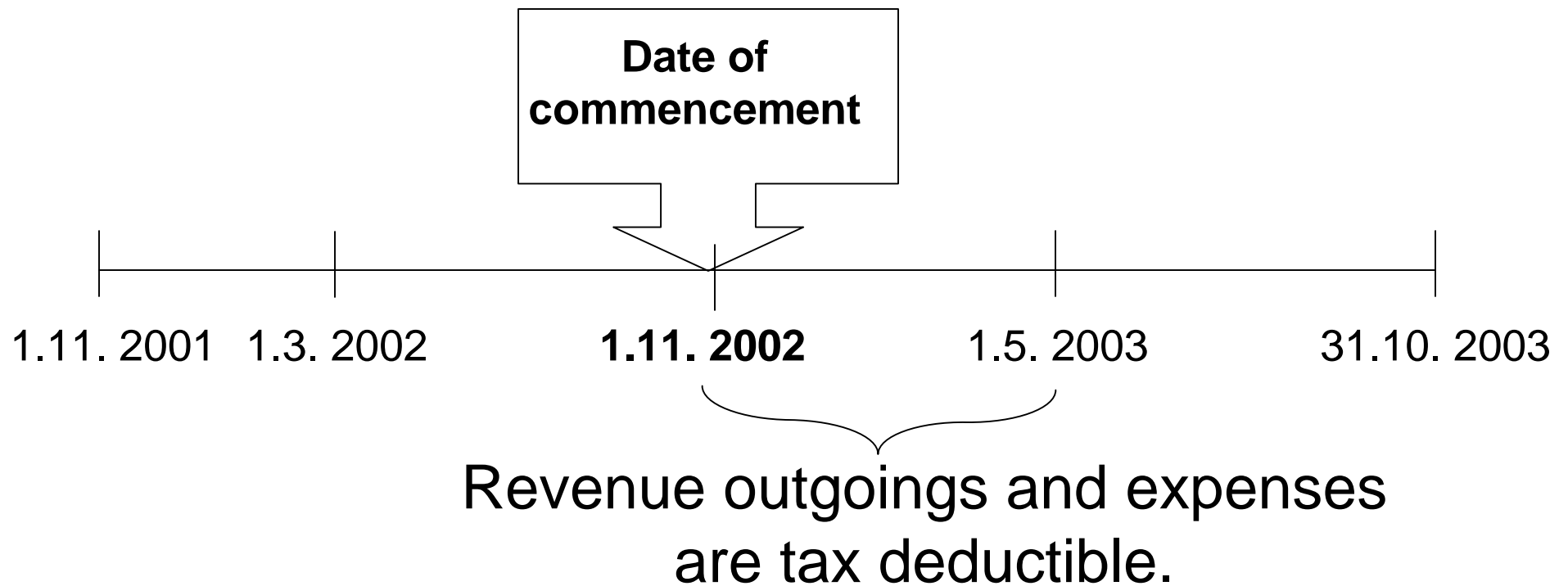
## Tax Change

- Date of Commencement is the first day of the accounting year in which a business earns its first dollar of business receipt
- Effective date : YA 2004
- Granted automatically
- But can provide details to substantiate actual date of commencement



# CONCESSION FOR ENTERPRISE DEVELOPMENT

Effect of concession



# CONCESSION FOR ENTERPRISE DEVELOPMENT

Effect of concession



Revenue outgoings and expenses  
are **also** tax deductible.



# CONCESSION FOR ENTERPRISE DEVELOPMENT

## Objectives of Tax Change

- Greater tax certainty
- Partially relieve start up costs

Further details to be released by IRAS

- By end of Mar 2003



# **Income Tax Changes for Businesses/Individuals etc**



# CPF CONTRIBUTIONS

Current Position

Compulsory CPF contributions  
(prescribed under the CPF Act)

**By employee/self employed**

✓ Tax relief

**By employer**

✓ Tax deductible  
for employer

✓ Not taxable in  
hands of  
employee



# CPF CONTRIBUTIONS

	<b>Current Position</b>	<b>Wef 1.1. 2004</b>	<b>Wef 1.1. 2005</b>
<b>Contribution rate for age 50 to 55 years</b>	20%	18%	16%
<b>Ordinary wage ceiling</b>	\$6,000 per mth	\$5,500 per mth	\$5,000 per mth



