EXPLANATORY NOTES TO FORM C-S FOR YEAR OF ASSESSMENT (YA) 2019

Essential information to note before completing Form C-S

- You may use the Basic Corporate Tax Calculator available at IRAS' website (www.iras.gov.sg) under *Home > Businesses > Companies > Working out Corporate Income Taxes > Basic Corporate Tax Calculator* to prepare the tax computation before completing Form C-S.
- All boxes in Form C-S must be completed. For items that are not applicable, please enter '0'.
- If the value of the dormant company's related party transactions disclosed in the financial statements for the financial period exceeds S$15 million, it is required to submit Form C by Form C (Upload) mode instead of Form C-S or Form C for Dormant Company.
- Information on Unutilised Donations brought forward/ carried forward is not required for Form C-S. IRAS will automatically compute and allow any unutilised donations in your Year of Assessment (YA) 2019 assessment.
- If the company is claiming Section 19B writing-down allowances for Intellectual Property Rights (IPRs) acquired during the basis period of YA 2019, please submit the Declaration Form available at IRAS' website (www.iras.gov.sg) under *Home > Quick Links > Forms > Businesses > Corporate Tax forms*. If you are e-Filing the Form C-S, the declaration form is to be submitted via the Submit Document e-Service (mytax.iras.gov.sg).
- For more information on tax schemes and deductions, please refer to IRAS' website at www.iras.gov.sg.

Relevant sections of Form C-S to be completed

<table>
<tr><th rowspan="3"></th><th colspan="5">Type of Companies</th></tr>
<tr><th colspan="2">Dormant Companies
(see Essential Information above and Note 2)</th><th rowspan="2">Investment Holding Companies
(see Note 3)</th><th rowspan="2">Companies Servicing Only Related Parties with "Cost Plus Mark-Up" basis of assessment
(see Note 4)</th><th>All Companies</th></tr>
<tr><td>Without Unutilised Losses/ Donations brought forward</td><td>With Unutilised Losses/ Donations brought forward</td><td>(Other than Dormant, Investment Holding & Companies Servicing Only Related Parties with "Cost Plus Mark-Up" basis of assessment)</td></tr>
<tr><td>What to complete?</td><td>Only Page 1</td><td>• Page 1
• Boxes 12 & 18 on Page 2</td><td>• Page 1
• Boxes 13a to 15 on Page 2
• Box 19 on Page 3 and other boxes where applicable</td><td>• Page 1
• Boxes 1, 5, 8 and 15 on Page 2 with the amount of deemed mark-up / mark-up
• Box 19 on Page 3 and other boxes where applicable</td><td>All sections</td></tr>
</table>

<table>
<tr><th>Notes</th><th>Description</th><th>Explanation</th></tr>
<tr><td>1</td><td>Newly-incorporated Company</td><td>• If you are filing the company's taxes based on its first set of financial statements covering a period of more than 12 months, please do the following:
<table>
<tr><th>Sections</th><th>e-Filing via mytax.iras.gov.sg</th><th>Submission by Paper Form</th></tr>
<tr><td>1</td><td>Enter the amount for YAs 2018 and 2019</td><td>Enter the amount for YA 2019</td></tr>
<tr><td>2</td><td>Enter the amount for the company's whole financial period</td><td>Enter the amount for the company's whole financial period</td></tr>
<tr><td>3, 4 & 5</td><td>Declare if applicable</td><td>Declare if applicable</td></tr>
<tr><td>-</td><td>NA</td><td>Submit the tax computation and supporting schedules for YA 2018 together with the YA 2019 Form C-S. Please refer to Explanatory Notes under Box 31b for an example.</td></tr>
</table></td></tr>
</table>

