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**Updated on 27 Dec 2005 – Refer to the revised edition for the updates as follows:**

- updating of paragraph 5 by deleting paragraph (a) and renumbering (b) (c) following the amendment in the Property Tax (Rate for Owner-Occupied Residential Premises) (Amendment) Order 2002.
- inserting of paragraph 8
- renumbering of paragraphs 9 to 12

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## **PROPERTY TAX CONCESSION FOR OWNER-OCCUPIED RESIDENTIAL PROPERTIES**

### **INTRODUCTION**

- 1 The owner-occupier of a residential property is eligible for a concession of the property tax on the property. This tax concession is to encourage home ownership in Singapore. It is given by reducing the rate of tax to 4% of the property's annual value. The authority for the concession is provided under the Property Tax (Rate for Owner-Occupied Residential Premises) Order 1990.
- 2 This Administrative Statement spells out how the concession is applied. Specific reference is also made to -
  - (a) a residential property which is joint owned; and
  - (b) an owner who owns and occupies more than one residential property.

### **ADMINISTRATIVE STATEMENT**

- 3 This concession is available only to individual owners. Thus, a company, association or a body of persons does not qualify for the concession even if its residential property is occupied by its staffs.

- 4 An individual owner (or a married couple) is eligible for the concession on only one residential property at any one time. A married couple is eligible for the concession on only one owner-occupied residential property. Where owners, not being husband and wife, jointly own more than one residential property, the concession may apply to each of the residential properties separately occupied by the respective joint owners. For example, if residential property 'A' owner-occupied by a married couple and residential property 'B' owner-occupied by their parents are both jointly owned by the married couple and their parents, the concession will only apply to residential property 'A' for the married couple and residential property 'B' for their parents. The married couple will not be eligible for the concession for residential property 'B' and their parents will not be eligible for the concession for residential property 'A'.
- 5 Exceptions to the rule that a married couple is eligible for the concession on only one owner-occupied residential property are made in the following circumstances:
- <sup>1</sup>(a) where the number of rooms in the residential property is insufficient to accommodate all the unmarried children - the concession may, if the Comptroller of Property Tax is satisfied that there is an insufficiency, apply to one other residential property wholly occupied by one or more of the unmarried children;
  - (b) where the married couple have been separated pursuant to an order of court or deed of separation and are living apart, the concession will apply to each of their respective owner-occupied residential properties so long as they remain separated and live apart;
  - (c) where the owner has more than one lawful spouse and each spouse is occupying a different residential property, the concession will apply to each residential property wholly occupied by each spouse.
- 6 An owner who owns and occupies both a HDB flat and a private residential property will be eligible for the concession on the HDB flat only. This is to take cognizance of HDB's ruling that its flat owners have to be in actual, exclusive and continuous occupation of their flats.
- 7 An owner who lets out part of his residential property will not be eligible for the concession for the property whether or not he is occupying the property at the same time. Similarly, an owner who uses part of his residential property for non-residential purposes will not be eligible for the concession.
- 8 To enjoy the owner-occupier's concession, an owner will have to make an application to the Comptroller of Property Tax by completing the "Claim for Owner-Occupier's Tax Rate" Form. Owners are requested to put in their applications as early as possible after occupation of the property. New owners

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<sup>1</sup> Following the amendment of the Property Tax (Rate for Owner-Occupied Residential Premises (Amendment Order 2002), paragraph 5 (a) has been deleted.

of HDB flats, however, do not need to make the application. They will be given the concession automatically. This is because HDB flats are sold under the Home Ownership Scheme which requires owners to occupy their flats.

- 9 The concession will commence from the date the owner occupies the property. However, if the new owner of a residential property can show that the property has been under repairs or renovation for a reasonable period of time prior to owner-occupation, normally 2 to 3 months after the property was transferred to him, the concession may commence from the date he becomes the owner. This is provided he is not enjoying the concession for another residential property for the same period
- 10 When a residential property ceases to be owner-occupied, the owner is required to give written notice to the Comptroller not later than 15 days from the date the property ceases to be owner-occupied.
- 11 Owners are reminded not to give false information when making the application for the concession. The Comptroller will take appropriate action against those who do so.