# CPF CONTRIBUTIONS

## Objective of Tax Change

- Recognition of changes in economic environment and need to continue to manage business costs



# UNILATERAL TAX CREDIT (UTC)

## Current Position – S50A of ITA

- Scope of UTC scheme:
  - ✓ Income from any service rendered outside Singapore
  - ✓ Foreign sourced dividend
  - ✓ Income from employment exercised outside Singapore
  - ✓ Profit of a foreign branch



# UNILATERAL TAX CREDIT (UTC)

## Tax Change (wef YA 2004)

- UTC scheme expanded to include foreign sourced royalty income

## Objectives of Tax Change

- Eliminate double taxation on foreign sourced royalty income remitted from non-treaty countries
- Encourage the holding of IP rights in Singapore



# TAX EXEMPTION ON DIVIDEND, BRANCH PROFITS & SVC INCOME

## Current Position

- Foreign sourced income taxed upon remittance
- Double taxation relieved/eliminated through our current tax credit system
  - ✓ Unilateral Tax Credit – S50A of ITA
  - ✓ Double Taxation Relief – S50 of ITA
  - ✓ Commonwealth Tax Relief – S48 of ITA



# TAX EXEMPTION ON DIVIDEND, BRANCH PROFITS & SVC INCOME

## Tax Change (wef 1 Jun 2003)

- Tax exemption for person resident in S'pore on
  - ✓ Foreign sourced dividend
  - ✓ Profit of a foreign branch
  - ✓ Foreign sourced service income
- Remittance on or after 1 Jun 2003
- Conditions
  - ✓ Foreign income has been taxed overseas
  - ✓ From a foreign jurisdiction with headline tax rate of at least 15%



# TAX EXEMPTION ON DIVIDEND, BRANCH PROFITS & SVC INCOME

## Tax Change (continued)

- Headline tax rate
  - ✓ highest corporate tax rate of a foreign jurisdiction
  - ✓ need not be the actual rate of tax imposed
- If headline tax rate is  $< 15\%$ , continue to qualify for relief of double taxation under the existing tax credit system



# TAX EXEMPTION ON DIVIDEND, BRANCH PROFITS & SVC INCOME

## Objectives of Tax Change

- To simplify tax system and enhance Singapore's attractiveness as a business hub
- To boost our services exports

## Further details to be released by IRAS

- By end of May 2003



# TAX EXEMPTION ON PAYMENTS FOR THE PROVISION OF INFORMATION & DIGITISED GOODS

## Current Position

- Payments to NR for provision of information & digitised goods → s12(7)

## Objective of Tax Change

- Facilitate flow of information and digitised goods



# TAX EXEMPTION ON PAYMENTS FOR THE PROVISION OF INFORMATION & DIGITISED GOODS

## Tax Change

- Tax exemption on payments made by end-users to NR for provision of information & digitised goods [s13(4)]
- Income accrued to or derived by NR from 28 Feb 2003 to 27 Feb 2013
- [www.iras.gov.sg](http://www.iras.gov.sg) | e-Tax guide | 2003/IT/1



# TAX TREATMENT OF INDEFEASIBLE RIGHTS OF USE (IRU)

## Current Position

- Payments made to NR for IRU for submarine cable system → s12(7)
- No WDA for payer of IRU for submarine cable system

## Objective of Tax Change

- Encourage broadcasting/telecommunications operators to provide international connectivity & boost local broadcasting/telecommunications industries



# TAX TREATMENT OF INDEFEASIBLE RIGHTS OF USE (IRU)

## Tax Change

- Tax exemption on income accruing to or derived by NR from leasing of submarine cable system from 28 Feb 2003 to 27 Feb 2008
- WDA for payer of IRU for submarine cable system (YA 2004)
- Further details to be announced by IRAS by end Mar 2003



## FURTHER TAX DEDUCTION (FTD) SCHEME FOR OVERSEAS TALENT RECRUITMENT

	P1 Employment Pass (or equivalent)		P2 Employment Pass (or equivalent)	
	Current Cap	Revised Cap	Current Cap	Revised Cap
Relocation expenses for employee	\$15,000 (including recruitment expenses)	\$15,000 (including recruitment expenses)	\$5,000	\$5,000
Relocation expenses for spouse		\$5,000		\$5,000
Relocation expenses for unmarried children (<21 yrs old)		\$2,500 per child (max of 2 children)		\$2,500 per child (max of 2 children)
Total cap per employee	\$15,000	\$25,000	\$5,000	\$15,000

