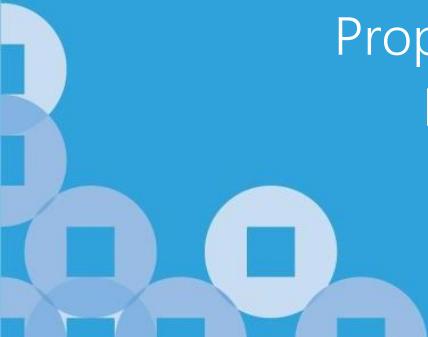




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IRAS e-Tax Guide

Property Tax Rebate for Non-Residential
Properties in 2020 (Sixth Edition)



Property Tax Rebate for Non-Residential Properties in 2020 (Sixth Edition)

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1 Aim

1.1 This e-Tax Guide provides details on the property tax rebate for non-residential properties announced by the Government on 26 Mar 2020¹. It also provides details on the property owners' obligation to pass the property tax rebate on to prescribed lessees or licensees (henceforth referred to collectively as "tenant(s)") pursuant to Part 6 of the COVID-19 (Temporary Measures) Act 2020 (No. 14 of 2020) (the "COVID-19 Act") and the related subsidiary legislation, COVID-19 (Temporary Measures) (Transfer of Benefit of Property Tax Remission) Regulations 2020.

2 At a glance

2.1 As part of the Resilience Budget announced on 26 Mar 2020, qualifying non-residential properties ("qualifying properties") are granted property tax rebate for the period of 1 Jan 2020 to 31 Dec 2020. This is an enhancement of the property tax rebate announced at Budget 2020 on 18 Feb 2020. The property tax rebate is enhanced by extending the rebate to additional types of properties, and increasing the amount of rebate for certain types of properties.

2.2 Under the Resilience Budget, owners of qualifying properties are granted rebates of up to 100% on their property tax payable. For most properties that are eligible for 100% property tax rebate, this is equivalent to about 1.2 months of rental.

2.3 Owners of qualifying properties are required to unconditionally and fully pass on to their tenant(s) the rebate for the property tax account that is attributable to the rented property, by either reducing or offsetting current or future rentals or through a payment to their tenant(s), within the prescribed timeframe.

2.4 The rebate notices have been issued and posted to owners of the qualifying non-residential properties. Property owners can log in to myTax Portal to view their notices.

3 Property Tax Rebate for Qualifying Properties in 2020

3.1 As part of the Resilience Budget announced on 26 Mar 2020, qualifying non-residential properties ("qualifying properties") are granted property tax rebate for the period of 1 Jan 2020 to 31 Dec 2020. This is an enhancement of the property tax rebate announced at Budget 2020 on 18 Feb 2020. The property tax rebate is enhanced by extending the rebate to additional types of properties, and increasing the amount of rebate for certain types of properties.

¹ This e-Tax guide replaces the IRAS' e-Tax guide on "Property Tax Rebate for Non-Residential Properties in 2020 (Fourth Edition)" published on 15 May 2020.

3.2 For most properties that are eligible for 100% property tax rebate, this is equivalent to about 1.2 months of rental.

3.3 Owners of qualifying properties are required to unconditionally and fully pass on to their tenant(s) the rebate for the property tax account that is attributable to the rented property, in the form of monetary payment or reduction in rentals, within the prescribed timeframe. The details can be found in paragraph 9.

3.4 Property tax rebate will be granted in respect of qualifying properties for the period of 1 Jan 2020 to 31 Dec 2020.

(a) The rebate is 100% of the property tax payable for:

- (i) Hotel room or function room of a hotel registered under the Hotels Act ("registered hotel");
- (ii) Serviced apartment or serviced apartment function room;
- (iii) Premises used or intended to be used for Meetings, Incentive Travel, Conventions and Exhibitions (MICE) venues, namely Suntec Singapore Convention and Exhibition Centre, Singapore EXPO, and Changi Exhibition Centre;
- (iv) Premises of an international airport i.e. Singapore Changi Airport;
- (v) Premises of a prescribed international cruise or regional ferry terminal, namely Singapore Cruise Centre, Marina Bay Cruise Centre Singapore, and Tanah Merah Ferry Terminal;
- (vi) Shops (e.g. retail) and restaurants, including those within hotels, serviced apartments, the prescribed MICE venues under 3.4(a)(iii) as well as those in office, industrial, residential and mixed-use developments; and
- (vii) Premises of tourist attractions (e.g. Singapore Zoological Gardens, Singapore Flyer and Haw Par Villa).

Refer to Appendix A for the full list of qualifying properties mentioned in paragraph 3.4(a).

(b) The rebate is 60% of the property tax payable for:

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

The above 100% property tax rebate does not apply to them.

(c) The rebate is 30% for any premises, excluding the following:

- (i) Premises mentioned in paragraphs 3.4(a) and 3.4(b);
- (ii) Premises used whether wholly or partly for an excluded purpose mentioned in paragraph 3.5;
- (iii) The part of a carpark in the same building or development as the premises mentioned in paragraph 3.4(c)(ii) that corresponds to those premises; and
- (iv) Any other premises in the same building or development as the premises mentioned in paragraph 3.4(c)(ii), that are used or intended to be used for or in connection with the enjoyment of those premises such as space for base station and vending machine in a residential condominium.

Refer to Appendix B for the examples of the qualifying properties listed under paragraph 3.4(c).

- 3.5 Premises are used for an excluded purpose if they are used or intended to be used:
 - (a) For any residential purpose; or
 - (b) As a facility for the exclusive use of residents of residential premises such as gym, function and meeting space and club lounge, whether with or without their guests.
- 3.6 No rebate shall be given to the following:
 - (a) Vacant land or land under redevelopment; or
 - (b) Premises mentioned in paragraphs 3.4(c)(ii) to 3.4(c)(iv).
- 3.7 Refer to Appendix C for illustrations on the total tax savings an owner of a qualifying property will enjoy after considering the relevant property tax rebate.

4 Treatment of Qualifying Properties in Mixed-Use Development for Property Tax Rebate

- 4.1 Rebates will be granted to qualifying properties described in paragraphs 3.4(a) and 3.4(c) that are found in mixed-use developments. No rebate shall be given to the properties listed under paragraph 3.6.

The following table illustrates how the property tax rebate will be granted to various qualifying properties (“components”) found in a mixed-use development.

In this illustration, the development comprises a hotel, retail mall and office building.

Table 1

Property	Component	Tax Rebate
Hotel	Hotel Rooms	100%
	Function Rooms	100%
	Shops, restaurants, gym, tenements such as space for vending machine, base station and tour desk	100%
	Offices that are <u>not</u> used in connection with the operation of the hotel such as serviced offices	30%
Retail Mall	Shops and restaurants	100%
	Offices	30%
Office Building	Offices	30%
	Shops and restaurants	100%
	In-house gym that are used exclusively by the occupants of the office building	30%

5 Notification and Refund of Property Tax Rebate

- 5.1 Property owners are not required to submit any claims for the rebate. The rebate notices have been issued and posted to owners of the qualifying non-residential properties. Property owners can log in to myTax portal to view their notices. Please contact Property Tax Division at www.iras.gov.sg (select "Contact Us") if you have not received any notice for the rebate by 31 May 2020 even though your property falls under the qualifying properties mentioned under paragraph 3.4.
- 5.2 Refunds have been issued to owners of qualifying properties in end-April 2020 for the property tax that they have overpaid after taking into account the property tax rebate granted.
- 5.3 Refunds are credited directly into the property owners' GIRO bank accounts or via cheque, if there is no outstanding tax. If there are any outstanding taxes, the rebate is used to offset the outstanding taxes before any refund is made. For convenience, credits of less than \$15 are carried forward to offset future tax liability.
- 5.4 For properties that qualify for 100% rebate, the property tax payable for 2020 are fully refunded. Refunds are made accordingly as mentioned in paragraph

5.3. For property owners who have an ongoing GIRO instalment plan, there is no GIRO deduction from Apr to Dec 2020. However, if you have tax arrears, the GIRO deduction would have resumed in Jun 2020.

5.5 If the owners of properties which are granted 60% or 30% rebate have an ongoing GIRO instalment plan, with the rebate offsetting the instalment payment, there will be no GIRO deduction for a period ranging from four to seven months starting from May 2020:

Table 2

Properties	GIRO Instalment Plan
Properties granted 30% rebate such as offices and factories	No GIRO deduction from May to Aug 2020
Properties granted 60% rebate i.e. Marina Bay Sands & Resorts World Sentosa	No GIRO deduction from May to Nov 2020

The GIRO instalment payment for the remaining months are adjusted accordingly. Refer to Appendix D for examples.

5.6 Any notification or refund of property tax rebate is made to the property owner whose name is in the Valuation List at the time of notification or refund.

6 Change of Use of Property

6.1 The amount of rebate granted in respect of a property depends on whether the property falls within the list of properties mentioned in paragraphs 3.4(a), 3.4(c) or 3.5. Please inform us if there is a subsequent change of use of your property to a different qualifying use or to a use for an excluded purpose. The rebate will be revised and pro-rated based on the new use of your property. Refer to Appendix E for examples.

7 If a Property is Transferred

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

7.2 New property owners should verify their potential obligations with the previous owners to pass on the rebate when they are purchasing a non-residential property.

