

# **IRAS CIRCULAR**

## **CHANGES TO PROPERTY TAX**



**INLAND REVENUE  
AUTHORITY  
OF SINGAPORE**

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## **CHANGES TO PROPERTY TAX**

### **1. Annual billing cycle for property tax**

With effect from 1 Jan 2003, IRAS will send out property tax bills only once a year. This follows from the change in the Property Tax Act that makes property tax payable yearly in advance in January. At present, property tax is payable half-yearly in advance in the months of January and July, and IRAS sends out 2 bills, one in January and one in July, each year.

Taxpayers paying their property tax through GIRO will however not be affected by the change. They continue to pay their property tax in 12 interest-free monthly instalments.

IRAS is encouraging taxpayers currently paying their tax by cash or cheque to pay their tax through GIRO.

Taxpayers who choose not to join the GIRO scheme will have to pay their property tax in full by the 31 January deadline. Taxpayers currently paying their property tax via 2 half yearly GIRO deductions will have their payment arrangement converted to the 12 interest-free monthly instalment scheme.

### **2. Objection to the Annual Value in Valuation List**

From Jan 2003, property owners need not wait until August each year to raise objections to the valuation of their properties. Property owners can do so at any time of the year.

Currently, the Valuation List is open for inspection by the public in August each year. Any owner who wishes to object to the annual value ascribed to his property in the Valuation List has to do so in the same month. As taxpayers are informed of the annual values of their properties through their property tax bills and valuation notices, there is no need to publish the Valuation List for public inspection.

The practice of opening the Valuation List for inspection in August will cease. However, members of the public can still view the Valuation List at the IRAS website for a fee.

### **3. Late payment penalty**

From Jan 2003, a penalty capped at 5% of the amount of outstanding property tax, may be imposed if tax remains unpaid by the due date. At present, a penalty is imposed only after the expiry of a notice of demand, effectively giving taxpayers who pay late 15 more days to pay their tax in addition to the one month already given. From Jan 2003, IRAS will stop issuing notices of demand for property tax not paid by due date.

More information on the changes are available at the iRAS website at [www.iras.gov.sg](http://www.iras.gov.sg). For clarification, please call Taxpayer Services Helpline at Tel: 1800-3568600.

## Questions And Answers

### 1. How do the changes to Annual Billing affect you?

a. Currently under monthly GIRO scheme

You will not be affected by this change and will continue to enjoy the 12 interest-free monthly instalments.

b. Currently under half-yearly GIRO scheme

We will convert your half-yearly GIRO scheme to monthly GIRO scheme, subject to a minimum of \$3 per instalment. Some examples are as follows:

Example 1: If the full year tax is \$5, there will be only be one GIRO deduction of \$5;

Example 2: If the full year tax is \$17, there will be 5 wqual monthly instalments of \$3.40 each starting from Jan 2003;

Example 3: If the full year tax is \$60, there will be 12 equal monthly instalments of \$5.00 each starting from Jan 2003.

If you prefer to pay the full year Property Tax by just one deduction, please call our Taxpayer Services Helpline at Tel: 1800-3568600 during office hours.

c. Currently not on any GIRO scheme

After the change, you will have to pay the full year tax in one lump sum by 31 January. Unpaid tax is liable to a 5% penalty applicable immediately on the due date.

### 2. If I intend to sell my property, do I need to pay the full year tax?

Yes, you will have to pay the full year tax if you have been billed. You can seek reimbursement from your buyer through your lawyers handling the property transfer.

**3. The annual value of my property is excessive. However, I understand that I can lodge my objection only during the month of August. Please clarify.**

You can now lodge an objection to the annual value of your property at any time of the year. From 2003, you are not constrained to lodge your objection in the month of August.

**4. Where can I check on the annual value of my property?**

The annual value of a property is shown on the annual bill. You can also do a search for the annual value of any property by either accessing the online Valuation List system on the Internet (<http://vl.iras.gov.sg>) or through the Valuation List Terminal at Revenue House (IRAS). The fee is \$2.50 per enquiry.