Annual FTD cap for employer raised from  
\$150,000 to \$275,000



# **FURTHER TAX DEDUCTION SCHEME FOR OVERSEAS TALENT RECRUITMENT**

## **Tax Change**

- Applicable to qualifying recruitment & relocation expenses incurred by employer from 28 Feb 2003

## **Objective of Tax Change**

- To encourage employers to support the additional cost of relocating talent with families

Further details will be released by MOM



# APPROVED TRUSTEE SCHEME (ATC)

## Objective of Tax Change

- Encourage non-ATCs to take on more global trust business from Singapore
- Provide assurance to trust clients

## Tax Change (wef YA2004)

	Current		Tax Change	
	Administered by:		Administered by:	
	ATC	Non-ATC	ATC	Non-ATC
Specified income of foreign trust	Exempt S13G	Taxable	Exempt	



# APPROVED TRUSTEE SCHEME (ATC)

## Tax Change (by 1 Jun 2003)

	Current	Tax Change
10% for ATC income If income:	Derived from investment designated in the list	Derived from investment NOT designated in the list
0% for foreign trust income if income:		

## Objective of Tax Change

- Ensure new financial products will be covered under the ATC scheme (i.e. 10%/0%) unless specifically listed (i.e. taxable)

Further details to be released by MAS by Jun 2003



# DOUBLE TAX DEDUCTION FOR DONATION

Sections of the ITA	Types of Donations	Donors		Amount of Tax Deduction Granted	
		Individual	Corporate	On or after 1 Jan 2002	On or after 1 Apr 2003
S37(2)(b)	Approved artefacts to approved museums	✓	✓	Double Tax Deduction (DTD) unless with naming opportunities (STD)#	
S37(2)(d)	Computers to approved institutions	N.A.	✓		
S37(2)(e)	Shares of public listed companies	✓	N.A.		
	Units in unit trusts that are readily tradable	✓	N.A.		
	Land & Buildings to IPCs *	✓	✓	NIL	<b>DTD#</b>

\* Market valuation by a registered real estate agent & endorsed by the Chief Valuer



# DOUBLE TAX DEDUCTION FOR DONATION

## Current Position

- DTD for donation of public sculptures under the Public Sculpture Donation Scheme [s37(2)(b)]
- STD if there is naming opportunity

## Tax Change (wef 1 Jul 2003)

- Incentivised donors to:
  - Adopt existing sculptures
  - Commission & donate sculptures
  - Publicly display sculptures

Details to be released by NHB by 1 Jul 2003



# PORTABLE MEDICAL BENEFITS SCHEME

## Objective of Tax Change

- Encourage employers and workers to switch to the Portable Medical Benefits Scheme (PMBS) or Transferable Medical Insurance Scheme (TMIS)



# PORTABLE MEDICAL BENEFITS SCHEME

## Current Position

- S10C(1C) – contribution of up to 1% of ordinary wage for the month or \$60, whichever is lesser, made by employer to medisave account of employee not deemed as income accruing to employee

## Tax Change (YA2004)

- Raise tax exemption limit for additional medisave contributions to lump sum of \$1,500 per annum



# PORTABLE MEDICAL BENEFITS SCHEME

## Current Position

- S14(5) – employer allowed to claim medical expenses of up to 2% of total remuneration of the employees

## Tax Change

- Reduce cap for tax deduction under s14(5) for employers who do not implement the PMBS/TMIS to 1% of total remuneration of the employees
- Effective from any financial year beginning on or after 1 Apr 2004

Further details to be released by MOM



# **INCOME TAX CHANGES FOR INDIVIDUALS**



# TAX EXEMPTION ON INTEREST INCOME DERIVED BY INDIVIDUALS

## Current Position

- Interest income derived by R individuals from deposit of moneys → taxable unless exempt under s13(1)(u)
- Interest income derived by NR individuals from deposit of moneys with approved banks → exempt under s13(1)(t)

## Objective of Tax Change

- Retain domestic funds in S'pore and attract funds currently placed offshore back to S'pore