8 If Annual Value is Revised

8.1 If the 2020 AV of the qualifying property is revised, the rebate will be recomputed based on the revised Annual Value (“AV”). Refer to Appendix F for examples.

9 Property Owners’ Obligation to Pass the Property Tax Rebate on to Tenants

9.1 This paragraph provides details on the property owners’ obligation to pass the property tax rebate on to their tenants pursuant to Part 6 of the COVID-19 Act and the COVID-19 (Temporary Measures) (Transfer of Benefit of Property Tax Remission) Regulations 2020 (the “PTR Regulations”).

9.2 Owners of qualifying properties are required to unconditionally and fully pass on to their tenant(s) the rebate for the property tax account that is attributable to the rented property based on the period it was rented out, by either reducing or offsetting current or future rentals or through a payment to their tenant(s), within the prescribed timeframe.

9.3 Failure to properly pass on the rebate, or to keep the records (e.g. information on the amount, manner and time of pass on) until 31 Dec 2023, without reasonable excuse, is an offence. Those guilty of such an offence shall be liable on conviction to a fine not exceeding \$5,000.

9.4 The property owners are to continue to pass on the rebate to their tenants despite any outstanding objections lodged for the year 2020.

Prescribed Lessees and Licensees

9.5 The property owner is only required by law to pass on the rebate to his own tenant who is defined as a prescribed lessee or licensee (refer to paragraph 9.6 and 9.7). The property owner or his tenant is not required by law to pass on the rebate to his own sub-tenant. However, master-tenants are strongly encouraged to pass on the savings from the rebate to their sub-tenants to share the burden during this time of economic uncertainty.

9.6 **Prescribed lessee:** A person who has a lease agreement with the owner for the whole or any part of the property:

- (a) At any time in the period between 3 Apr 2020 and 31 Dec 2020 (both dates inclusive); and
- (b) For a purpose other than accommodation (e.g. hotel, serviced apartment and workers’ dormitory) at the property.

9.7 **Prescribed licensee:** A person who has a licence agreement with the owner for the whole or any part of the property:

(a) For an initial period of at least 12 months (excluding any period of extension or renewal that may be provided under the licence), part of which falls in the period between 3 Apr 2020 and 31 Dec 2020 (both dates inclusive); and

(b) For a purpose other than accommodation (e.g. hotel, serviced apartment and workers' dormitory) at the property,

but excludes any of the following:

(i) An invitee or a casual visitor at the property or part of the property, such as a diner at a restaurant or a shopper in a shopping mall or shop or a season carparking holder or casual hourly carparking holder;

(ii) A person carrying out any employment or providing any service at the property or part of the property.

Please refer to the Table 3 for the illustration on prescribed licensee.

9.8 To clarify on paragraph 9.7(a), the relevant licence period for determining whether a person is a prescribed licensee is the initial period of the licence, excluding any extension or renewal period. However, to compute the amount of rebate to be passed on to a prescribed licensee, the relevant licence period is the licence period, including any extension or renewal period, that falls between 4 Apr 2020 and 31 Dec 2020 (both dates inclusive). This is illustrated under S/N 3 in Table 3.

Table 3 – Illustration on Prescribed Licensee

S/N	Scenario	Prescribed Licensee
1	Licensee A has a licence with the property owner from 1 Jun 2019 to 31 May 2020 (12 months). He vacates the property after 31 May 2020.	Licensee A is considered a prescribed licensee and is entitled to the rebate for 1 Jan 2020 to 31 May 2020.
2	Licensee B has a licence with the property owner from 1 Jun 2019 to 31 May 2020 (12 months) and renews his licence from 1 Jun 2020 to 31 May 2021 (12 months).	Licensee B is considered a prescribed licensee and is entitled to the rebate for 1 Jan 2020 to 31 Dec 2020.
3	Licensee C has a licence with the property owner from 1 Jun 2019 to 31 May 2020 (12 months) and renews his licence from 1 Jun 2020 to 30 Sep 2020 (3 months). He vacates the property after 30 Sep 2020.	Licensee C is considered a prescribed licensee and is entitled to the rebate for the period 1 Jan 2020 to 30 Sep 2020.

S/N	Scenario	Prescribed Licensee
4	Licensee D has a licence with the property owner from 1 Jan 2020 to 30 Jun 2020 (6 months) and renews his licence from 1 Jul 2020 to 31 Dec 2020 (6 months).	Licensee D is not considered a prescribed licensee and is not entitled to any rebate.

9.9 Generally, the lease or licence period for the tenant would be considered from the date of commencement of the lease or licence. Any other periods where the tenant occupies the premises prior to the date of commencement of the lease or licence or after the expiry of the lease or licence such as rent-free or fitting out or reinstatement periods will not be considered.

Prescribed Amount of Rebate for Passing on – Where the Whole Property is Leased or Licensed to Single Tenant

9.10 There are two options for the property owner to fulfil his obligation in passing on the prescribed amount of rebate to his tenant(s), Option 1A² and Option 2A³.

[Option 1A]

9.11 The owner must pass on to a tenant of the property the total of the sums calculated for each month of the year 2020 in which the tenant rents the property, using:

(a) For the month of January 2020 and each subsequent month that is not a month in paragraph 9.11(b) and (c)

$$\text{Formula 1} \quad \frac{\text{PTR}}{12} \times \frac{D}{D(\text{Month})};$$

(b) For a month in which there is a change in circumstances resulting in a change in the rebate amount for the property

$$\text{Formula 1A} \quad \left(\frac{\text{PTR(Old)}}{\text{T(Old)}} \times \frac{D(\text{Old})}{D(\text{Month})} \right) + \left(\frac{\text{PTR(New)}}{\text{T(New)}} \times \frac{D(\text{New})}{D(\text{Month})} \right); \text{ and}$$

(c) For any month following after the month in paragraph 9.11(b) up to and including the month immediately before another month in which such change occurs

$$\text{Formula 1B:} \quad \frac{\text{PTR(New)}}{\text{T(New)}} \times \frac{D}{D(\text{Month})}.$$

² Regulation 6(1) of the PTR Regulations 2020

³ Regulation 6(3) of the PTR Regulations 2020

“D” is the number of days in the month for which the tenant is a prescribed lessee or prescribed licensee of the property;

“D(Month)” is the number of days in the month;

“D(New)” is the number of days in the month beginning on the day the change in circumstances occurs until the end of the month, for which the tenant is a prescribed lessee or prescribed licensee of the property;

“D(Old)” is the number of days in the month before the change in circumstances occurs, for which the tenant is a prescribed lessee or prescribed licensee of the property;

“PTR” is:

(a) the rebate amount for the property before any change in circumstances occurs;

(b) Zero, if there is no rebate amount mentioned in (a);

“PTR(New)” is the portion of the rebate amount for the property for the period of T(New) that is being applied;

“PTR(Old)” is the portion of the rebate amount for the property for the period of T(Old) that is being applied;

“T(Old)” is the period

(a) Between 1 Jan 2020 and the day immediately before the day on which the change in circumstances in respect of which Formula 1A is being applied occurs (both days inclusive);

(b) If there was a change in circumstances before the change in circumstances in respect of which Formula 1A is being applied, between the day on which the earlier change in circumstances occurs and the day immediately before the day on which the change in circumstances in respect of which Formula 1A is being applied occurs (both days inclusive),

calculated by adding the number of whole months in that period, the fraction of any month that is at the start and fraction of any month that is at the end of the period.

“T(New)” is the period:

(a) Between the day on which the change in circumstances to which Formula 1A is applied occurs and the last day of the year (both days inclusive);

(b) If a change in circumstances subsequent to the change in circumstances in respect of which Formula 1A is applied is known, between the day on which the change in circumstances in respect of

which Formula 1A is being applied occurs and the day immediately before the day on which the subsequent change in circumstances occurs (both days inclusive)

calculated by adding the number of whole months in that period, the fraction of any month that is at the start and the fraction of any month that is at the end of the period.

Refer to Examples 1 and 2 in Appendix G.

[Option 2A]

9.12 Instead of Option 1A, the property owner may choose to pass on the whole of the rebate amount of the property to:

- (a) The tenant who is a prescribed lessee or prescribed licensee of the property on 3 April 2020;
- (b) If there is no tenant as mentioned in paragraph 9.12(a) for the property, the first tenant who is a tenant of the property in the period between 4 April 2020 and 31 July 2020 (both dates inclusive); or
- (c) If there is no tenant of the property, in paragraphs 9.12(a) or (b), then only Option 1A applies.

Illustration – Option 2A

Property owner receives a total rebate amount of \$9,000 for his property, for the period of 1 Jan 2020 to 31 Dec 2020.

Table 4

Scenario, where property is let in the following manner	Minimum Amount of Rebate to Pass on to Tenant
<u>Tenant A</u> 1 Jan 2020 to 31 Dec 2020	Property owner passes on full amount of rebate of <u>\$9,000</u> to Tenant A.
<u>Tenant A</u> 1 Jan 2020 to 30 Jun 2020 <u>Tenant B</u> 1 Aug 2020 to 31 Dec 2020	Property owner passes on full amount of rebate of <u>\$9,000</u> to Tenant A. He is no longer obliged to pass on any rebate to Tenant B.
 <u>Tenant A</u> 1 Jun 2020 to 30 Sep 2020 <u>Tenant B</u> 1 Nov 2020 to 31 Dec 2020	Property owner passes on full amount of rebate of <u>\$9,000</u> to Tenant A. He is no longer obliged to pass on any rebate to Tenant B.

