

Income Tax Filing Guide for Partnership (FORM P)

Filing Due Date : 15 Apr 2023

Filing is compulsory if you have received a notification to file.



General Information for the Year of Assessment (YA) 2023

This set of information aims to provide a better general understanding of taxpayers' tax obligations and is not intended to comprehensively address all possible tax issues that may arise.

This information is updated as at 1 Jan 2023. While every effort has been made to ensure that this information is consistent with existing laws and practices, should there be any changes, IRAS reserves the right to vary our position accordingly.

Change in Partnership Particulars	<ul style="list-style-type: none">For change of precedent partner/partner(s), complete item 1 and/or item 2 on page 1 of the Form P.For change in business status, complete item 3 on page 1 of the Form.Please update Accounting and Corporate Regulatory Authority (ACRA) or relevant regulatory authorities for any changes in partnership particulars.
Income to be Declared	<ul style="list-style-type: none">Income to be declared includes all income accruing in or derived from Singapore or received in Singapore in the accounting year ended in 2022. Please declare your income in Singapore dollar.The precedent partner must complete and send in the Form P even if no business was done or if loss was incurred. Where no partner (or general partner in the case of a Limited Partnership) is personally present in Singapore, the attorney, agent, manager or factor of the partnership is responsible for completing and submitting Form P to IRAS. The precedent partner is required to inform all the partners of their share of profit or loss and any other income from the partnership and advise the partners to declare their share of profit or loss and any other income in their Individual Income Tax Returns (Form B). If Form P is e-filed by 28 Feb 2023, the partners can view their share of profit or loss when they e-file their Form B.If there was no business done in the year 2022, you need to cross the box [X] for no business done on the "Declaration" section on the front page of Form P.Please ensure that the Form is signed before submitting it to IRAS.
How do I e-File Form P?	<ul style="list-style-type: none">You are encouraged to e-File Form P. E-Filing service is available from 1 Feb 2023. Simply log in to myTax.iras.gov.sg for your business' tax matters using Singpass. From 11 Apr 2021, you will be required to log in to government digital services for businesses (G2B) using Singpass instead of Corppass. For more information, visit Corppass website. Singapore Corporate Access (or Corppass) is the sole authorisation system for business entities to manage digital services' access of employees who need to perform corporate transactions with government agencies online. To access IRAS digital services, you must first be authorised via Corppass.If you e-File the partnership income by 28 Feb 2023, your partners will be able to view their share of partnership income in their individual Form B.The e-filing due date is 18 Apr 2023.
Submission of Supporting Documents	You do not need to send in supporting documents together with your Form P unless they are specifically required for verification. However, you need to maintain proper accounts and records of your business and retain your accounts and all records such as invoices, bills, etc. for five years.
Non-Filing of Form P	There are penalties for not filing a tax return by the filing due date (15 Apr 2023) or filing an incorrect tax return. For non-filing by the due date, you may be punishable under Section 94A of the Income Tax Act and be fined up to \$5,000.
Need Help?	Visit IRAS' website at www.iras.gov.sg and "Ask Jamie" for quick tax answers or chat with us online. Alternatively, you can contact us via the following modes: Call: (+65) 6356 8300 Email: via myTax.iras.gov.sg (using myTaxMail)

