

# **IRAS CIRCULAR**

## **WAIVER OF PROPERTY TAX FOR LANDS UNDER DEVELOPMENT**



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## **WAIVER OF PROPERTY TAX FOR LANDS UNDER DEVELOPMENT**

It was announced in the Budget Statement on 7 March 1986 that from 1 July 1986, all vacant lands under private development shall be exempt from property tax.

This statement gives the details of the scheme.

All categories of lands, including residential lands, will be eligible for the exemption so long as construction works have commenced. Lands on which construction works have been suspended will also qualify for the exemption. However, the exemption is subject to a valid permit to commence building works or a valid written planning permission issued by the Development and Building Control Division. The owners are required to inform the Comptroller of Property Tax when either of the above documents is revoked or lapsed.

Existing buildings undergoing renovation works will not be entitled to the exemption. Lands belonging to statutory boards will also not be entitled to the exemption.

The qualifying period for exemption will begin from the date of commencement of foundation works (including piling) to the date of issue of Temporary Occupation Licence. The maximum period of exemption allowed for any building project will be five years including a maximum period of exemption of 6 months for the construction of foundation, including piling works. Depending on the merits of each case, the 6-month period may be extended if the foundation takes more than 6 months. However, in no case shall the total period of exemption be more than 5 years.

For projects which commence on or after 1 July 1986 the owner should notify the Comptroller of Property Tax within 14 days of the commencement of foundation works. In order to ensure that there is a genuine intention to complete the project, exemption in the first instance will only be considered upon the completion of the foundation and the floor slab of the first storey or lowest basement. Once the foundation and floor slab has been completed, a claim for refund of tax paid for the period from the commencement of foundation works must be submitted by the end of the half-year.

For projects which have already started before 1 July 1986, the owners are required to notify the Comptroller of Property Tax by 31 December 1986. Exemption will be granted from 1 July 1986 to the issue of Temporary Occupation Licence provided the total period of exemption does not exceed 5 years from 1 July 1986.