Scenario, where property is let in the following manner	Minimum Amount of Rebate to Pass on to Tenant

Refer to Example 3 in Appendix G.

Prescribed Amount of Rebate for Passing on – Where Part of Property is Leased or Licensed to Tenant or Different Parts of the Property are Leased or Licensed to Different Tenants

9.13 There are two options for the property owner to fulfil his obligation in passing on the prescribed amount of rebate to his tenant(s), Option 1B⁴ and Option 2B⁵. The property owner has to adopt the same option, either Option 1B or Option 2B, in respect of the different parts of the property.

[Option 1B]

9.14 The owner must pass on to a tenant who is a prescribed lessee or prescribed licensee of a part of the property the total of the sums calculated for each month of the year 2020 in which the tenant is such a lessee or licensee, using

$$\text{Formula 2: } NR \times 10\% \times PTR(\%) \times \frac{D}{D(\text{Month})}$$

“D” is the number of days in the month for which the tenant is a prescribed lessee or prescribed licensee of the part of the property;

“D(Month)” is the number of days in the month;

“NR” is the net rent payable by the tenant for the part of the property for the month;*

“PTR(%)” is the rate of the property tax rebate granted for the part of the property

**This net rent is the rent, licence fee or similar payment payable by the prescribed lessee or prescribed licensee of the property or part of the property to the owner of the property under the lease or licence agreement between the prescribed lessee or prescribed licensee and the owner which*

(a) Includes the following amounts payable under the agreement:

- (i) *any amount determined by the gross turnover (GTO)** of any business carried on by the lessee or licensee at the property or part of the property;*
- (ii) *fees for repair, insurance, maintenance and upkeep of the property or part of the property, and property tax payable by the owner; but*

⁴ Regulation 7(1) and 7(3) of the PTR Regulations 2020

⁵ Regulation 7(6) of the PTR Regulations 2020

(b) Excludes the following amounts payable under the agreement:

- (i) any amount in respect of the provision of services (e.g. cleaning, refuse disposal and advertising and promotion) by the owner to the lessee or licensee; and*
- (ii) any goods and services tax.*

***If the GTO for any month cannot be determined by the time the property tax rebate of the property is required to be passed on to the tenant in accordance with the prescribed timeline, the amount determined for the month immediately prior to that month is treated as the amount for that month.*

Refer to Appendix H for examples.

9.15 Where for any month (“the subject month”),

- (a) The total of the amounts determined using Formula 2 for every tenant who is a prescribed lessee or prescribed licensee of any part of the property in the subject month (each called a “subject tenant”); and
- (b) The total of the amounts determined using Formula 2 for every tenant who is a prescribed lessee and prescribed licensee of any part of the property for all past months on and after January 2020,

would together exceed the rebate amount for the property, then the amount of that rebate amount less the total of the amounts mentioned in paragraph 9.15(b), is the amount to be passed on for the subject month to,

- (c) Each subject tenant on a proportionate basis if there is more than one subject tenant; or
- (d) The subject tenant in whole, if there is only one subject tenant.

9.16 The proportionate basis for a subject tenant is the proportion which the amount determined using Formula 2 for the subject tenant bears to the total of all such amounts determined using Formula 2 for all subject tenants in the subject month. The following example illustrates how to compute the rebate on a proportionate basis:

Illustration

Assume that the rebate amount for the property with 2 tenants is \$5,000 for the period 1 Jan 2020 to 31 Dec 2020 (both dates inclusive).

Tenant A has a lease for a part of the property for the period between 1 Jan 2020 and 20 May 2020 (both dates inclusive). The net rent for Tenant A is the same for each month and the amount calculated using Formula 2 for Tenant A is \$1,100 for each month.

Tenant B has a lease for another part of the property for the period between 1 Jan 2020 and 31 Jul 2020 (both dates inclusive) and the amount calculated using Formula 2 for Tenant B is \$900 each month.

For Mar 2020, the rebate amount for the property remaining to be passed on to Tenant A and Tenant B would be

$$\$5,000 - [(\$1,100 + \$900) + (\$1,100 + \$900)] = \$1,000$$

If the amount calculated using Formula 2 for Tenant A for Mar 2020 is "X" and the amount calculated using Formula 2 for Tenant B for Mar 2020 is "Y", then the amount to be passed on to Tenant A is

$$\$1,000 \times \left(\frac{X}{X+Y} \right) \quad \text{i.e.} \quad \$1,000 \times \left(\frac{\$1,100}{\$1,100 + \$900} \right) = \$550$$

and the amount to be passed on to Tenant B is

$$\$1,000 \times \left(\frac{Y}{X+Y} \right) \quad \text{i.e.} \quad \$1,000 \times \left(\frac{\$900}{\$1,100 + \$900} \right) = \$450$$

[Option 2B]

9.17 The property owner may instead of Option 1B, choose to pass on the rebate for each part of the property as follows:

(a) Where the part of the property is granted a property tax rebate of 100% or 60%, an amount of at least

Formula 3: $1.2 \times AR$

(b) Where the part of the property is granted a property tax rebate of 30%, an amount of at least

Formula 4: $0.36 \times AR$

to the tenant of the part of the property as follows:

(i) The tenant of the part of the property on 3 Apr 2020;

(ii) If there is no tenant as mentioned in paragraph 9.17(i) for the part of the property, the first tenant of that part in the period between 4 Apr 2020 and 31 Jul 2020 (both dates inclusive); or

(iii) If there is no tenant of the property, in paragraphs 9.17(i) or (ii), then only Option 1B applies.

"AR" is the average net rent per month payable by the tenant for the part of the tenant's lease or licence that falls in the period starting on 1 Jan 2020 and the last day of the month immediately before the month in which the owner*

passes on or begins to pass on the benefit (both days inclusive). If the duration of the lease or licence in the period 1 Jan 2020 and the last day of the month in which the owner passes on or begins to pass on the rebate (both days inclusive) is less than one month, the net rent payable for that part of the month must be used to determine a proportionate amount for the whole month, which is then to be treated as the average net rent per month for the period.

*Net rent as defined in paragraph 9.14

Illustration 1 – Computation of AR

Property qualifies for 100% property tax rebate. It is assumed that the owner will pass on the rebate in Jun 2020. The net rent information of a tenant at the property is:

Month	Jan	Feb	Mar	Apr	May
Net Rent per month	\$1,000	\$1,200	\$1,000	\$800	\$500

The AR computed will be:

$$\frac{(\$1,000 + \$1,200 + \$1,000 + \$800 + \$500)}{5} = \$900$$

The rebate amount to be passed on to the tenant will be:

$$1.2 \times \$900 = \$1,080$$

Illustration 2 – Computation of AR

Property qualifies for 100% property tax rebate. The property is vacant from 1 Jan 2020 to 30 Apr 2020. A new tenant rents the property from 1 May 2020 and his net rental is based on a percentage of GTO. It is assumed that the owner will pass on the rebate in Jul 2020. The net rent information is:

Month	Jan	Feb	Mar	Apr	May	Jun
Net Rent per month	\$0	\$0	\$0	\$0	\$500	\$1,000

The AR computed will be:

$$\frac{(\$500 + \$1,000)}{2} = \$750$$

The rebate amount to be passed on to the tenant will be:

$$1.2 \times \$750 = \$900$$

9.18 Where the sum total of the amounts determined for all such tenants of the property using Formula 3 or 4 would exceed the rebate amount for the property, then the amount of rebate must be passed to those tenants on a proportionate basis.

9.19 The proportionate basis for a tenant is the proportion which the amount determined for the tenant bears to the total of all such amounts determined for all tenants, under Formula 3 or 4. The following example illustrates how to compute the rebate on a proportionate basis:

Illustration

A property with 2 tenants (Tenant A and Tenant B) qualifies for 100% property tax rebate. Assume the rebate amount for the property is \$5,000 for the period of 1 Jan 2020 to 31 Dec 2020 (both dates inclusive). The amount calculated using Formula 3 for Tenant A is \$3,000 and for Tenant B is \$2,500, where the total exceeds the rebate amount.

The amount to be passed on to Tenant A is

$$\$5,000 \times \left(\frac{\$3,000}{\$3,000 + \$2,500} \right) = \$2,727.27$$

And the amount to be passed on to Tenant B is

$$\$5,000 \times \left(\frac{\$2,500}{\$3,000 + \$2,500} \right) = \$2,272.73$$

Refer to Appendix H for more examples.

Prescribed Amount of Rebate for Passing on – For the Portion of Rebate of Specified Lessee or Specified Licensee Who Left Before 3 Apr 2020⁶

9.20 Property owners who choose to pass on the rebate using Option 1A or 1B, as opposed to Option 2A and 2B respectively, are subject to this section.

9.21 This section is applicable only where the lease of a specified lessee or licence of a specified licensee of any property or part of any property that is granted property tax rebate, ended on or after 1 Jan 2020 but before 3 Apr 2020.

9.22 The owner of the property must determine the total of the amounts which would have been required to be passed on using Option 1A or 1B to all such specified lessees and specified licensees mentioned in paragraph 9.21 (had they remained lessees or licensees on 3 Apr 2020) and pass on that total to each eligible tenant of the owner at that property in the proportion which the period of the lease or licence of the eligible tenant in the specified period, bears to the total of all such periods of all eligible tenants.