Income Declaration	
Section A	<p>1. Trade, Business, Profession or Vocation</p> <p>If you are carrying on a trade, business, profession or vocation, you need to prepare a statement of accounts so that your business income and expenses can be readily determined. Please report the summary of your accounts as follows:</p> <p>Revenue Gross Profit/Loss Allowable Business Expenses Adjusted Profit/Loss</p> <ul style="list-style-type: none"> • If the partnership's revenue is \$500,000 or more, you are required to submit a profit and loss account and a balance sheet certified by you as true and correct. You also need to complete and submit Appendix 1 (Section A) and Appendix 2 of Form P (if applicable). • For revenue of less than \$500,000, you are not required to submit the certified statement of account. • For revenue of \$200,000 or less, you only need to report a 2-line statement i.e. Revenue and Adjusted Profit/Loss. • If your financial accounts are maintained in a currency other than the Singapore dollar, you should ensure that the certified statement of accounts to be furnished to the Comptroller is prepared in that currency. However, the 4-line statement in your tax return should be declared in Singapore currency. • If the partnership has branches, you need to include the aggregate amount of the respective items on page 2 of the Form. You are also required to send in the 4-line statement showing the revenue, gross profit or loss, allowable business expenses and adjusted profit or loss for <u>each</u> branch.
	<p>1a) Revenue</p> <p>This is the total receipts, before deduction of expenses of your business during the accounting year ended in 2022. This will include:</p> <ul style="list-style-type: none"> • sale proceeds from goods sold • ^market value of the trading stock as at the date of appropriation for non-trade or capital purposes, e.g. goods taken for your own use, or for your family or friends • ^gains from the disposal of a non-trade or capital asset which becomes a trading stock and is subsequently sold, the gains are computed based on the difference between the sale price and the value of the trading stock (i.e. OMV of the non-trade or capital asset as at the date of conversion plus any additional cost incurred on the trading stock up to the date of sale) • payments/fees received or receivable for services provided • bills (paid or unpaid) sent to customers <p>^ Please maintain contemporaneous documents to support the appropriation or conversion including the date on which the appropriation or conversion took place and how the OMV is determined. For partnership with corporate partner(s), the precedent partner of the partnership is required to complete and submit the AC Reporting Form. The non-individual and individual partners of such partnership should prepare their respective income tax returns based on information in the partnership's AC Reporting Form and return, but are not required to submit the AC Reporting Form.</p> <p>Please download the AC Reporting Form from IRAS' website [Home>Quick Links>Forms>Companies>AC Reporting Form]. For more information, please visit IRAS' e-Tax guide [Home>Quick Links>e-Tax Guides>Tax Treatment on Appropriation of Trading Stock for Non-Trade or Capital Purposes and Conversion of Non-Trade or Capital Assets to Trading Stock].</p> <p>The Wage Credit Scheme (WCS), Job Growth Incentive (JGI), Senior Employment Credit (SEC), Enabling Employment Credit and SkillsFuture Enterprise Credit payments will be automatically included by IRAS and you do not need to separately declare the receipt. For more information, please refer to Government Schemes on IRAS' website [Home>Schemes>Government Schemes].</p>
	<p>1b) Gross Profit/Loss</p> <p>This is the amount of revenue after deducting cost of goods sold. If your business activities do not involve the sale of goods, gross profit is equal to the amount of revenue.</p>

1c) Allowable Business Expenses

Only expenses incurred wholly and exclusively in the production of your income are allowable. Expenses based on estimates are not acceptable.

These are examples of some common allowable and disallowable business expenses. For more information, please refer to [Business Expenses and Deductions](#) on IRAS' website [Home>Taxes>Individual Income Tax>Self Employed and Partnerships>Business Expenses and Deductions]."

Allowable Business Expenses	Disallowable Business Expenses
<p>Employee/Staff Costs</p> <ul style="list-style-type: none"> • salary, bonus, allowances of your employees • compulsory CPF contributions by you as an employer • cash top-ups by you on your employees' behalf, to your employees' retirement or special accounts under the Retirement Sum Topping-up Scheme, subject to conditions • cash contributions by you on your employees' behalf, to your employees' Supplementary Retirement Scheme (SRS) accounts, subject to each employee's SRS contribution cap for the year in which the contribution was made • contribution made by you as an employer to your employee's MediSave account under CPF Board's Additional MediSave Contribution Scheme, subject to conditions • medical expenses capped at 1% of total employee remuneration accrued for the basis period <p>Finance and Professional Costs</p> <ul style="list-style-type: none"> • accountancy fees • interest on money borrowed for use in the business • legal fees incurred in recovering trade debts, renewal of leases <p>Running Costs</p> <ul style="list-style-type: none"> • business licence renewal fee • cost of travelling on public transport in the course of business • rent, utility and telephone charges for the business • capital allowances on fixed assets purchased for business use • trade debts which become bad and irrecoverable during the accounting period • upkeep of business premises, equipment and machinery • upkeep of motor vehicles such as motorcycles, pick-ups, vans, buses and lorries • qualifying expenditure incurred on renovation or refurbishment works on business premises, subject to certain conditions • expenses specifically allowed under Land Intensification Allowance • revenue expenses incurred for business purposes within one year prior to the deemed date of commencement of business (i.e. the first day of the accounting year in which a business earns its first dollar of business receipt) 	<p>Employee/Staff Costs</p> <ul style="list-style-type: none"> • partners' salaries, allowances, bonuses and CPF contributions • employer's CPF contribution exceeding CPF statutory limit • cash top-ups by you on your employees' behalf, to your employees' MediSave accounts • employees' medical expenses exceeding 1% of total employee remuneration accrued for the basis period • Partners' personal drawings, medical fees, income tax and insurance <p>Capital Expenses</p> <ul style="list-style-type: none"> • depreciation of fixed assets • loan repayment and hire purchase instalment payment • purchase of fixed assets • renovation costs (except for qualifying expenditure deductible under Section 14N) <p>Other Disallowable Expenses</p> <ul style="list-style-type: none"> • expenses incurred on using private hire cars or private cars (E,Q or S-plate cars) • domestic or private expenses • amount payable in respect of income taxes, output tax paid/payable by a GST registered taxable person • penalties, fines/late payment charges • interest on loan taken up for private use • donations

