

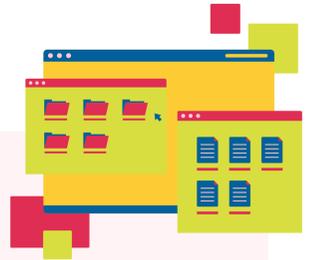
Self-employed? Avoid These Common Filing Mistakes



1. DECLARATION OF ESTIMATED INCOME/ EXPENSES

✗ “I declare an estimated amount of trade income and expenses as I do not keep proper records of my daily earnings/ commission/ expenses.”

✓ You are required to keep proper business records and accounts (e.g. invoices, receipts and vouchers) for 5 years. If your annual revenue is \$200,000 or less for the past 2 financial years and your business qualifies for Simplified Record Keeping, you will only need to keep business records (e.g. registers, listings) and not source documents (e.g. invoices and receipts). Reporting of estimates and not keeping proper records and accounts are not acceptable.



2. DECLARATION OF TRADE INCOME

✗ “I am a commission agent/ hawker/ private tutor/ private hire car driver/ live streamer. I declare my income as Employment or Other Income in Form B/ B1.”

✓ As a self-employed person, you should declare your trade income under item 2 “Trade, Business, Profession or Vocation” > “Sole-Proprietorship/ Self-Employed Income”.

3. DECLARATION OF REVENUE ONLY

✗ “I incur trade/ business losses after deducting the allowable business expense against my gross profit. So I only report the 'Revenue' amount and leave the other items i.e. 'Gross Profit/ Loss', 'Allowable Business Expenses' and 'Adjusted Profit/ Loss' as '0' in the 4-line statement.”

✓ You should complete all the items of the 4-line statement. The actual loss incurred should be reported as ‘Adjusted Profit/ Loss’ instead of ‘0’.

The actual loss can be used to offset income from other sources for the Year of Assessment (YA) or income of future YA to reduce your taxable income, where qualifying conditions are met.

4. DECLARATION OF INCOME BY PROPERTY/ INSURANCE AGENTS

✗ “I am a commission/ property agent. I do not have to file Form B as my organisation is participating in the e-Submission of Commission.”

✓ You are still required to file Form B, unless you are on the No-Filing Service. If your agency is participating in the e-Submission of Commission, your commission income will be pre-filled in your Income Tax Return. You will need to check the pre-filled income and amend it (e.g. to include any additional commission/ rental income) where applicable, before submitting your Form B.



5. CLAIM FOR PRIVATE HIRE CAR AND TAXI DRIVING EXPENSES

✗ “I drove a taxi for the first 4 months in 2023 and switched to driving a private hire car (PHC) for the rest of the year. Can I claim actual business expenses incurred against my taxi driving income and 60% deemed expense against my PHC driving income?”

✓ You have to claim either actual business expenses incurred or 60% prescribed deemed expense against your income derived from driving a taxi and a PHC in the same year.



6. CLAIM FOR SELF-EMPLOYED CPF RELIEF

✗ “I have contributed to CPF as a self-employed person last year. Hence, I have indicated the amount contributed in my Form B so as to qualify for the relief.”

✓ CPF relief for self-employed persons is allowed automatically based on information received from CPF Board. You need not make a claim.

Self-employed CPF relief is allowed if:

- you have an assessable trade income
- you are making the contribution as a self-employed person
- your contribution was made before 31 Dec of the preceding year