⁶ Regulation 8 of the PTR Regulations 2020

“Eligible tenant” means a tenant of the property or part of the property for a period that falls wholly or partly in the period between 3 Apr 2020 and 30 Jun 2020 (both dates inclusive).

“Specified lessee”, means a lessee who has a lease agreement with the owner for the whole or any part of the property for a purpose other than accommodation (e.g. hotel, serviced apartment and workers’ dormitory) at the property.

“Specified licensee”, means a licensee whose has a licence agreement with the owner for the whole or any part of the property:

- (a) for a period of at least 12 months, not including any period of extension or renewal that may be provided under the licence; and*
- (b) For a purpose other than accommodation (e.g. hotel, serviced apartment and workers’ dormitory) at the property,*

But excludes any of the following:

- (a) An invitee or a casual visitor at the property, such as a diner at a restaurant or a shopper in a shopping mall or shop or a season carparking holder or casual hourly carparking holder;*
- (b) A person carrying out employment or providing any service at the property;*

“Specified period” means the period between 3 Apr 2020 and 30 Jun 2020 (both dates inclusive).

Illustration – Computation of Rebate for Eligible Tenant

Property owner receives a total rebate amount of \$9,000 for the period of 1 Jan 2020 to 31 Dec 2020 (both dates inclusive) for his property wholly leased out to single lessee at a time. He chooses to pass on the rebate using Option 1A.

Table 5

Lessee	Period of Lease in 2020
A	1 Jan 2020 to 31 Mar 2020 Lessee A vacated the property after 31 Mar 2020
B	15 Apr 2020 to 31 May 2020 (47 days in the specified period i.e. 15 Apr to 31 May 2020) Lessee B’s lease ended on 31 May 2020
C	20 Jun 2020 to 31 Oct 2020

	(11 days in the specified period i.e. 20 Jun to 30 Jun 2020) Lessee C's lease ended on 31 Oct 2020.
D	1 Nov 2020 to 31 Dec 2020

Lessee A is not eligible for the rebate. The amount attributed to Lessee A had he been an eligible tenant has to be distributed to Lessees B and C who qualify as eligible tenants in the following manner:

Amount attributed to

Lessee A:

$$\frac{\$9,000}{12} \times 3 = \$2,250$$

Lessee B:

$$\frac{47}{(47 + 11)} \times \$2,250 = \$1,823.28$$

Lessee C:

$$\frac{11}{(47 + 11)} \times \$2,250 = \$426.72$$

Lessee D is not entitled to any share of the rebate of \$2,250 because he is not an eligible tenant.

Prescribed Amount of Rebate for Passing on – Increase in Rebate Amount Resulting from Change in Circumstances⁷

- 9.23 In the event of any change in circumstances (e.g. due to Additions and Alteration works or change of use) that results in an **increase** in the rebate amount, the property owner is required to pass on this increase in the rebate amount to the tenant in addition to the original amount of rebate computed to be passed on to the tenant.
- 9.24 This applies irrespective of whether the property owner has chosen to pass on the rebate based on Option 1A, 1B, 2A or 2B or whether the owner has already passed on part or all of the rebate amount prior to the increase.
- 9.25 This also applies to any increase in the rebate amount for the period 1 Jan 2020 to 2 Apr 2020 (both dates inclusive) which relates to the lessee or licensee who had left the property or part of the property prior to 3 Apr 2020. The property

⁷ Regulation 9 of the PTR Regulations 2020

owner is required to pass on this increase to the eligible tenants in addition to the original amount of rebate computed for the lessee or licensee who had left the property or part of the property prior to 3 Apr 2020. Property owners and tenants may find it useful to reach an agreement on how any future adjustments to the amount of rebate (due to changes in AV, for instance) should be handled.

Prescribed Manner of Passing on of Rebate

9.26 The property owner must pass on the rebate for the property to his tenant in any of the following methods or any combination of them:

- (a) A single monetary payment;
- (b) 2 or more monetary payments, whether or not of the same amount;
- (c) A single off-set against or reduction of any rent or licence fee payable on or after 3 April 2020 (excluding arrears) by the tenant under the tenant's lease or licence agreement with the owner;
- (d) 2 or more instalments of off-sets against or reductions of any rent or licence fee payable on or after 3 April 2020 (excluding arrears) by the tenant under the tenant's lease or licence agreement with the owner, whether or not of the same amount.

9.27 The property owner may choose to adopt different methods set out in paragraph 9.26 in respect of his different tenants.

Prescribed Time of Passing on of Rebate

9.28 The property owner must pass the rebate in relation to the property to his tenant by the following timelines:

- (a) Where the owner passes on (i) the rebate based on Option 1A or 1B; or (ii) the difference in the rebate resulting from change in circumstances based on Option 1A or 1B,

Scenario	Timeline to Pass on Rebate By	
	Rebate amount relating to the months Jan 2020 to Jun 2020	Rebate amount relating to the months Jul 2020 to Dec 2020
If the notice for the rebate amount for the property is served on the owner before 1 Jun 2020	31 Jul 2020	31 Dec 2020
If the notice for the rebate amount for the property is	Within 60 days after the day of service of	31 Dec 2020

Scenario	Timeline to Pass on Rebate By	
	Rebate amount relating to the months Jan 2020 to Jun 2020	Rebate amount relating to the months Jul 2020 to Dec 2020
served on the owner <u>on or after</u> 1 Jun 2020* but before 1 Nov 2020	the notice on the owner	
If the notice for the rebate amount for the property is served on the owner <u>on or after</u> 1 Nov 2020*	Within 60 days after the day of service of the notice on the owner	Within 60 days after the day of service of the notice on the owner

*For e.g. rebate amount changes due to change in market rentals, change of use, completion of alteration works of property and completion of new property

(b) Where the owner passes on (i) the rebate based on Option 2A or 2B; (ii) the difference in the rebate resulting from change in circumstances based on Option 2A or 2B; or (iii) the rebate for the portion of specified lessee and specified licensee that left before 3 Apr 2020 to his eligible tenants,

Scenario	Rebate amount to be passed on by
If the notice for the rebate amount for the property is served on the owner <u>before</u> 1 Jun 2020	31 Jul 2020
If the notice for the rebate amount for the property is served on the owner <u>on or after</u> 1 Jun 2020*	Within 60 days after the day of service of the notice on the owner

*For e.g. rebate amount changes due to changes in market rentals, change of use, completion of alteration works of property and completion of new property.

9.29 The two milestones of 31 Jul 2020 and 31 Dec 2020 strike a balance between ensuring that property owners will not be required to pass on more rebate than they have received on hand and ensuring that they pass on the rebate in a timely manner to their tenants.

9.30 The above prescribed time to pass on the rebate represents the minimum that is required of property owners. We urge all property owners to support their tenants through this difficult time and go beyond what is legislated as the minimum obligations.

9.31 If the property owner and his tenant agree for the rebate to be passed on in instalments specified under paragraphs 9.26(b) and 9.26(d) or a combination of 2 or more methods under paragraph 9.26, and the agreement for the pass

on is entered into, and the first amount is passed on, by the specified timeline(s) in paragraph 9.28, then the property owner is deemed to have satisfied the specified timeline(s).

Agreement or Arrangement to Pass on Rebate Made Before 3 Apr 2020

9.32 The property owner is not required to pass on any rebate to any of his lessee or licensee at the property, if the property owner has, at any time **before 3 Apr 2020**,

- (a) passed on the rebate of the property to any lessee or licensee of the owner at the property without any condition and in the manner of the following methods or combination of them:
 - (a) A single monetary payment;
 - (b) 2 or more instalments of monetary payments, whether or not of the same amount;
 - (c) A single off-set against or reduction of any rent or licence fee payable before 3 Apr 2020 (including arrears) by the lessee and licensee under the lease or licence agreement with the owner;
 - (d) 2 or more instalments of off-sets against or reductions of any rent or licence fee payable before 3 Apr 2020 (including arrears) by the lessee or licensee under the lease or licence agreement with the owner, whether or not the same amount.
- (b) entered into an agreement with any such lessee or licensee to pass on the rebate for the property to the lessee or licensee. This pass on can be in any form of aid, assistance or other thing equivalent to the value of the amount of rebate and can be subject to any conditions.

9.33 The above applies even if the rebate for the property is only passed on to some and not all of the lessees or licensees of parts of the same property. It also applies if there is an agreement for the passing on of the rebate, but only some and not all of the lessees or licensees of parts of the same property are parties to the agreement.

Illustration

The property is let in parts to 10 lessees or licensees, and the property, as a whole, is granted a rebate of \$50,000 for the period 1 Jan 2020 to 31 Dec 2020. If the owner has before 3 Apr 2020 passed the full amount of \$50,000 split among 5 out of 10 lessees or licensees in accordance with paragraph 9.32(a), he is not obliged to pass on any rebate to any of the 10 lessees or licensees or any other lessees or licensees for the property.

9.34 The property owner is still required to pass on any positive difference between the rebate amount already passed on under paragraph 9.32 and the total rebate received by the owner for the property for the period 1 Jan 2020 to 31 Dec 2020. The amount to be passed on to the property owner's tenant(s) will be computed using the various prescribed formulae under options 1A, 1B, 2A and 2B based on the remaining portion of rebate.

