

IRAS CIRCULAR

UPDATING THE ANNUAL VALUES OF HDB FLATS



INLAND REVENUE
AUTHORITY
OF SINGAPORE

Published by
Inland Revenue Authority of Singapore

Published on 14 Apr 2004

© 2004 IRAS Singapore. All Rights Reserved

All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, including photocopying and recording without the written permission of the copyright holder, application for which should be addressed to the publisher. Such written permission must also be obtained before any part of this publication is stored in a retrieval system of any nature.

Updating The Annual Values Of HDB Flats

Introduction

IRAS will revise the Annual Values (AVs) of all HDB flats and the Property Taxes payable by HDB flat owners. This will take place from Jul to Dec 2004. To help lower income households adjust, the Government will phase in the increase in Property Tax for 5-room and smaller owner-occupied households over 3 years.

This is the first update of the AVs of HDB flats since 1990. Although IRAS regularly revises the AVs of private properties to reflect current market conditions, it had deferred doing so for HDB flats in view of the difficult economic conditions in recent years. Now that conditions are more stable, IRAS will update the AVs for all HDB flats.

The impact of the AV revision will be small for most HDB households. 1- and 2-room flats will still not have to pay any Property Tax. 3-room flats will have an average tax increase of \$16 in annual tax, or less than \$6 increase each year for the next 3 years. 4-room to Executive flats will have an average tax increase of \$65 in annual tax, or less than \$22 increase each year for the next 3 years. 95% of HDB households will have less than \$15 of tax increase this year.

IRAS strongly encourages flat owners to join the GIRO scheme. Flat owners who do so can spread their Property Tax payments over up to 12 months. For 3-room households, this works out on average to less than a dollar per month. For larger flats (4-room to Executive flats), the average increase is less than \$2 per month.

IRAS will begin sending out Valuation Notices (VN) to Executive flat owners in May 2004, to inform them of the revised AVs of their flats and the Property Tax payable. Subsequently, IRAS will revise the AVs of other HDB flats, starting with the larger flats. The exercise is expected to end by Dec 2004.

In future, IRAS will review the AVs of HDB flats regularly, as it does for private properties.

Payment of any additional Property Tax will be due a month after the new AV takes effect. However, to minimise inconvenience to taxpayers, IRAS will carry forward the tax payable to the next Property Tax bill in Jan 2005 if the amount of tax due for 2004 is less than \$15.

For enquiries, please call IRAS on 1800-356 8600.

Supplementary Information

Table 1: Average new AVs and effective dates

Generally, the flats in the more popular locations will have higher AVs than flats of the same type in less popular locations.

Room Type	Average AVs		New AVs Effective Dates
	Existing	New	
Executive	6,300	6,900	1st July 2004
5-Room	5,400	6,300	1st August 2004
4-Room	3,700	5,400	1st October 2004
3-Room	2,700	4,200	1st December 2004
2-Room	1,900	3,300	1st December 2004
1-Room	1,300	2,100	1st December 2004

Table 2: Average Property Tax payable (after AV revision & GST-related Property Tax rebate)

Room Type	Average Property Tax payable (\$)
Executive	186
5-Room	137
4-Room	83
3-Room	16
1 to 2 Room	0

Table 3: Illustration of computation of Property Tax payable

This table gives an illustration of how Property Tax payable is computed after taking into account the GST-related Property Tax rebate and the Property Tax remission.

**Illustration of computation of Property Tax payable for a 5-room HDB flat
(For period 1st Aug to 31 Dec 04)**

	Annual Value \$	TaxRate	Property Tax payable \$	Remarks
Property Tax based on proposed Annual Value	6,360	4%	254.40	
	Less GST Rebate		100.00	
			154.40	(a)
Property Tax based on existing Annual Value	5,470	4%	218.80	
	Less GST Rebate		125.00	
			93.80	(b)
Additional Property Tax payable (before remission)			60.60	(c) = (a) - (b)
Remission at 2/3 of additional tax payable			40.40	(d) = 2/3 of (c)
Additional Property Tax payable (after remission) - for 1st year			20.20	(e) = (c) - (d)
Additional Property Tax payable (after remission) - for 5 months (Aug to Dec 04)			8.42	(e) x 5 months / 12 months

GST- related Property Tax rebates

Owner-occupied residential properties currently receive the following Property Tax rebates, based on their AVs. They will continue to receive these rebates:

AV Range (\$)	Rebate (\$)
1- 5,000	150
5,001 – 6,000	125
6,001 – 7,000	100
7,001 – 8,000	75
8,001 – 9,000	50
9,001 – 9,999	25
\$10,000 and above	0

Table 4: GIRO payments

Property Tax may be paid in 12 monthly interest-free instalments via GIRO. To apply for GIRO payment, owners can obtain a copy of the GIRO application form by downloading from the Internet: log on to www.iras.gov.sg or from our Taxpayer Services Centre located on the 1st floor of Revenue House (opposite Novena MRT Station).