# TAX EXEMPTION ON INTEREST INCOME DERIVED BY INDIVIDUALS

## Tax Change (wef 1 Jan 2003 to 31 Dec 2004)

- To exempt interest income derived by individual on deposit of moneys (in excess of S\$100,000) in each of his standard savings, current and fixed deposit accounts
  - Includes deposit of moneys in non-S\$
  - \$100,000 – per account basis
  - Joint account – deposit to be divided equally in determining \$100,000



# TAX EXEMPTION ON INTEREST INCOME DERIVED BY INDIVIDUALS

## Tax Change (wef 1 Jan 2005)

- To exempt interest income derived by individual from deposit of moneys (regardless of the amount and whether in S\$ or non-S\$) in any standard savings, current and fixed deposit accounts in Singapore

Further details to be released by IRAS by end April 2003



# TAX EXEMPTION ON EMPLOYER-SUBSIDISED CHILD CARE BENEFITS

## Current Position

- Subsidy received by employee from employer is perquisite from employment and taxable under section 10(1)(b)

## Objective of Tax Change

- To promote pro-family practices in the workplace



# TAX EXEMPTION ON EMPLOYER-SUBSIDISED CHILD CARE BENEFITS

## Tax Change (wef YA2004)

- To exempt from tax child care subsidies provided by employers to employees who send their children to licensed child care centres
- Licensed child care centre  
→ Child Care Centres Act (Chapter 37A)
- List of licensed child care centres found on MCDS' website ([www.mcds.gov.sg](http://www.mcds.gov.sg))



# CHANGES TO COURSE FEE RELIEF


## Objective of Tax Change

- To recognise importance of lifelong learning & training to maintain one's employability



# CHANGES TO COURSE FEE RELIEF

## Tax Change (wef YA2004)

	Current	Tax Change
(I) Amount of course fee relief	\$2,500	\$3,500
(II) Scope of course fee relief	Fees incurred (including examination & tuition fees) for approved courses	Fees incurred (including examination & tuition fees) for approved courses & registration fees for seminars & conferences
(III) Qualifying criteria for course fee relief:	course leads to approved academic or professional qualification or relevant to current occupation (“approved courses”)	<p>course, seminar, conferences (“CSC”) completed on or after 1 Jan 2003 which are not approved courses but –</p> <ul style="list-style-type: none"> <li>• CSC relevant to new occupation &amp;</li> <li>• career change made within 2 YAs from completion of CSC;</li> </ul> 

# **GOODS & SERVICES TAX CHANGES**



# ZERO RATING OF TRUSTEE SERVICES

## Tax Change (wef 1 Jun 2003)

- Align the conditions for zero-rating of trustee services provided to foreign trusts in the GST (General) Regulations with that in the Income Tax Regulations

## Objective of Tax Change

- Reduce administrative burden for trust companies to comply with 2 different sets of conditions



# ZERO RATING OF TRUSTEE SERVICES

## Tax Change (wef 1 Jun 2003)

- Zero-rating of trustee services provided by Singapore trust company to trustee of foreign trust of which S'pore trust company is not the trustee