Interaction between Property Owner's Obligations to Pass on Property Tax Rebate and Rental Waivers Effected under Rental Relief Framework

9.35 The Rental Relief Framework for Small and Medium Enterprises ("SMEs") and specified non-profit organisations ("NPOs") came into force on 31 July 2020. The Rental Relief Framework provides for mandated equitable co-sharing of rental obligations between the Government, landlords and tenants. This aims to help affected SMEs that need more time and support to recover from the impact of the COVID-19 pandemic. The framework will also cover eligible NPO tenants.

9.36 Owners of prescribed properties with end-tenants (including sub-tenants, licensees and sub-licensees) who are SMEs or specified NPOs and meet the eligibility criteria are required to waive rent for their eligible tenants under the Rental Relief Framework.

9.37 If the owner has already provided assistance to his tenants, in the form of rental reductions or other monetary payments, these amounts can be offset against the rental waivers under the Rental Relief Framework.

9.38 Where the property owner is subject to the Rental Relief Framework, he would have also fully discharged his obligations to pass on the property tax rebate if the amount of rental waivers covers the amount of property tax rebate required to be passed on. Otherwise, the owner is still required to pass on the excess amount of property tax rebate in accordance with the PTR Regulations. Refer to Appendix I for more details including how to compute the excess property tax rebate to be passed on and timeline for passing on the excess rebate.

Property Owners must not set any Conditions in Passing on the Property Tax Rebate.

9.39 The property owner must not subject the passing of the rebate to any condition (whether a condition precedent or subsequent), including any change to any term or condition of the lease or licence agreement with the tenant. Any such condition which the property owner purports to impose is void. For example, the property owner must not amend any term of the lease or licence agreement to the detriment of the tenant as a condition for the rebate to be passed on. The exception is only for the property owner who has already made an agreement prior to 3 Apr 2020 to pass on the rebate to the lessees or licensees for the property.

Information to be Provided by Property Owner to Tenant

9.40 The property owner must provide his tenant with the following information concerning the passing on of the rebate for the property, by the time he passes on or begins to pass on the rebate or any part of the rebate to the tenant:

- (a) The amount or extent of the rebate which the owner is passing on to the tenant;
- (b) The method or methods by which the owner is passing on the rebate to the tenant;
- (c) The time or various times when the owner will be passing on the rebate to the tenant; and
- (d) Whether the owner is passing on the rebate to the tenant in accordance to which regulation⁸ in the subsidiary legislation.

9.41 The property owner must also provide the tenant with the information on the rebate amount for the property upon the tenant's request.

9.42 Where the lease or licence of a tenant begins after 3 Apr 2020, the owner must upon the tenant's request, inform him as to whether or not the owner has passed on the rebate or any part of the rebate for the property to an earlier tenant based on Option 2A or 2B.

9.43 Where the property owner is exempt from passing on the rebate as he has already passed or agreed to pass to another tenant any rebate of the property, the owner must upon a tenant's request, inform the tenant as to whether the owner is so exempt and the amount of rebate that was passed or agreed to be passed to the other tenant.

9.44 The property owner must inform the tenant whether a notice of cash grant has been issued for (the part of) the property that is leased or licensed to the tenant, such that the owner is subject to the Rental Relief Framework.

9.45 Where the property owner has been issued a notice of cash grant for (the part of) the property that is leased or licensed to the tenant, the owner must provide information on the amount of rental waivers effected under the Rental Relief Framework in respect of (the part of) the property, including whether another tenant of (the part of) the property is eligible for rental waivers under the Rental Relief Framework and the amount of rental waived for the other tenant.

9.46 Where the property owner has not been issued a notice of cash grant for (the part of) the property that is leased or licensed to the tenant and a request has been made to IRAS for such a notice, the owner must inform the tenant of that fact.

⁸ Option 1A, 1B, 2A, 2B, portion of rebate attributed to specified lessee or specified licensee who left before 3 Apr 2020 and increase in rebate amount resulting from change in circumstances

- 9.47 The property owner must, upon the tenant's request, provide the tenant with a copy of the rebate notice or the notice of cash grant for (the part of) the property that is leased or licensed to the tenant.
- 9.48 Failure to provide proper information to the tenant on the passing on of rebate, is an offence. Those guilty of such an offence shall be liable on conviction to a fine not exceeding \$1,000.

Property Owners' Obligation to Record Keeping

- 9.49 Property owners must keep and retain in safe custody, for a period of 3 years after the end of the period to which the property tax rebate relates, records evidencing compliance by the property owners with the conditions.
- 9.50 This means that property owners should ensure that they keep sufficient documentation to show clearly when the rebate was passed on and how much was passed on to their tenants. In the case where the property owner lets out a property to multiple tenants, the property owner should also keep documentation showing how he derived the amount of rebate to be passed on to each of his tenants. Property owners can retain the relevant documentation in either soft-copy or hard-copy form, as long as they remain available up till 31 Dec 2023. Failure to keep proper records constitutes an offence, and those guilty of such an offence shall be liable on conviction to a fine not exceeding \$5,000.
- 9.51 Property owners are strongly encouraged to ensure that their tenants acknowledge the rebate received. This is to minimise potential disputes between the property owner and his tenants on whether the rebate has been properly passed on.

Disputes between Property Owner and Tenant on the Passing on of Property Tax Rebate

- 9.52 In the event of any dispute between the property owner and tenant concerning the matters set out in paragraph 9.53, the property owner or tenant may apply for the dispute to be heard and determined by a Valuation Review Panel ("Panel").
- 9.53 The dispute between the property owner and the tenant can be in relation to any of the following matters:
 - (a) Whether the property owner is required to pass any rebate on to the tenant;
 - (b) The amount, extent, manner, or time of the passing of rebate to the tenant; and/or
 - (c) Any non-compliance with the legislation to pass on the rebate to the tenant.

9.54 A property owner or tenant who wishes for a dispute to be heard and determined by a Panel must make an application to the Panel no later than:

- (a) 31 Dec 2021; or
- (b) if the notice of the rebate amount is issued in 2021 and the extension of the prescribed time of passing the rebate in paragraph 3 of Appendix I does not apply, then the end of the period of eight months from the date of the notice (if later than 31 Dec 2021).
- (c) if the notice of the rebate amount is issued in 2021 and the extension of the prescribed time of passing the rebate in paragraph 3 of Appendix I applies, then the last day of the period of 60 days after the time by which the owner is required to pass the rebate to the tenant under the extension.

9.55 If the property owner or tenant is dissatisfied with the determination or any further direction of the Panel, the property owner or tenant may, within 21 days after the date of the determination, appeal to the High Court upon any question of law or mixed law and fact.

9.56 More details on the process of application to the Panel are published on Ministry of Finance's website. We encourage the property owners to work closely with their tenants to properly pass on the rebate in accordance to the rules and regulations set out in the PTR Regulations 2020 on the passing on of rebate to help each other tide through this difficult time.

10 Contact Information

10.1 For enquiries on this e-Tax Guide, please contact Property Tax Division at www.iras.gov.sg (select "Contact Us").

11 Updates and Amendments

S/N	Date of amendment	Amendments made
1	22 Apr 2020	<ul style="list-style-type: none"> Amended paragraphs 2.2 to 2.4, 3.2 and 6.1 to provide additional information. Inserted a new paragraph 3.3 to provide new information. Inserted a new paragraph 10 on “Property Owners’ Obligation to Pass the Property Tax Rebate on to Tenants”. Amended Appendix A and B to provide greater clarity on eligibility of vacant properties for the property tax rebate.
2	15 May 2020	<ul style="list-style-type: none"> Paragraphs 1.1, 2.4, 3.3, 3.4, 5.1, 5.2, 5.4, 6.1 have been updated mainly for greater clarity. Paragraph 5 on Illustrations on Tax Savings has been deleted. The content has been moved to Appendix C. Added Paragraph 3.7 to make reference to Appendix C. Examples for revision in GIRO instalments under paragraph 5 on Notification and Refund of Property Tax Rebate has been moved to Appendix D. Examples for the re-computation of rebate and tax payable under paragraph 6 on Change of Use of Property has been moved to Appendix E. Examples for the re-computation of rebate and tax payable under paragraph 8 on If Annual Value is Revised has been moved to Appendix F. Paragraph 9 has been updated with new information on the details of requirement to pass on the rebate.
3	29 Dec 2020	<ul style="list-style-type: none"> Editorial amendments were made generally to various paragraphs. Inserted new paragraphs 9.35 to 9.38, 9.43 to 9.47 and Appendix I to provide information on the latest changes made to the PTR Regulations relating to interaction between property owner’s obligations to pass on property tax rebate and rental waivers effected under Rental Relief Framework.

S/N	Date of amendment	Amendments made
		<ul style="list-style-type: none">• Amended paragraph 9.52 and inserted new paragraphs 9.54 and 9.55 to provide information on the latest changes to the deadline to make an application to the Panel for specific scenarios.