		• The amount of revenue expenses that qualify for deduction under the "Concession for Enterprise Development – Deduction of Certain Expenses Incurred before Business Revenue is Earned" should be included in Box 7 of section 1. For more information on the concession, please refer to IRAS' website under *Home > Businesses > Companies > Working out Corporate Income Taxes > Business Expenses*, click on "Select Subheading" and select "Non-Deductible Business Expenses" followed by "Expenses Incurred before Commencement of Businesses".
2	**Dormant Company**	• A dormant company refers to one that did not carry on business and had no income in the basis period for YA 2019, i.e. the financial period ending in 2018. • A dormant company is not allowed to carry forward any expenses incurred in YA 2019 as losses nor claim capital allowances. The unutilised capital allowance, if any, will be disregarded and will not be carried forward to YA 2020. If the dormant company is not expecting to commence/ recommence business or receive income for the next two years, the company may wish to apply for waiver of its obligation to submit its income tax return. For more information on the application process, please refer to IRAS' website under *Home > Businesses > Companies > Managing Taxes for Dormant Companies or Companies Closing Down > Dormant Companies*.
3	**Investment Holding Company**	• An investment holding company refers to a company whose principal activity is that of investment holding. It owns investments such as properties and shares for long term investment and derives investment income such as dividend, interest or rental. • For more information on investment holding companies, please refer to IRAS' website under *Home > Businesses > Companies > Working out Corporate Income Taxes > Specific Industries > Investment Holding Companies*.
4	**Company Servicing only Related Parties with "Cost Plus Mark-up" basis of assessment**	• For information on companies that only render services to related parties, please refer to IRAS' website under *Home > Businesses > Companies > Working out Corporate Income Taxes > Specific Industries > Companies Servicing Only Related* Parties. • Note: Typical service companies such as accounting firms, restaurants, retailers are not considered as companies that only render services to related parties. These companies must complete all sections of the Form C-S.
Qualifying Conditions for Submitting Form C-S (Page 1)		
a	**Revenue is S$5,000,000 or below**	• Revenue is the gross amount of income derived by a company from its principal activities in the basis period for that YA, excluding separate source income such as interest. • A newly-incorporated company filing its first tax return, based on its first set of financial statements covering a period of more than 12 months, would meet this qualifying condition if the revenue for the 12-month period ending on its financial year-end is $5,000,000 or less. Example: A company incorporated on 15 Apr 2017 closed its first set of financial statements on 30 Jun 2018. It would meet this qualifying condition if the revenue from 1 Jul 2017 to 30 Jun 2018 is $5,000,000 or less. Please refer to Explanatory Notes 1 and Box 31b.
b	**Derives only income subject to tax at 17%**	• The company must not derive tax-exempt income [except for one-tier exempt Singapore dividends and/ or specified foreign-sourced income exempted from tax under Section 13(8)] or income taxable at concessionary tax rates. Examples of such income are Section 13A shipping income, income under pioneer incentive, etc. • Exempt income does not refer to the Tax Exemption for New Start-up Companies. • A company in a tax loss position can also file Form C-S if it meets the rest of the qualifying conditions.
c	**Carry-back of Current Year Capital Allowances/ Losses**	• Current year unutilised capital allowances and trade losses (collectively "loss items") that are carried back to offset prior year's income, e.g. YA 2019 unutilised loss items carried back to offset against YA 2018 income. • Carry-back does not refer to unutilised capital allowances/ trade losses that are brought/ carried forward.
d	**Group Relief**	• Current year unutilised capital allowances/ trade losses/ donations that are deducted against income of another company belonging to the same group, with the same accounting year-end.
e	**Investment Allowance**	• Allowances for approved capital expenditure granted under a tax incentive scheme, e.g. approved project by the Ministry of Trade and Industry.

