

# **IRAS CIRCULAR**

## **PROPERTY TAX REBATE ON COMMERCIAL AND INDUSTRIAL PROPERTIES**



INLAND REVENUE  
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## PROPERTY TAX REBATE ON COMMERCIAL AND INDUSTRIAL PROPERTIES

### Property Tax Rebate

To ease cost pressures on companies, Minister has decided to give a 15% rebate for commercial and industrial properties for the year commencing 1 July 1998. The rebate was raised to 55% instead subsequent to Minister's Off-Budget Statement on 29 Jun 98.

### Question and Answers

#### **PQ1 When will I get my July bill?**

PA1 The July bill will be sent shortly. For commercial and industrial properties, we will take into account the 55% rebate in the July bills.

#### **PQ2 I have paid my tax for the full year. With this rebate, will you be sending me the refund or will you be posting the credit in my account?**

PA2 If you own a commercial and industrial property and have paid the full year's tax, we will send you the refund cheque without demand.

#### **PQ3 I am the tenant of this commercial building. I have asked the owner for the rebate since owners are strongly urged to pass at least half of the rebate to the tenants. However the owner is saying "no". Can IRAS help?**

PA3 It is not appropriate for us to intervene in such matters although we do encourage owners to share the rebate with their tenants. The reason being that the rent paid by the tenant is usually governed by a lease agreement signed by both parties and we do not have purview over such matters. Whether owner would share the rebate with the tenant may depend on the rent paid by the tenant etc.

#### **PQ4 Is the rebate computed based on (i) 55% of property tax payable or (ii) 15% of property tax payable plus another 40% on the tax amount net of the 15% property tax rebate [i.e. rebate = 15% X \$Y + 40% (85% X \$Y), assuming \$Y is the property tax payable]? Or simply, is the rebate 55% or 15% and then another 40% on the tax amount?**

PA4 The rebate is 55% on the tax payable.

#### **PQ5 Are properties assessed as lands or vacant lands eligible for the rebate?**

PA5 Lands are not eligible for the rebate. However if the land is under development, they may apply for exemption of tax for land under development.