	<p>Calculating Capital Allowances</p> <ul style="list-style-type: none"> The general rules for capital allowance on plant and machinery are: <ul style="list-style-type: none"> i) an initial allowance of 20% of the capital expenditure incurred during the year; and ii) an annual allowance at the prescribed rate for wear and tear based on the Sixth Schedule of the Income Tax Act as per the new section 19(2)(bb); accelerated capital allowance instead of the initial and annual allowance mentioned above may be claimed on all plant and machinery. The capital expenditure can be written off over a three-year period; for computers, prescribed automation equipment, website, robots, generator and other equipment under S19A(2), S19A(3), S19A(4), S19A(5), S19A(7), S19A(8), S19A(10), a claim may be made for 100% of the capital expenditure to be written off in one year; assets costing no more than \$5,000 each may be written off in one year, if they are elected to be claimed under S19A(10), subject to the condition that the total claim for 100% write-off of all such assets is no more than \$30,000 per YA; where plant and machinery has been sold, scrapped or destroyed, a balancing allowance is given if the tax written down value exceeds the sale or disposal proceeds. If the sale or disposal proceeds exceed the tax written down value, a taxable balancing charge is imposed. The balancing charge is restricted to the total amount of capital allowance allowed previously in respect of the asset sold/disposed; When a new partner joins or an existing partner withdraws from the partnership, and Section 24 is elected, capital allowances are only allowed to the buyers who own the assets as at the end of the accounting year ended 2022 in which there is a change of partners of the partnership. No capital allowances will be allowed to the sellers. For more information on how to compute your capital allowances, please refer to capital allowance (CA) on fixed assets on IRAS' website [Home>Taxes>Corporate Income Tax>Income & Deductions for Companies>Claiming Allowances>Capital Allowances]
<p>1d) Adjusted Profit/Loss</p>	<p>This is the amount derived from gross profit or loss after deducting the allowable business expenses and any capital allowances claimed i.e. $[d] = [b] - [c]$ mentioned in item 1 (Trade, Business, Profession or Vocation) under Section A 'Income Declaration' on page 2 of the Form.</p>
<p>1e) Partner's Salary, Bonus & CPF</p>	<p>This is the amount of salary, bonus or CPF received or due to you as a partner of the partnership</p>
<p>1f) Partner's Other Benefits</p>	<p>All payments in cash or in-kind received or due to you as a partner constitute your income arising from the partnership.</p>
<p>1g) Divisible Profit/Loss</p>	<p>This is the amount derived from adjusted profit/loss after deducting partners' salaries, allowances, bonuses, CPF contributions, interest on capital and any other expenses paid on behalf of all the partners i.e. $[g] = [d] - [e] - [f]$ mentioned in item 1 under Section A 'Income Declaration' on page 2 of the Form.</p>