f	**Foreign Tax Credit and Tax Deducted at Source**	• Foreign Tax Credit: A claim of tax paid in foreign country against the Singapore tax payable on the same income. • Tax Deducted at Source: Singapore tax that has been deducted under Section 45 of the Income Tax Act.
Section 1: Tax Adjustments (Page 2)		
Box 1	**Net Profit/ Loss before Tax as per Financial Statements**	• This refers to Total Income less Total Expenses. It can be extracted from the Statement of Comprehensive Income (or commonly known as Profit & Loss Statement).
Box 2	**Separate Source Income**	• This refers to total income other than that from the company's principal activity or trade. • Examples are rent from real property, fixed deposit interest and other non-trade taxable income. Details of such income must also be entered in Boxes 13a, 14 and 15, where applicable. • It excludes exempt one-tier dividend income which should be included in Box 3 as it is not taxable.
Box 3	**Non-Taxable Income**	• Examples are exempt one-tier dividend income, cash payout under the Productivity and Innovation Credit (PIC) Scheme and gain on disposal of fixed assets.
Box 4	**Non-Tax Deductible Expenses**	• Non-tax deductible expenses refer to expenses that are: - not wholly and exclusively incurred in the production of income; or - not revenue in nature; or - prohibited under the Income Tax Act. • Examples are depreciation, donations, fines and penalties, private expenses, S-plate car expenses, expenses incurred to produce separate source income and non-taxable income and interest expenses attributable to non-income producing assets.
Box 6	**Deduction for Renovation or Refurbishment (R&R) Works under Section 14Q**	• Examples are expenses relating to general electrical installation and lighting, door, window, fixed partition, flooring and wall covering, provided these items do not involve structural changes for which prior approval from Commissioner of Building Control is required. Designer and professional fees are not to be included. • Deduction is granted on a straight-line basis over three consecutive YAs and subject to an expenditure cap of $300,000 for every three consecutive basis periods. • For more information, please refer to IRAS' website under *Home > Businesses > Companies > Working out Corporate Income Taxes > Business Expenses*, click on "Select Subheading" and select "Non-Deductible Business Expenses" followed by "Section 14Q deduction".
Box 7	**Further Deductions/ Other Deductions**	This box shall include: • expenditure qualifying for further deductions. Examples are: - expenses relating to approved trade fairs and exhibitions (Section 14B); - research and development expenditure (Sections 14DA(1) and 14E). Please prepare and retain the Research & Development (R&D) Claim Form, which is available on IRAS' website; - expenses relating to overseas investment development (Section 14K); - expenses relating to the cost on protecting Intellectual Property (IP) (Section 14A); - expenses relating to the cost on IP In-Licensing (Section 14W). • tax allowable deductions that are not included in Boxes 1 and 6. An example is pre-commencement expenditure (Section 14U).
Box 9	**Balancing Charge**	• When a fixed asset is sold or is ceased to be used, a balancing charge (BC) or balancing allowance (BA) must be calculated if capital allowance had been claimed on the asset previously. • A taxable BC arises if the sale proceeds is *higher* than the tax written down value. The taxable BC is restricted to the capital allowances allowed on the asset previously. A deductible BA arises if the sale proceeds is *lower* than the tax written down value. BA should be included in Box 11.
Box 10	**Unutilised Capital Allowances brought forward**	• Enter the *Unutilised Capital Allowances carried forward* figure from the YA 2018 Notice of Assessment (NOA). If the YA 2018 NOA has not been issued, enter the figure found in the YA 2018 tax computation.