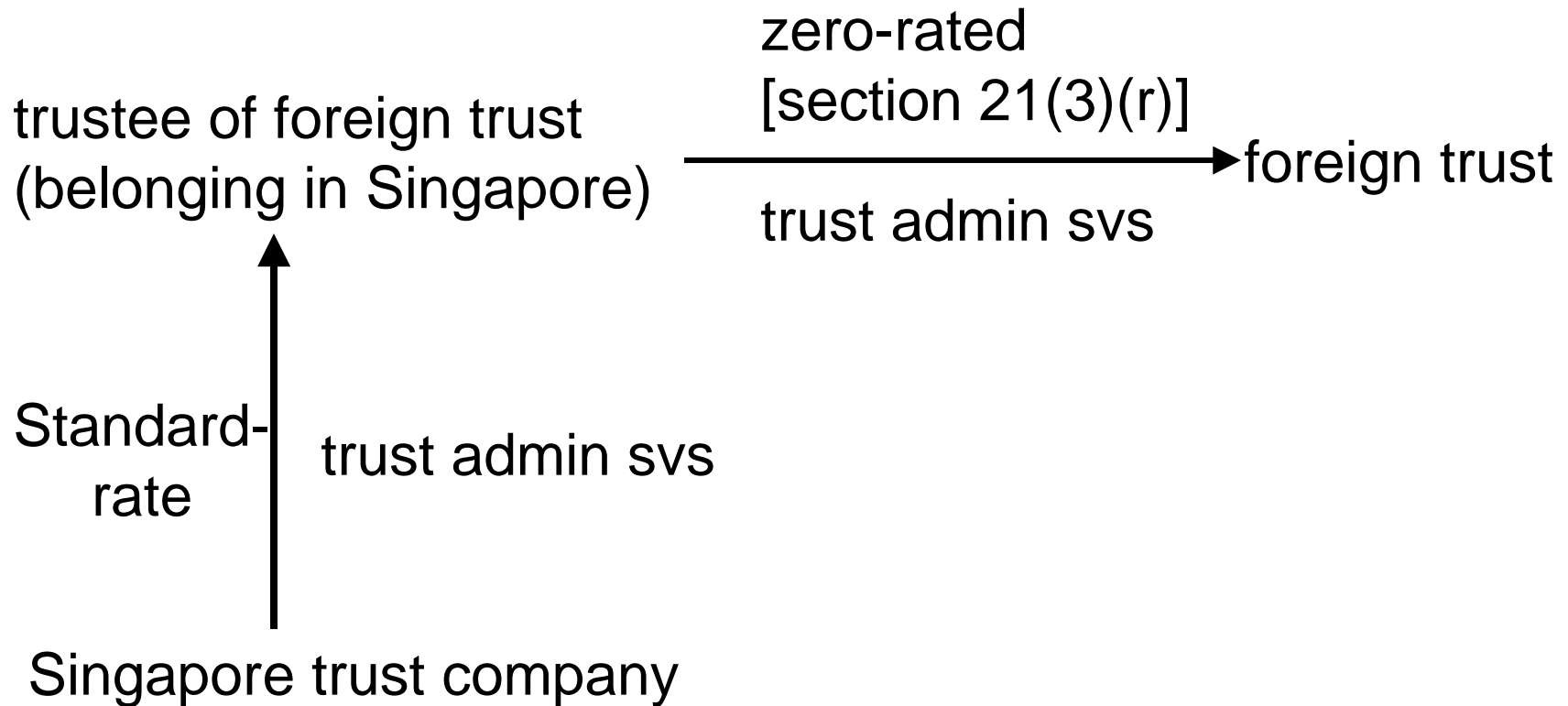
## Objective of Tax Change

- In recognition of the potential business opportunities for trust companies to serve as management & administration hubs for offshore trust