Details of Interest and Other Types of Income

Section B

<p>1. Interest</p>	<ul style="list-style-type: none"> You do not need to declare interest received from any deposit with approved banks or licensed finance companies in Singapore as it is tax-exempt. However, if such interest was derived by corporate partners, you will need to declare their portion of interest income as it is taxable. Please provide details of interest income from deposits with non-approved banks or finance companies which are not licensed in Singapore, pawnshops and loans to companies and persons, in Section B on page 2 of the Form. Please refer to the MAS website at https://eservices.mas.gov.sg/fid for the list of approved banks and licensed finance companies in Singapore.
<p>2. Rent from Property</p>	<ul style="list-style-type: none"> You need to provide the full address of each property. For each property, please include details of the gross rent (inclusive of rental of furniture and fittings, service charges received from the tenant) and expenses incurred. Do not claim non-deductible expenses such as any penalty imposed for late payment of property tax, payment of back year's property tax, cost of initial purchase and depreciation of furniture and fittings, costs of initial repairs and renovations, loan repayment, or cost of additions and alterations to property. You can claim deduction on any expenditure incurred for the repair, insurance, maintenance or upkeep of a property when it is vacant in any part of the year 2022, and any property tax paid on that property for that vacancy period can be deducted against the rental income. This is subject to the condition that reasonable efforts have been made to find a new tenant during the vacancy period(s) in between leases. In addition, you can claim deduction on agent's commission, advertising, legal expenses and stamp duties that have been incurred in year 2022 in granting, renewing or extending a lease to the property, subject to conditions. No deduction may be allowed in respect of: <ol style="list-style-type: none"> any lease, or any renewal or extension of a lease, for a term that (excluding any option for the renewal or extension of the lease) exceeds 3 years; any acquisition, grant, novation, transfer or assignment of a lease because of any acquisition, sale, transfer or restructuring of any business; or a lease under an arrangement where the property is sold by, and leased back to the seller of the property. Rental deficits (i.e. excess of deductible expenses incurred to rent out the property over the gross rental received from that property) cannot be offset against other sources of income. For the reporting of rental income from non-residential properties qualifying under the Rental Relief Framework, visit Rental Relief Framework on IRAS' website [Home > News & Events > Singapore budget > COVID-19 Support Measures and Tax Guidance > Tax Guidance > For Individuals > Rental Relief Framework – Reporting YA 2021 rental income by individuals who are owners of non-residential properties].
<p>3. Royalty and Other Singapore Income</p>	<ul style="list-style-type: none"> Please provide details of gross income and statement of expenses incurred, if any. You need to declare any other income which does not fall within any of the other classifications of income.
<p>4. Foreign Income</p>	<p>Specified foreign-sourced service income received in Singapore will be exempted from tax if it has been subjected to tax in the foreign jurisdiction from which profits or income is received and where the highest corporate tax rate of that foreign jurisdiction is at least 15%. For more information, please refer to the IRAS' e-Tax Guide "Tax Exemption for Foreign-Sourced Income" available on IRAS' website.</p>

Partnership Allocation	
Section C	<ul style="list-style-type: none"> Limited Liability Partnership (LLP)/ Limited Partnership (LP) <ul style="list-style-type: none"> An LLP or LP is required to report the contributed capital of each limited partner. An LP is also required to indicate whether a partner is a general or limited partner. A limited partner's share of trade loss and capital allowance from an LLP or LP that can be offset against other income is restricted to the capital contributed by the limited partner. Without information on the capital contribution, the limited partner's share of adjusted loss and capital allowance will be disregarded. <p>For more information, please refer to the IRAS' e-Tax Guides "Income Tax Treatment of Limited Liability Partnerships (LLPs)" and "Income Tax Treatment of Limited Partnerships (LP)" available on IRAS' website.</p>
	<ul style="list-style-type: none"> Donation to Approved Institutions of Public Character (IPC) <ul style="list-style-type: none"> For donations made from 1 Jan 2016 to 31 Dec 2023, a tax deduction of 2.5 times the value of the donation will be given on all cash or specific donations made to approved IPCs and other approved recipients, and for cash donations made through approved grant-making philanthropic organisations to IPCs. Tax deductions for such donations will automatically be reflected in the Allocation of Profit/Loss to Partners of the donors based on information transmitted by the IPCs. IRAS will not accept claims for tax deduction based on donation receipts. All businesses are required to provide their names and Unique Entity Numbers (UEN) directly to the IPCs when making cash donations.
	<ul style="list-style-type: none"> Business and IPC Partnership Scheme (BIPS) <ul style="list-style-type: none"> Your business (including partnerships, limited partnerships and limited liability partnerships) may claim 250% tax deduction on qualifying expenditure incurred from 1 Jul 2016 to 31 Dec 2023 when you send your employees* to volunteer and provide services, including secondments, to Institutions of a Public Character (IPCs). *Excluding owners of businesses, i.e. sole-proprietors, partners and shareholders who are also directors of the company. <p>For more information on BIPS, please refer to IRAS' website at www.iras.gov.sg > Schemes > Business and IPC Partnership Scheme (BIPS)</p>