Box 11	**Current Year Capital Allowances**	• Capital allowances are given on assets which qualify as plant or machinery used in your trade or business. • This box should include the following if they are claimed: - Capital allowances and enhanced allowances on equipment acquired through hire purchase; - Capital allowances deferred previously; - Industrial building allowances (IBA); - Land intensification allowances (LIA); - Writing-down allowances on the acquisition cost of intellectual property rights. Please submit the "Declaration for the Purpose of Claiming Writing-Down Allowances for Intellectual Property Rights (IPRs) under Section 19B of the Income Tax Act" form which is available on IRAS' website under _Home > Quick Links > Forms > Businesses > Corporate Tax forms_. If you are e-Filing Form C-S, the declaration form should be submitted via the Submit Document e-Service (mytax.iras.gov.sg); and - Balancing allowances (BA) (see Explanatory Notes under Box 9). • For more information, please refer to IRAS' website under _Home > Businesses > Companies > Working out Corporate Income Taxes > Claiming Allowances_.
Box 12	**Unutilised Losses brought forward**	• Enter the *Unutilised Losses carried forward* figure from the YA 2018 Notice of Assessment (NOA). If the YA 2018 NOA has not been issued, enter the figure found in the YA 2018 tax computation.
Box 13a	**Gross Rental Income**	• Enter the total rental income for the financial period ending in 2018.
Box 13b	**Less: Deductible Expenses**	• This refers to revenue expenses directly incurred to earn the rental income. Examples are interest on loan to acquire the property, insurance, property tax, repair and maintenance. • Expenses (e.g. agent's commission) incurred to secure the first tenant are not tax-deductible. • For investment holding companies, deductible expenses include statutory expenses attributable to the rental income. • This box excludes industrial building allowances (IBA) and land intensification allowances (LIA), which should be included in Box 11.
Box 13c	**Net Rental Income**	• If net rental income is negative, '0' will be shown. Expenses in excess of income cannot be deducted against any other type of income or carried forward.
Box 14 **Box 15**	**Interest Income** **Other Taxable Income**	• If net interest income or other net income is negative, enter '0'. Expenses in excess of income cannot be deducted against any other type of income or carried forward.
Box 17 **Box 18**	**Unutilised Capital Allowances carried forward** **Unutilised Losses carried forward**	• If Box 16 is negative, it should be equal to the sum of Boxes 17 and 18. Otherwise Boxes 17 and 18 should be '0'.
Section 2: Information from Financial Statements (Page 3) Enter the amounts as shown in the Audited/ Unaudited Financial Statements for the financial period (unless otherwise indicated). If not applicable, enter '0' in the last box on the right.		
Box 19	**Revenue**	• Please refer to Note a above.
Box 20	**Gross Profit/ Loss**	• This refers to the amount after taking into account the cost of goods sold. If there is no cost of goods sold, the gross profit should be the same as the revenue.
Box 21	**Directors' Fees and Remuneration**	• This refers to all fees and payments made to directors, e.g. salaries, leave pay, commissions, bonuses, gratuities, allowances, CPF. It excludes benefits-in-kind, medical expenses and cash allowances in lieu of medical expenses.
Box 22	**Total Remuneration excluding Directors' Fees and Remuneration**	• This refers to total employees' remuneration but <u>excludes</u> the figure entered in Box 21, 'Directors' Fees and Remuneration'. Remuneration includes salaries, leave pay, commissions, bonuses, gratuities, allowances, CPF. It excludes benefits-in- kind, medical expenses and cash allowances in lieu of medical expenses.

<table>
<tr><td>Box 23</td><td>Medical Expenses</td><td>

Deductible medical expenses (including cash allowance in lieu of medical expenses and medical insurance) are capped at 1% of total employees' remuneration. However, the cap is increased to 2% of total employees' remuneration if the company has:

provided its employees with inpatient medical insurance benefits in the form of a Portable Medical Benefits Scheme, a Transferable Medical Insurance Scheme or a Shield plan; or made ad-hoc contributions to its employees' Medisave accounts (subject to a cap of $1,500* per employee per year) during the relevant basis period; <u>and</u>
met the qualifying conditions under the respective scheme/ plan.

The additional tax deduction for medical expenses beyond 1% of total employees' remuneration excludes premiums for Riders on Shield plans that cover deductibles and co-payments.
Companies claiming medical expenses in excess of 1% of total employees' remuneration must declare in their tax computations that conditions under Sections 14(6A), (6B) and (6C) of the Income Tax Act (ITA) are met.
For more information, please refer to Sections 14(5) to (8) of the ITA and IRAS' website under <u>Home > Businesses > Companies > Working out Corporate Income Taxes > Business Expenses</u>, click on "Select Subheading" and select "Non-Deductible Business Expenses" followed by "Medical Expenses".

