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ADDITIONAL PROPERTY TAX REBATES TO RELIEVE ECONOMIC IMPACT OF SARS - COMPUTATION



INLAND REVENUE
AUTHORITY
OF SINGAPORE

Published by
Inland Revenue Authority of Singapore

Published on 23 Apr 2003

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ADDITIONAL PROPERTY TAX REBATES TO RELIEVE ECONOMIC IMPACT OF SARS - COMPUTATION

The Government announced last week the additional property tax rebates for commercial properties to relieve the economic impact of SARS. This statement provides further details on how the property tax rebates will be computed and given to the property owners.

Owners of commercial properties from 1 May 2003 will enjoy an additional rebate of \$2000 plus 10% of the property tax payable in 2003, after the existing rebates.

Gazetted tourist hotels are especially hard hit by the SARS outbreak. Therefore, they will be given a higher rebate of \$2,000 plus 30% of the property tax payable, after the existing rebates.

All commercial properties currently enjoy a property tax rebate of \$4,000 plus 30% of the property tax payable for the first half 2003 and \$2,000 plus 15% of the property tax payable for the second half of the year.

Annex 1 illustrates how this rebate will be computed and Annex 2 lists the types of properties that are eligible for this rebate.

Owners of commercial properties can expect to receive their revised property tax bills, revised GIRO instalment plans and refunds of any excess property tax paid from June 2003. Owners paying their property tax through GIRO will have their GIRO instalments adjusted from July 2003 onwards.

The additional tax savings for owners of commercial properties will be about \$64 million. The Government strongly encourages landlords to pass these savings to their tenants.

For clarifications on the contents of this statement, please contact IRAS officers on 1800-356 8600.

Illustration of Additional Property Tax Rebate for Commercial Properties

If the property tax for a commercial property is \$10,000 for the first half of 2003 and \$10,000 for the second half of 2003, the property tax payable after the additional property tax rebate is as follows:

Existing Rebates

Property tax for 1 Jan to 30 Jun 2003	\$ 10,000
Less fixed rebate	<u>\$ 4,000</u>
Balance tax payable	\$ 6,000
Less 30% rebate on the balance of tax payable	<u>\$ 1,800</u>
Property tax payable after rebate	<u>\$ 4,200</u>
Property tax for 1 Jul to 31 Dec 2003	\$ 10,000
Less fixed rebate	<u>\$ 2,000</u>
Balance tax payable	\$ 8,000
Less 15% rebate on the balance of tax payable	<u>\$ 1,200</u>
Property tax payable after rebate	<u>\$ 6,800</u>
Existing property tax rebates for 2003	\$ 9,000
Total property tax payable after existing rebates	<u>\$ 11,000</u>

Additional Rebate

Property tax for 2003 after existing rebates	\$ 11,000
Less fixed rebate	<u>\$ 2,000</u>
Balance tax payable	\$ 9,000
Less 10% rebate on the balance of tax payable	<u>\$ 900</u>
Property tax payable after <i>additional</i> rebate	<u>\$ 8,100</u>
Additional property tax rebates for 2003	\$ <u>2,900</u>
Total property tax rebates for 2003	\$ <u>11,900</u>

Total property tax payable without rebates	\$ <u>20,000</u>
Property tax payable for 2003 after rebates	\$ <u>8,100</u>

Only owners of commercial properties from 1st May 2003 are eligible for the rebate.

Types of Properties that are eligible for the Additional Property Tax Rebate for Commercial Properties

Additional property tax rebates for commercial properties

The existing property tax rebate enjoyed by commercial properties will be enhanced by an *additional* rebate of \$2,000 plus 10% of the balance property tax payable in 2003, after the existing rebate. Properties eligible for the additional rebate include

- a) a shop;
- b) a commercial office;
- c) a commercial school;
- d) a restaurant (e.g. cafe, coffee shop, food court);
- e) a nightclub, bar or pub;
- f) a cinema or theatre;
- g) a child care centre;
- h) an amusement centre (e.g. video/computer games arcade, bowling alley);
- i) a health centre (e.g. fitness centre, spa, gymnasium, NOT a hospital);
- j) a sports and recreation building (e.g. theme park, club, Underwater World)
- k) a hotel other than a gazetted tourist hotel;
- l) a convention or exhibition centre

but does not include any premises used as a business or science park, petrol station, serviced apartment, warehouse or for industrial purposes.

Higher property tax rebates for gazetted tourist hotels

Gazetted tourist hotels are premises declared under the Singapore Tourism (Cess Collection) Act. As they are especially hard hit, gazetted tourist hotel rooms will be given a higher additional rebate of \$2,000 plus 30% of the balance property tax payable in 2003, after the existing rebates. However, the F&B outlets and retail shops in hotels will be given the 10% rebate.