Appendix A – List of Non-Residential Properties that Qualify for 100% Property Tax Rebate

These properties are eligible for the 100% property tax rebate:

List of Qualifying Properties	Examples
Hotel room or function room of a hotel registered under the Hotels Act (“registered hotel”)	-
Serviced apartment or serviced apartment function room	-
Meetings, Incentive Travel, Conventions and Exhibitions (MICE) venues, namely Suntec Singapore Convention and Exhibition Centre, Singapore EXPO, and Changi Exhibition Centre;	-
Premises of an international airport i.e. Changi Airport	-
Premises of a prescribed international cruise or regional ferry terminal, namely Singapore Cruise Centre, Marina Bay Cruise Centre Singapore, and Tanah Merah Ferry Terminal	-
Premises of tourist attractions	Singapore Zoological Gardens, Singapore Flyer, and Haw Par Villa
Shop	Retail shop, furniture shop, pet shop, supermarket, take-away food shop, bakery & confectionery, pawnshop, dispensary, beauty salon, gym, spa, ticket agency, travel agency, laundry or dry-cleaning shop, department store, post office, showroom, bank, and vet clinic
Warehouse retail	-
Restaurant	Restaurant, café, cybercafé, food court, coffeeshop, market & hawker stalls, bar, and night club
Amusement centre	Video games arcade, computer gaming centre, and billiard saloon
Cinema or theatre	-

List of Qualifying Properties	Examples
Sports and recreational building	Social club, golf club, clan and association, skating rink, and bowling alley
Child care centre or kindergarten	-
School	Tuition centre, language school, computer school, art school, dancing school, speech and drama school, child development centre, play school, foreign system school, training or vocation training institute, other private education institution, and driving school
Health and medical care building	Medical clinic, medical centre, dental clinic, hospital, nursing home, hospice, place of rehabilitation or convalescent home
Backpackers' hostel, boarding house, guest house, hotel or students' hostel that is not a registered hotel	-
Purpose-built workers' dormitory	Any premises licensed under the Foreign Employee Dormitories Act 2015 and the licensed operator of which is not the employer or prospective employer of its residents
Carpark used in connection with the operation of the qualifying properties listed in this table	Carpark of a retail mall, hotel or serviced apartment For carpark in a mixed-use development, the rebate will be apportioned based on the proportion of the gross floor area of the qualifying properties within the development. Refer to example 4 of Appendix C.
Spaces used in connection with the operation of the qualifying properties listed in this table but excluding those that are used for purposes listed in paragraphs 3.4(b), 3.4(c) and 3.6	Management office, store, function and meeting space, club lounge and other tenements such as atrium space, space for base station, vending machine, signage, advertisement space, ATM, AXS machine located within the premises listed in this table
Shophouses that are used for the purposes listed in this table but exclude	Refer to the examples listed in this table

List of Qualifying Properties	Examples
those that are used for purposes listed in paragraphs 3.4(b), 3.4(c) and 3.6	
The above applies regardless whether the property is vacant, owner-occupied or let.	Refer to the examples listed in this table

Appendix B – Examples of Non-Residential Properties that Qualify for 30% Property Tax Rebate

Some examples of other non-residential properties that qualify for 30% property tax rebate are:

Examples
Offices, including those that are located within an office building, retail mall, shophouse, industrial building and business or science park
Industrial, business or science park properties including factory, manufacturing facility, cold room, automobile service centre, data centre, media centre, telephone exchange, workshop, bus depot, laboratories, self-storage facility, oil terminal, shipyard, port, utility plant, structural network (pipelines and cables for transportation or transmission purposes), heavy vehicle park, concrete batching and cement plant and aerospace-related facilities (e.g. test cells and hangars)
Petrol Station or Compressed Natural Gas Station
Warehouse
Ancillary and secondary workers' dormitories, and purpose-built workers' dormitories that are not required to be licensed under the Foreign Employee Dormitories Act 2015
Agricultural properties such as farms
Spaces used in connection with the operation of the non-residential properties that qualify for 30% rebate as listed in paragraph 3.4(c) but exclude those that are used for purposes listed in paragraphs 3.4(a), 3.4(b) and 3.6.
Examples
<i>Management office, store, in-house gym, function and meeting space, club lounge, staff canteen and other tenements such as space for base station, vending machine, signage, advertisement space, ATM, AXS machine located in an office building, industrial building, warehouse and business or science park</i>
Carpark used in connection with the operation of the non-residential properties that qualify for 30% rebate as listed in paragraph 3.4(c) but exclude those that are used for purposes listed in paragraphs 3.4(a), 3.4(b) and 3.6.
Example
Carpark of an office building, industrial building, warehouse and business or science park

Examples

For carpark in a mixed-use development, the rebate will be apportioned based on the proportion of the gross floor area of the qualifying properties within the development. Refer to example 4 under Appendix C.

The above applies regardless whether the property is vacant, owner-occupied or let.

Appendix C – Illustrations of Tax Savings

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 AV of a shop is \$90,000.

The revised property tax payable from 1 Jan 2020 to 31 Dec 2020 will be \$0 (after rebate) with **tax savings of \$9,000**. See computation:

Property Tax payable before rebate	= \$9,000 [10% x \$90,000]
Less: 100% Property Tax Rebate	= \$9,000 [100% x \$9,000]
Tax payable after rebate	= \$0 [\$9,000 - \$9,000]
Tax Savings	= <u>\$9,000</u>

Example 2 – Hotel

The AV of a hotel is \$4,000,000. The revised property tax payable from 1 Jan 2020 to 31 Dec 2020 will be \$12,600 (after rebate) with **tax savings of \$387,400**. See computation:

Component	AV	Tax Payable	Tax Rebate	Tax Savings
Hotel Rooms	\$3,000,000	\$3,000,000 x 10% = \$300,000	100%	100% x \$300,000 = <u>\$300,000</u>
Function Rooms	\$400,000	\$400,000 x 10% = \$40,000	100%	100% x \$40,000 = <u>\$40,000</u>
Other qualifying properties such as restaurants, shops and gym	\$420,000	\$420,000 x 10% = \$42,000	100%	100% x \$42,000 = <u>\$42,000</u>
Offices that are <u>not</u> used in connection to the operation of the hotel, such as serviced offices	\$180,000	\$180,000 x 10% = \$18,000	30%	30% x \$18,000 = <u>\$5,400</u>
Total	\$4,000,000	\$400,000	-	\$387,400

Property Tax Rebate for Non-Residential Properties in 2020 (Sixth Edition)

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

Less:

Tax payable after rebate = \$400,000 - \$387,400 = \$12,600

Tax Savings = **\$387,400**

Example 3 – Factory

The AV of a factory is \$36,000.

The revised property tax payable from 1 Jan 2020 to 31 Dec 2020 will be \$2,520 (after rebate) with **tax savings of \$1,080**. See computation:

Property Tax payable before rebate = \$3,600 [10% x \$36,000]

Less: 30% Property Tax Rebate = \$1,080 [30% x \$3,600]

Tax payable after rebate = \$2,520 [\$3,600 - \$1,080]

Tax Savings = **\$1,080**

Example 4 – Carpark within a Mixed-use Development

The AV of the carpark within a mixed-use development is \$648,000.

The development comprises a retail mall (60% of GFA) and office (40% of GFA). The amount of property tax to be granted rebate will be calculated based on the proportion of the GFA of the qualifying properties of the development.

The revised property tax payable from 1 Jan 2020 to 31 Dec 2020 will be \$18,144 (after rebate) with **tax savings of \$46,656**. See computation:

Component	AV	Tax Payable	Tax Rebate	Tax Savings
Carpark apportioned to retail mall	60% x \$648,000 = \$388,800	\$388,800 x 10% = \$38,880	100%	100% x \$38,880 = <u>\$38,880</u>
Carpark apportioned to office	40% x \$648,000 = \$259,200	\$259,200 x 10% = \$25,920	30%	30% x \$25,920 = <u>\$7,776</u>
Total	\$648,000	\$64,800	-	\$46,656

Property Tax payable before rebate = \$64,800

Less:

Tax payable after rebate = \$64,800 - \$46,656 = \$18,144

Tax Savings = \$46,656

Appendix D – Revised GIRO Instalment Plan

Example 1 – Factory

The AV of a factory is \$36,000, and property tax has been paid via GIRO instalment till Apr 2020 before the rebate is granted.

Before Rebate

Tax payable before rebate = \$3,600

GIRO instalment per month = \$300
(Jan – Dec 2020)

GIRO Instalment Plan for 2020

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300

After Rebate

Tax payable after rebate = \$2,520

Outstanding tax payable = \$1,320 [\$2,520 – (\$300 x 4)]

Revised GIRO instalment per month = \$330
(Sep – Dec 2020)

Revised GIRO Instalment Plan for 2020

May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
\$0	\$0	\$0	\$0	\$330	\$330	\$330	\$330

Appendix E – Re-computation of Property Tax Rebate for Change of Use

The following examples illustrate the re-computation of tax rebate and property tax payable:

Example 1: Change of Use from Shop to Office in a Retail Mall

The AV of a shop is \$90,000 with effect from 1 Jan 2020. The revised property tax payable after considering the 100% property tax rebate is \$0 with tax savings of \$9,000.

In Jul 2020, the use of the property changed from shop to office. AV is also revised to \$60,000 with effect from 1 Jul 2020. The property tax rebate is reduced to 30% with effect from 1 Jul 2020. The revised property tax payable (after rebate) is \$2,100. The revised tax savings is \$5,400.