* From 1 Jan 2018, the cap has been raised from $1,500 to $2,730 per employee per year. However, the overall deduction for medical expenses will still be subject to a cap of 2% on total employees' remuneration.
</td></tr>
<tr><td>Box 24</td><td>Transport/ Travelling Expenses</td><td>This refers to the transport/ travelling expenses as per the financial statements.</td></tr>
<tr><td>Box 25</td><td>Entertainment Expenses</td><td>This refers to the entertainment expenses as per the financial statements.</td></tr>
<tr><td>Box 26</td><td>Inventories</td><td>This refers to the gross amount of inventories. If the gross amount is not available in the financial statements, please enter the amount net of any provision made.</td></tr>
<tr><td>Box 27</td><td>Trade Receivables</td><td>This refers to the gross amount of trade receivables, including related party trade debts. If the gross amount is not available in the financial statements, please enter the amount net of any provision made.</td></tr>
<tr><td colspan="3">Section 3: Deduction of Unutilised Capital Allowances/ Losses/ Donations Brought Forward (Page 3)</td></tr>
<tr><td>Box 28</td><td>Change in principal activities</td><td>To deduct unutilised capital allowances brought forward, there must <u>not</u> be a change in your principal activities during the basis period.</td></tr>
<tr><td>Box 29</td><td>Substantial change in the company's ultimate shareholders and their shareholdings as at the relevant dates</td><td>

You can deduct unutilised capital allowances (CA)/ losses/ donations incurred in a previous year against income in the current year if there is <u>no</u> substantial change in the ultimate shareholders and their shareholdings as at the relevant dates. This means that at least 50% of the shareholdings are held by the same shareholders as at the relevant dates – this is known as the "shareholding test".
Relevant dates are as follows:

<table>
<tr><th></th><th>Unutilised CA</th><th>Unutilised Losses/ Donations</th></tr>
<tr><td>Date 1</td><td>Last day of the YA in which the CA arose</td><td>Last day of the year in which the losses/ donations were incurred</td></tr>
<tr><td>Date 2</td><td colspan="2">First day of the YA in which the utilisation occurred</td></tr>
<tr><td colspan="3"><u>Example</u>

Unutilised CA: If the unutilised CA for YA 2014 (assuming the basis period is from 1 Oct 2012 to 30 Sep 2013) are utilised in YA 2019, the relevant dates for comparing the shareholders are 31 Dec 2014 and 1 Jan 2019.

Unutilised Losses/ Donations: If the losses incurred for YA 2014 (assuming basis period is from 1 Oct 2012 to 30 Sep 2013) are utilised in YA 2019, the relevant dates for comparing the shareholders are 31 Dec 2013 and 1 Jan 2019.</td></tr>
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<table>
<tr>
<td>Box 30</td>
<td>Waiver of the shareholding test</td>
<td>

Where there is a substantial change in shareholders and their shareholdings, the company may submit an application to the Comptroller for a waiver of the shareholding test under Sections 23(5), 37(16), 37E(15) or 37L(22) of the Income Tax Act. Each case will be considered based on its merits. If the Comptroller is satisfied that the substantial change in shareholders is not tax-motivated, the company will be allowed to:

offset unutilised capital allowances/ trade losses/ mergers & acquisitions allowance/ donations against profits derived from the same trade/ business; and
carry back unutilised capital allowances/ trade losses of the current YA to the immediate preceding YA and offset against profits derived from the same trade/ business.

</td>
</tr>
<tr>
<td colspan="3">Section 4: Tax Exemption Scheme for New Start-up Companies (Page 3)</td>
</tr>
<tr>
<td>Box 31a</td>
<td>Qualifying conditions</td>
<td>

The scheme provides for tax exemption to new start-ups for each of their first 3 consecutive YAs where the YA falls in:
<u>YA 2019 and before</u>
- Full exemption on the first $100,000 of normal chargeable income*; and
- 50% exemption on the next $200,000 of normal chargeable income*.
<u>YA 2020 onwards</u>
- 75% exemption on the first $100,000 of normal chargeable income*; and
- 50% exemption on the next $100,000 of normal chargeable income*.
To qualify for tax exemption for new start-ups, a company must:
a) be incorporated in Singapore (including companies limited by guarantee[#]);
b) be a tax resident in Singapore for that YA; and
c) the company's total share capital is beneficially held directly by no more than 20 shareholders throughout the basis period for that YA where:
i. all of the shareholders are individuals; or
ii. at least one shareholder is an individual holding at least 10% of the issued ordinary shares of the company.
The following types of companies incorporated after 25 February 2013 are <u>not</u> eligible for the tax exemption scheme:
a) a company whose principal activity is that of investment holding; and
b) a company which undertakes property development for sale, for investment, or for both investment and sale.