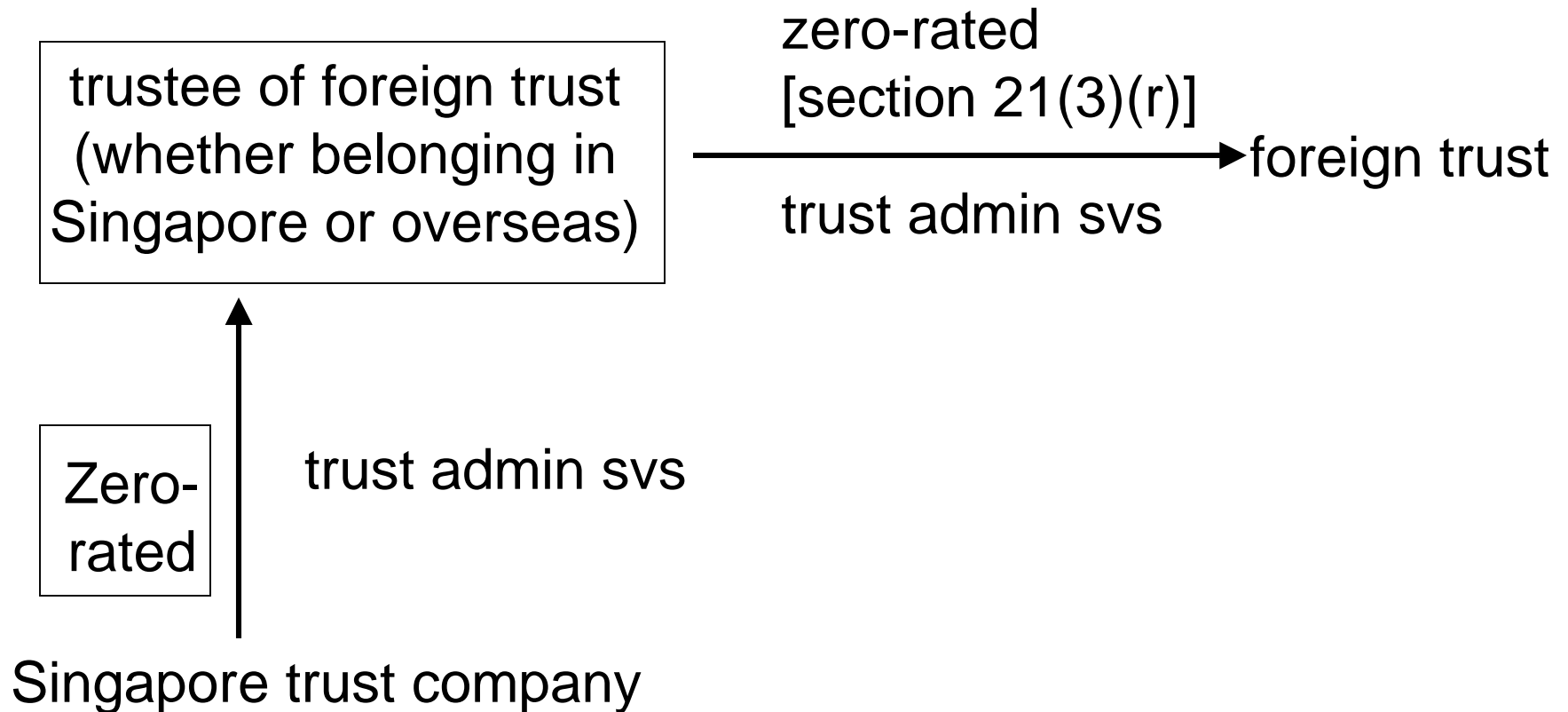
# ZERO RATING OF TRUSTEE SERVICES

## Current Position



# ZERO RATING OF TRUSTEE SERVICES

Tax Change (wef 1 Jun 2003)



# THIRD-PARTY LOGISTICS COMPANY (3PL) SCHEME

## Current Position

- 3PL importing and supplying goods as local agent, on behalf of foreign principal → supplying goods as principal (s33(2) of GST Act)
- 3PL responsible for GST payable (if any) at the point of import & can claim the import GST as input tax
- 3PL subsequently supplies and delivers the goods locally to foreign principal's customer → account for GST on local delivery



# THIRD-PARTY LOGISTICS COMPANY (3PL) SCHEME

## Current Position

- If 3PL is approved logistics company operating bonded warehouse under the Waiver Scheme (Waiver of GST for goods removed from Bonded Warehouse Scheme):
  - GST suspended when goods are imported & stored in bonded warehouse
  - GST waived when goods removed from bonded warehouse for “Major Exporter Scheme” (MES) trader