Before Change of Use of the Property and AV revision:

1 Jan 2020 to 31 Dec 2020

Property Tax payable	= \$9,000 [10% x \$90,000]
Less: 100% Property Tax Rebate	= \$9,000 [100% x \$9,000]
Tax payable after rebate	= \$0 [\$9,000 - \$9,000]

After Change of Use of the Property and AV revision:

1 Jan 2020 to 30 Jun 2020

Property Tax payable before rebate	= \$4,500 [10% x \$90,000 x 6 / 12 months]
Less: 100% Property Tax Rebate	= \$4,500 [100% x \$4,500]
Tax payable after rebate	= \$0 [\$4,500 - \$4,500]

1 Jul 2020 to 31 Dec 2020

Property Tax payable before rebate	= \$3,000 [10% x \$60,000 x 6 / 12 months]
Less: 30% Property Tax Rebate	= \$900 [30% x \$3,000]
Tax payable after rebate	= \$2,100 [\$3,000 - \$900]

1 Jan 2020 to 31 Dec 2020

Property Tax payable before rebate	= \$7,500 [\$4,500 + \$3,000]
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Tax payable after revision in
AV and rebate amount = \$2,100 [\$0 + \$2,100]

Example 2: Change of Use from Office to Residential in a Shophouse

The AV of an office is \$46,000 with effect from 1 Jan 2020. The revised property tax payable after considering the 30% property tax rebate is \$3,220 with tax savings of \$1,380.

In Jul 2020, the use of the property changed from office to residential. AV is also revised to \$30,000 with effect from 1 Jul 2020. No rebate is granted with effect from 1 Jul 2020. The revised property tax payable (after rebate) is \$3,110. The revised tax savings is \$690.

Before Change of Use of the Property and AV revision:

1 Jan 2020 to 31 Dec 2020

Property Tax payable	= \$4,600 [10% x \$46,000]
Less: 30% Property Tax Rebate	= \$1,380 [30% x \$4,600]
Tax payable after rebate	= \$3,220 [\$4,600 - \$1,380]

After Change of Use of the Property and AV revision:

1 Jan 2020 to 30 Jun 2020

Property Tax payable before rebate	= \$2,300 [10% x \$46,000 x 6 / 12 months]
Less: 30% Property Tax Rebate	= \$690 [30% x \$2,300]
Tax payable after rebate	= \$1,610 [\$2,300 - \$690]

1 Jul 2020 to 31 Dec 2020

Property Tax payable
[based on non-owner-occupier tax rate] = \$1,500 [10% x \$30,000 x 6 / 12 months]

1 Jan 2020 to 31 Dec 2020

Property Tax payable before rebate	= \$3,800 [\$2,300 + \$1,500]
Tax payable after revision in AV and rebate amount	= \$3,110 [\$1,610 + \$1,500]

Appendix F: Re-computation of Property Tax Rebate When Annual Value is Revised

The following examples illustrate the re-computation of the rebate and the tax payable:

Example 1: AV of the Qualifying Property is Reduced in 2020

The AV of a factory is \$36,000 with effect from 1 Jan 2020. The revised property tax payable after considering the 30% property tax rebate is \$2,520 with tax savings of \$1,080.

The AV is subsequently revised downwards to \$33,000 with effect from 1 Jul 2020. The revised property tax payable (after rebate) is \$2,415 and amount of tax to be refunded is \$105. The revised tax savings is \$1,035.

Before AV revision:

1 Jan 2020 to 31 Dec 2020

Property Tax payable	= \$3,600 [10% x \$36,000]
Less: 30% Property Tax Rebate	= \$1,080 [30% x \$3,600]
Tax payable after rebate	= \$2,520 [\$3,600 - \$1,080]

After AV revision:

1 Jan 2020 to 30 Jun 2020

Property Tax payable before rebate	= \$1,800 [10% x \$36,000 x 6 / 12 months]
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1 Jul 2020 to 31 Dec 2020

Property Tax payable before rebate	= \$1,650 [10% x \$33,000 x 6 / 12 months]
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1 Jan 2020 to 31 Dec 2020

Property Tax payable before rebate	= \$3,450 [\$1,800 + \$1,650]
Less: 30% Property Tax Rebate	= \$1,035 [30% x \$3,450]
Tax payable after rebate	= \$2,415 [\$3,450 - \$1,035]
Tax to be <u>refunded</u> after revision in AV	= \$105 [\$2,520 - \$2,415]

Example 2: AV of the Qualifying Property is Increased in 2020

The AV of a factory is \$36,000 with effect from 1 Jan 2020. The revised property tax payable after considering the 30% property tax rebate is \$2,520 with tax savings of \$1,080.

The AV is subsequently revised upwards to \$39,000 with effect from 1 Jul 2020. The revised property tax payable (after rebate) is \$2,625 and additional tax payable is \$105. The revised tax savings is \$1,125.

Before AV revision:

1 Jan 2020 to 31 Dec 2020

Property Tax payable	= \$3,600 [10% x \$36,000]
Less: 30% Property Tax Rebate	= \$1,080 [30% x \$3,600]
Tax payable after rebate	= \$2,520 [\$3,600 - \$1,080]

After AV revision:

1 Jan 2020 to 30 Jun 2020

Property Tax payable before rebate	= \$1,800 [10% x \$36,000 x 6 / 12 months]
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1 Jul 2020 to 31 Dec 2020

Property Tax payable before rebate	= \$1,950 [10% x \$39,000 x 6 / 12 months]
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1 Jan 2020 to 31 Dec 2020

Property Tax payable before rebate	= \$3,750 [\$1,800 + \$1,950]
Less: 30% Property Tax Rebate	= \$1,125 [30% x \$3,750]
Tax payable after rebate	= \$2,625 [\$3,750 - \$1,125]
<u>Additional tax payable</u> after revision in AV	= \$105 [\$2,625 - \$2,520]

Appendix G – *Where the Whole Property is Leased or Licensed to Single Tenant*

Examples 1 and 2 illustrate the application of the formulae under Option 1A:

Formula 1:
$$\frac{\text{PTR}}{12} \times \frac{D}{D(\text{Month})};$$

Formula 1A:
$$\left(\frac{\text{PTR}(\text{Old})}{T(\text{Old})} \times \frac{D(\text{Old})}{D(\text{Month})} \right) + \left(\frac{\text{PTR}(\text{New})}{T(\text{New})} \times \frac{D(\text{New})}{D(\text{Month})} \right); \text{ and}$$

Formula 1B:
$$\frac{\text{PTR}(\text{New})}{T(\text{New})} \times \frac{D}{D(\text{Month})}.$$

Example 1: [Option 1A] No change in circumstances resulting in change in rebate amount

Property owner receives a total rebate amount of \$9,000 for his property for the period 1 Jan 2020 to 31 Dec 2020. In this example, only Formula 1 is applicable.

S/N	Scenario	Minimum Amount of Rebate to Pass on to Tenant
1	<u>Let to Tenant A from 1 Jan 2020 to 15 May 2020 (4 months and 15 days)</u>	$\left(\frac{\$9,000}{12} \right) \times \left(1 + 1 + 1 + 1 + \frac{15}{31} \right) = \$3,362.90$
2	<u>Let to Tenant A from 1 Jan 2020 to 31 Dec 2020</u>	\$9,000
3	<u>Property is vacant from 1 Jan 2020 and let to Tenant A from 30 Apr 2020 to 31 Dec 2020 (8 months and 1 day)</u>	$\left(\frac{\$9,000}{12} \right) \times \left(\frac{1}{30} + 8 \right) = \$6,025$
4	<u>Let to Tenant A from 1 Jan 2020 to 30 Jun 2020 (6 months) and subsequently let to tenant B from 15 Aug 2020 to 31 Dec 2020 (4 months and 17 days)</u>	<p>Tenant A</p> $\left(\frac{\$9,000}{12} \right) \times 6 = \$4,500$ <p>Tenant B</p> $\left(\frac{\$9,000}{12} \right) \times \left(\frac{17}{31} + 4 \right) = \$3,411.29$

S/N	Scenario	Minimum Amount of Rebate to Pass on to Tenant
		Total rebate to be passed on to Tenants A and B = <u>\$7,911.29</u> ($\$4,500 + \$3,411.29$)

Example 2: [Option 1A] Change in circumstances resulting in change in rebate amount

Property owner receives a total rebate amount of \$9,000 for his property for 1 Jan 2020 to 31 Dec 2020. On 15 May 2020, a change in the circumstances occurs on 15 May 2020, resulting in the rebate amount becoming **\$9,943.55** for 1 Jan 2020 to 31 Dec 2020, with the breakdown as follows:

Rebate amount for 1 Jan to 14 May 2020: \$3,338.71
 Rebate amount for 15 May to 31 Dec 2020: \$6,604.84

This breakdown of the total rebate amount will be shown in the property tax rebate notice or bill

A subsequent change in circumstances on 25 Oct 2020, resulting in the rebate amount becoming **\$9,479.84** for 1 Jan 2020 to 31 Dec 2020, with the breakdown as follows:

Rebate amount for 1 Jan to 14 May 2020: \$3,338.71
 Rebate amount for 15 May to 24 Oct 2020: \$4,657.26
 Rebate amount for 25 Oct to 31 Dec 2020: \$1,483.87

This breakdown of the total rebate amount will be shown in the property tax rebate notice or bill