However, these companies will be eligible for partial tax exemption.

* Normal chargeable income refers to income to be taxed at prevailing corporate tax rate, which is 17% for YA 2019.

[#] Companies limited by guarantee must have members:

all of whom are individuals throughout the basis period for that YA; or
at least one of whom is an individual throughout the basis period for that YA, and the contribution of that individual under the Memorandum of Association of the company to the assets of the company in the event of it being wound up, amounts to at least 10% of the total contributions of the members of the company throughout the basis period for that YA.

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</tr>
<tr>
<td>Box 31b</td>
<td>Company's first YA upon incorporation</td>
<td>

The first YA refers to the YA relating to the basis period during which it was incorporated.
If your first set of financial statements covers a period of more than 12 months from the date of incorporation, the profits/ losses must be attributed to two YAs as the basis period for the first YA should not be more than 12 months.
<u>Example</u>
A company was incorporated on 15 Apr 2017 and its first set of financial statements closed on 30 Jun 2018. Its first 3 consecutive YAs are as follows:
<table>
<tr><th>YA</th><th>Basis Period</th></tr>
<tr><td>2018 (1^{st} YA)</td><td>15 Apr 2017 to 30 Jun 2017</td></tr>
<tr><td>2019 (2^{nd} YA)</td><td>1 Jul 2017 to 30 Jun 2018</td></tr>
<tr><td>2020 (3^{rd} YA)</td><td>1 Jul 2018 to 30 Jun 2019</td></tr>
</table>

</td>
</tr>
</table>

Section 5: Deduction for Expenditure on Research and Development (R&D)

Box 32	Deduction for expenditure incurred on R&D – Total deduction under Section 14D	Enter the amount of expenditure (net of grants from Government or statutory boards) incurred on:
		• R&D activities conducted wholly in Singapore (whether related to trade or not) including:
		  ○ In-house R&D
		  ○ Outsourced R&D
		• R&D activities conducted wholly overseas (related to trade).
		• Mixed R&D activities partly undertaken in Singapore and partly outside Singapore (related to trade).
		• R&D cost-sharing agreement (CSA) conducted in Singapore and/ or overseas (whether related to trade or not).
		For more information, please refer to IRAS' website on Home > Businesses > Companies > Working out Corporate Income Taxes > Tax Treatment of Business Expenses (Q-R), click on "Select Subheading" and select "Research and Development (R&D) Expenditure".

Box 33	Section 14D deduction for expenditure incurred on R&D activities <u>undertaken in Singapore</u>	Enter the amount of expenditure incurred on R&D activities <u>undertaken in Singapore</u> that qualifies for Section 14D deduction. The difference between Boxes 32 and 33 is the expenditure incurred on overseas R&D activities.
Box 34	Staff costs and consumables for R&D activities <u>undertaken in Singapore</u> qualifying for Section 14DA(1)	Enter only qualifying expenditure comprising staff costs and consumables incurred on research and development activities <u>undertaken in Singapore</u>. Qualifying expenditure incurred during the basis periods relating to YA 2019 to YA 2025 will qualify for an additional 150% deduction under Section 14DA(1) of the Income Tax Act. The amount included in Box 34 is before applying the 150%.
Box 35	Further deduction for expenditure on R&D project - Section 14E	Enter the amount of further deduction for expenditure in addition to the deduction allowed under Sections 14, 14D or 14DA. The total amount of deduction allowed under Sections 14E, 14, 14D and 14DA for an approved research and development project in Singapore shall not exceed 200% of such expenditure incurred.

