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# IRAS e-Tax Guide

Property Tax Rebate for Qualifying Commercial  
Properties – Budget 2020



## Property Tax Rebate for Qualifying Commercial Properties – Budget 2020

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## 1 Aim

- 1.1 This e-Tax Guide provides details on the property tax rebate for qualifying commercial properties announced in Budget 2020. This e-Tax Guide may be updated in accordance with the full details of the rebate that will be published in the ministerial remission order at a later date.

## 2 At a glance

- 2.1 As part of the Government's Stabilisation and Support Package, owners of **qualifying commercial properties ("qualifying properties") will be granted** property tax rebate for the period of 1 January 2020 to 31 December 2020.
- 2.2 Owners of qualifying properties will be granted rebates of up to 30% on their property tax payable.
- 2.3 IRAS will send out the rebate notices by 30 April 2020. Owners of qualifying properties can expect to receive their refunds by 31 May 2020.

## 3 Property Tax Rebate for Qualifying Commercial Properties in Budget 2020

- 3.1 The property tax rebate is part of the Stabilisation and Support Package (SSP), which seeks to help sectors that are more affected by the COVID-19 outbreak.
- 3.2 Owners of qualifying properties will be granted property tax rebate for the period of 1 January 2020 to 31 December 2020.
- (a) The rebate is 30% of the property tax payable for:
- (i) Accommodation and function room components of hotels licensed under the Hotels Act;
  - (ii) Accommodation and function room components of serviced apartments; and
  - (iii) Meetings, Incentives, Conventions and Exhibitions (MICE) space components of prescribed MICE venues, namely Suntec Singapore Convention & Exhibition Centre, Singapore EXPO, and Changi Exhibition Centre.
- (b) The rebate is 15% of the property tax payable for other qualifying commercial properties. Some examples include:
- (i) Premises of an international airport i.e. Singapore Changi Airport;

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- (ii) Premises of a prescribed international cruise or regional ferry terminal. The prescribed cruise and ferry terminals are Singapore Cruise Centre, Marina Bay Cruise Centre and Tanah Merah Ferry Terminal;
- (iii) Shops (e.g. retail and F&B), including those within hotels, serviced apartments, and the prescribed MICE venues under 3.2(a)(iii);
- (iv) Premises of tourist attractions (e.g. Singapore Zoological Gardens, Singapore Flyer and Haw Par Villa).

(c) The rebate is 10% of the property tax payable for:

- (i) Marina Bay Sands; and
- (ii) Resorts World Sentosa.

The above 30% and 15% property tax rebates do not apply to them.

3.3 No rebate shall be given to any premises or a part of any premises used for any residential, industrial or agricultural purpose, or as an office, a business or science park, or a petrol station.

3.4 Full details on the scope of the rebate will be published in the ministerial remission order at a later date.

## 4 Illustrations of Tax Savings

4.1 The examples below illustrate the total tax savings an owner of a qualifying property will enjoy after considering the relevant property tax rebate.

### Example 1 – Shop in a Retail Mall

The Annual Value (AV) of a shop is \$90,000.

The revised property tax payable from 1 Jan 2020 to 31 Dec 2020 will be \$7,650 with **tax savings of \$1,350**. See computation:

Property Tax payable before rebate	= \$9,000 [10% x \$90,000]
Less: 15% Property Tax Rebate	= \$1,350 [15% x \$9,000]
Tax payable after rebate	= \$7,650 [\$9,000 - \$1,350]
Tax Savings	= <b><u>\$1,350</u></b>

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### Example 2 – Licensed Hotel

The AV of a licensed hotel is \$4,000,000. The revised property tax payable from 1 Jan 2020 to 31 Dec 2020 will be \$289,000 with **tax savings of \$111,000**. See computation:

Property Tax payable before rebate = \$400,000 [10% x \$4,000,000]

Less:

Component	AV	Tax Payable	Tax Rebate	Tax Savings
Hotel Rooms	\$3,000,000	=\$3,000,000 x 10% = \$300,000	30%	30% x \$300,000 = <u>\$90,000</u>
Function Rooms	\$400,000	\$400,000 x 10% = \$40,000	30%	30% x \$40,000 = <u>\$12,000</u>
Food & Beverage (F&B) outlets, Shops, Gym etc	\$600,000	\$600,000 x 10% = \$60,000	15%	15% x \$60,000 = <u>\$9,000</u>
<b>Total</b>	<b>\$4,000,000</b>	<b>\$400,000</b>	-	<b>\$111,000</b>

Tax payable after rebate = \$400,000 - \$111,000 = \$289,000

Tax Savings = **\$111,000**

## **5 Notification and Refund of Property Tax Rebate**

- 5.1 IRAS will inform owners of qualifying properties on their property tax rebates by 30 April 2020. Owners are not required to submit any claims for the rebate. Please contact Property Tax Division at [www.iras.gov.sg](http://www.iras.gov.sg) (select “Contact Us”) if you did not receive any notice for the rebate by 30 April 2020 even though your property falls under the qualifying properties mentioned under Paragraph 3.2.
- 5.2 Owners of qualifying properties can expect to receive their refunds by 31 May 2020.
- 5.3 Refunds will be made directly to the owners’ GIRO bank accounts or via cheque if there is no outstanding tax. If there are any outstanding taxes, the rebate will be used to offset the outstanding taxes before any refund is made. For convenience, credits of less than \$15 will be carried forward to offset future tax liability.
- 5.4 Any notification or refund of property tax rebate will only be made to the owner whose name is in the Valuation List at the time of notification or refund.

## **6 If a Property is Transferred**

- 6.1 Should the property be transferred, IRAS will not apportion the rebate between the previous and new owners. This shall be a private arrangement between sellers and buyers. Parties should consult their conveyancing lawyers if in doubt.

## **7 If Annual Value is Revised**

- 7.1 If the 2020 AV of the qualifying property is revised, the rebate shall be re-computed based on the revised AV.

## **8 Contact Information**

- 8.1 For enquiries on this e-Tax Guide, please contact Property Tax Division at [www.iras.gov.sg](http://www.iras.gov.sg) (select “Contact Us”).