# **THIRD-PARTY LOGISTICS COMPANY (3PL) SCHEME**

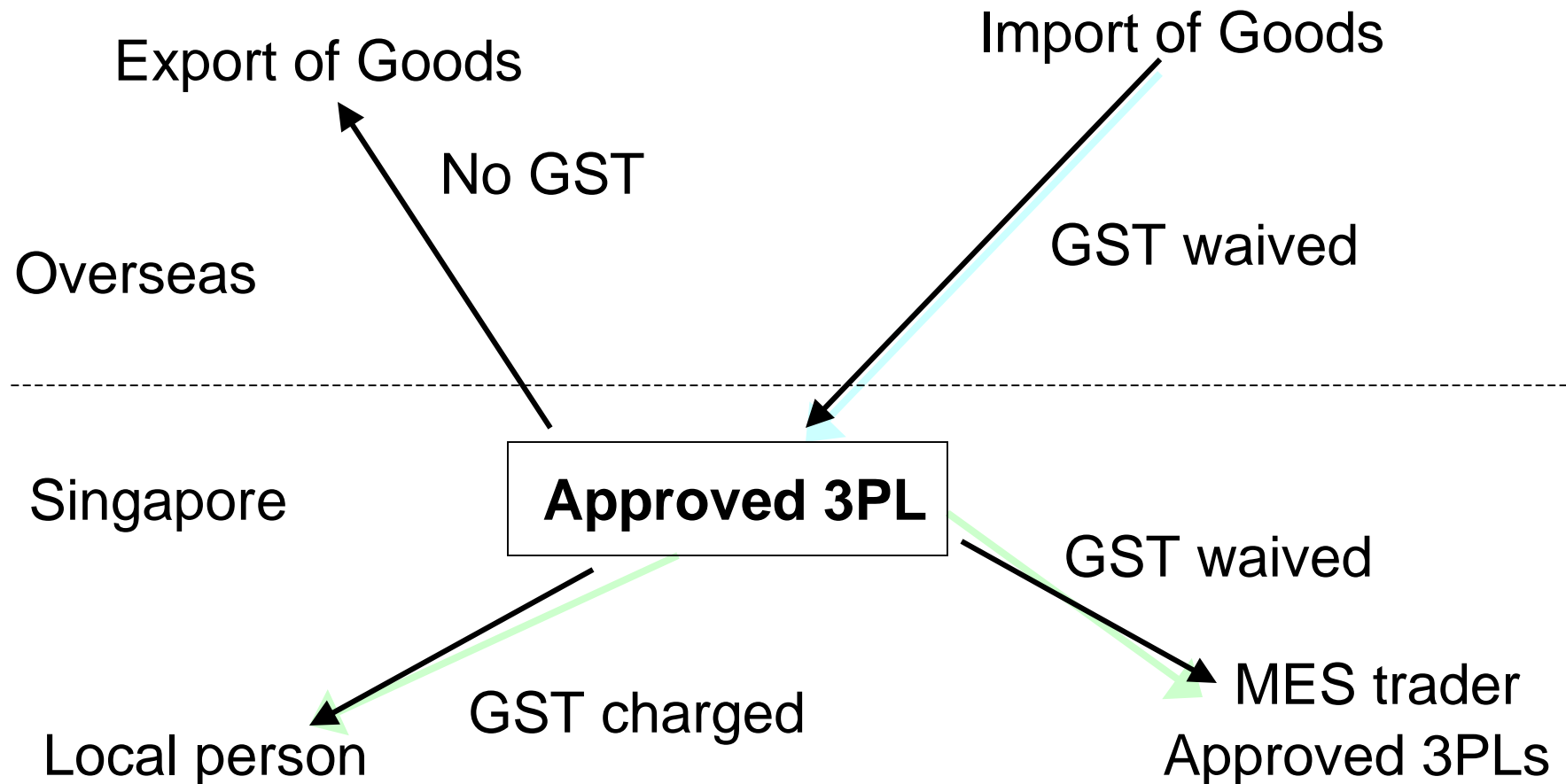
## **Objective of Tax Change**

- To address administrative issues faced by qualifying 3PLS in their business operations in complying with the requirement of operating bonded warehouse under the Waiver Scheme



# THIRD-PARTY LOGISTICS COMPANY (3PL) SCHEME

Tax Change (wef 1 Jan 2004)



Further details will be released by IRAS by end Jun 2003



# PROPERTY TAX CHANGE



# NEW PROPERTY TAX REBATE FOR COMMERCIAL & INDUSTRIAL PROPERTIES

## Current Position

- Property tax rebate (1 Jul 2001 to 30 Jun 2003):
  - Fixed rebate equal to lower of the actual property tax payable or \$8,000 per year; plus
  - 30% rebate on the balance of the property tax payable



# NEW PROPERTY TAX REBATE FOR COMMERCIAL & INDUSTRIAL PROPERTIES

## Tax Change

- Property tax rebate (1 Jul 2003 to 31 Dec 2003):
  - Fixed rebate equal to lower of the actual property tax payable or \$2,000; plus
  - 15% rebate on the balance of the property tax payable

Further details → IRAS' press statement (28 Feb 2003)



# STAMP DUTIES CHANGES



# STAMP DUTIES CHANGES

- ❖ **Remission of Stamp Duty on Donations to IPCs**
  - On documents executed on or after 1 Mar 2003 for transfer of immovable property/shares/interest therein
  - Ad valorem duty previously paid on the acquisition by the donor of the immovable property/shares/interest therein
- ❖ **Exemption of Stamp Duty on leases (with average annual rent not exceeding \$1,000) executed on or after 1 Apr 2003**
- ❖ **Abolition of Seller's Stamp Duty with effect from 28 Feb 2003**



THANK YOU