Example:

A company incurred the following expenses: -

- R&D projects undertaken in Singapore - $80,000 (inclusive of $50,000 for staff cost & consumables)
- R&D projects undertaken overseas (related to trade) - $20,000

	Form C Box	**Amount to enter S$**
Deduction for expenditure incurred on R&D – Total deduction under Section 14D	32	100,000
Section 14D deduction for expenditure incurred on R&D activities <u>undertaken in Singapore</u>	33	80,000
Staff costs and consumables for R&D activities <u>undertaken in Singapore</u> qualifying for Section 14DA(1)	34	50,000
Further deduction for expenditure on R&D project - Section 14E	35	0

COMPUTATION OF TAX PAYABLE

ANNEX

		S$	S$	Form C-S (Box No.)	References (see below)
Net Profit/ (Loss) Before Tax (per financial statements)			150,000	1	
Less:	Separate Source Income				
	- Overseas interest income	(6,900)			
	- Gross rental income	(36,000)			
			(42,900)	2	
Less:	Non-taxable income				
	- Gain on sale of fixed assets		(1,000)	3	
			106,100		
Add:	Non-tax deductible expenses				
	- Depreciation	1,500			
	- Donations	350			i
	- Deductible expenses related to rental income	5,000			
	- Fines and penalties	600			
	- S-plated car expenses	180			
			7,630	4	
	Adjusted profit/ (loss) before capital allowances		**113,730**	5	
Less:	Unutilised capital allowances brought forward		(2,000)	10	iii
	Current year capital allowances		(3,000)	11	
	Enhanced capital allowances		(9,000)	11	iv
	Adjusted profit/ (loss) after capital allowances		**99,730**		
Less:	Unutilised losses brought forward		(1,000)	12	iii
			98,730		
Add:	Separate source income				
	- Gross rental income	36,000		13a	
	- Less: Deductible expenses related to rental income	(5,000)		13b	
	- Net rental income		31,000	13c	
	- Interest income (remitted during the year)		6,900	14	
	Total income/ (losses) before donations		**136,630**	16	
Less:	Unutilised donations brought forward		(1,250)		v
	Donations to approved Institute of Public Characters (IPCs)		(600)		ii
	Chargeable income before exempt amount		**134,780**		
Less:	Partial exempt amount				
	- First S$10,000 @ 75%	(7,500)			
	- Next S$124,780 @ 50%	(62,390)			
			(69,890)		vi
	Chargeable income after exempt amount		**64,890**		
	Tax assessed at 17%		11,031.30		
Less:	Corporate income tax rebate (20% x 11,031.30)		(2,206.26)		vii
	Net tax payable		**8,825.04**		

References:

i. Donations made to both approved Institute of Public Characters (IPCs) and non-IPCs are not tax deductible expenses and must be added back.

ii. Approved donations made during the financial period = S$240
Qualifying tax deduction = S$240 x 2.5 = S$600
The qualifying deduction of S$600 will be **automatically included** in the company's tax assessment for YA 2019 based on information from IPCs. Companies need not declare the donation amount separately in the Form C-S but need to less out the amount in Box 4 – Non-Tax Deductible Expenses. The "View Donations" e-Service, which is available at myTax Portal, allows the company to view the donations made to approved IPCs.

iii. Please refer to Section 1 (Boxes 10 and 12) and Section 3 (Boxes 28 to 30) of the Explanatory Notes to Form C-S.

iv. Please refer to Section 1 (Box 11) of the Explanatory Notes to Form C-S.

v. The unutilised donations brought forward will be automatically included in the company's tax assessment for YA 2019. This is provided the amount utilised did not exceed the maximum of 5 years, which it was allowed to be carried forward to set-off against income in the subsequent YAs. E.g. Only approved donations unutilised from YA 2014 to YA 2018 can be used to set-off against the chargeable income in YA 2019.

vi. Computation of Tax Exemption Scheme for New Start-up Companies (if applicable):

	S$
100% on the first S$100,000	100,000
50% on the next S$34,780	17,390
Total Exempt Amount	117,390

Please refer to Section 4 (Box 31a) of the Explanatory Notes to Form C-S for the qualifying conditions on the Tax Exemption Scheme for New Start-up Companies.

vii. This amount is computed automatically based on 20% of tax payable, capped at S$10,000. For more details, please refer to the IRAS' website under *Business > Companies > Learning the basics of Corporate Income Tax > Corporate Tax Rates, Corporate Income Tax Rebates, Tax Exemption Schemes and SME Cash Grant*.