S/N	Scenario	Minimum Amount of Rebate to Pass on to Tenant
1	Let to Tenant A from 1 Jan 2020 to 31 Dec 2020.	Owner to pass on \$9,479.84 to Tenant A
2	Let to Tenant A from 1 Jan 2020 to 31 May 2020 and subsequently let to Tenant B from 1 Jun 2020 to 31 Dec 2020	<p>Tenant A</p> <p><u>For 1 Jan 2020 to 30 Apr 2020:</u> Using Formula 1, $\frac{\\$9,000}{12} \times 4 = \\$3,000$</p> <p><u>For May 2020:</u> Using Formula 1A,</p>

S/N	Scenario	Minimum Amount of Rebate to Pass on to Tenant
		$\left(\frac{3,338.71}{4 + \frac{14}{31}} \right) x \left(\frac{14}{31} + \left(\frac{17}{31} \right) x \left(\frac{7}{31} \right) \right) = \818.55 <p>Total rebate to be passed on to Tenant A = \$3,818.55 (\$3,000 + \$818.55)</p> <p>Tenant B</p> <p><u>For 1 Jun 2020 to 30 Sep 2020:</u> Using Formula 1B,</p> $\left(\frac{6,604.84}{\frac{17}{31} + 7} \right) x 4 = \$3,500$ <p><u>For Oct 2020:</u> Using Formula 1A,</p> $\left(\frac{4,657.26}{\frac{17}{31} + \frac{24}{31}} \right) x \left(\frac{24}{31} \right) + \left(\frac{1,483.87}{\frac{7}{31} + 2} \right) x \left(\frac{7}{31} \right) = \827.96 <p><u>For 1 Nov 2020 to 31 Dec 2020:</u> Using Formula 1B,</p> $\left(\frac{1,483.87}{\frac{7}{31} + 2} \right) x 2 = \$1,333.33$ <p>Total rebate to be passed on to Tenant B = \$5,661.29 (\$3,500 + \$827.96 + \$1,333.33)</p>
3	Property is vacant from 1 Jan 2020 and let to Tenant A from 1 Apr 2020 to 31 Dec 2020	<p>Tenant A</p> <p><u>For Apr 2020:</u> Using Formula 1,</p> $\left(\frac{9,000}{12} \right) x 1 = \750 <p><u>For May 2020:</u></p>

S/N	Scenario	Minimum Amount of Rebate to Pass on to Tenant
		<p>Using Formula 1A,</p> $\left(\frac{\$3,338.71}{4 + \frac{14}{31}} \right) \times \frac{14}{31} + \left(\frac{\$6,604.84}{\frac{17}{31} + 7} \right) \times \frac{17}{31} = \818.55 <p><u>For 1 Jun 2020 to 30 Sep 2020:</u></p> <p>Using Formula 1B,</p> $\left(\frac{\$6,604.84}{\frac{17}{31} + 7} \right) \times 4 = \$3,500$ <p><u>For Oct 2020:</u></p> <p>Using Formula 1A,</p> $\left(\frac{\$4,657.26}{\frac{17}{31} + 4 + \frac{24}{31}} \right) \times \frac{24}{31} + \left(\frac{\$1,483.87}{\frac{7}{31} + 2} \right) \times \frac{7}{31} = \827.96 <p><u>For 1 Nov 2020 to 31 Dec 2020:</u></p> <p>Using Formula 1B,</p> $\left(\frac{\$1,483.87}{\frac{7}{31} + 2} \right) \times 2 = \$1,333.33$ <p>Total rebate to be passed on to Tenant A = $\\$7,229.84$ ($\\$750 + \\$818.55 + \\$3,500 + \\$827.96 + \\$1,333.33$)</p>
4	<p>Let to Tenant A from 1 Jan 2020 to 30 Jun 2020 and subsequently let to Tenant B from 30 Aug 2020 to 31 Dec 2020</p>	<p>Tenant A</p> <p><u>For 1 Jan 2020 to 30 Apr 2020:</u></p> <p>Using Formula 1,</p> $\left(\frac{\$9,000}{12} \right) \times 4 = \$3,000$ <p><u>For May 2020:</u></p> <p>Using Formula 1A,</p>

S/N	Scenario	Minimum Amount of Rebate to Pass on to Tenant
		$\left(\frac{\$3,338.71}{4 + \frac{14}{31}} \right) \times \frac{14}{31} + \left(\frac{\$6,604.84}{\frac{17}{31} + 7} \right) \times \frac{17}{31} = \818.55 <p><u>For Jun 2020:</u> Using Formula 1B,</p> $\left(\frac{\$6,604.84}{\frac{17}{31} + 7} \right) \times 1 = \875 <p>Total rebate to be passed on to Tenant A = \\$4,693.55 ($\\$3,000 + \\$818.55 + \\875)</p> <p>Tenant B</p> <p><u>30 Aug 2020 to 30 Sep 2020</u> Using Formula 1B,</p> $\left(\frac{\$6,604.84}{\frac{17}{31} + 7} \right) \times \left(\frac{2}{31} + 1 \right) = \931.45 <p><u>For Oct 2020:</u> Using Formula 1A,</p> $\left(\frac{\$4,657.26}{\frac{17}{31} + 4 + \frac{24}{31}} \right) \times \frac{24}{31} + \left(\frac{\$1,483.87}{\frac{7}{31} + 2} \right) \times \frac{7}{31} = \827.96 <p><u>For 1 Nov 2020 to 31 Dec 2020:</u> Using Formula 1B,</p> $\left(\frac{\$1,483.87}{\frac{7}{31} + 2} \right) \times 2 = \$1,333.33$ <p>Total rebate to be passed on to Tenant B = \\$3,092.74 ($\\$931.45 + \\$827.96 + \\$1,333.33$)</p>

Example 3: Option 1A and Option 2A

This example illustrates how a property owner who wholly let his property can choose to pass on the property tax rebate to his tenants through either Option 1A or Option 2A, and when he needs to pass on the rebate.

The property qualifies for a total of property tax rebate of \$1,080 for the period of 1 Jan 2020 to 31 Dec 2020.

On 10 Aug 2020, due to a change in circumstances, the rebate became \$1,009.35 for the period of 1 Jan 2020 to 31 Dec 2020:

1 Jan 2020 to 9 Aug 2020	: \$656.13
10 Aug 2020 to 31 Dec 2020	: \$353.23

The notice for the change in circumstances is served on the property owner on 31 Aug 2020.

Property/ Unit	Lessee	Lease Period in Year 2020	Net Monthly Rent (\$)
Shop	A	1 Jan 2020 to 31 Mar 2020	\$3,500
	B	15 Apr 2020 to 15 Oct 2020	\$3,000
	C	1 Nov 2020 to 31 Dec 2020	\$3,000

[Option 1A]

If property owner chooses to fulfil his obligation using Option 1A, the computation of the rebate due to each tenant is:

$$\text{Formula 1: } \frac{\text{PTR}}{12} \times \frac{D}{D(\text{Month})};$$

$$\text{Formula 1A: } \left(\frac{\text{PTR(Old)}}{\text{T(Old)}} \times \frac{D(\text{Old})}{D(\text{Month})} \right) + \left(\frac{\text{PTR(New)}}{\text{T(New)}} \times \frac{D(\text{New})}{D(\text{Month})} \right); \text{ and}$$

$$\text{Formula 1B: } \frac{\text{PTR(New)}}{\text{T(New)}} \times \frac{D}{D(\text{Month})}.$$

Lessee	Amount of Rebate	Minimum Amount of Rebate to be Passed on	
		By 31 Jul 2020 [For rebate relating to the months of Jan to Jun 2020]	By 31 Dec 2020 [For rebate relating to the months of Jul to Dec 2020]
A	<p>Lessee A is not eligible for the rebate as he is not a prescribed lessee. The rebate attributed to Lessee A if he were a prescribed lessee is:</p> <p>Using Formula 1, \$1,080 $(\frac{1}{12}) \times 3 = \\270</p> <p>This amount is to be passed on to Tenant B whose lease falls in part within 3 Apr 2020 to 30 Jun 2020.</p>	-	-
B	<p><u>15 Apr 2020 to 30 Jun 2020:</u> Using Formula 1, $(\frac{\\$1,080}{12}) \times (\frac{16}{30} + 2) = \\228</p> <p><u>Jul 2020:</u> Using Formula 1, $\frac{\\$1,080}{12} \times 1 = \\90</p> <p><u>Aug 2020:</u> Using Formula 1A, $(\frac{\\$656.13}{7+31}) \times \frac{9}{31} + (\frac{\\$353.23}{31+4}) \times \frac{22}{31} = \\79.36</p> <p><u>1 Sep 2020 to 15 Oct 2020:</u> Using Formula 1B, $(\frac{\\$353.23}{31+4}) \times (1 + \frac{15}{31}) = \\111.29</p> <p>Total Rebate: $\\$228 + \\$90 + \\$79.36 + \\$111.29 + \\$270 = \\778.65</p>	\$498 (\$270 + \$228)	\$280.65 (\$90 + \$79.36 + \$111.29)

Lessee	Amount of Rebate	Minimum Amount of Rebate to be Passed on	
		By 31 Jul 2020 [For rebate relating to the months of Jan to Jun 2020]	By 31 Dec 2020 [For rebate relating to the months of Jul to Dec 2020]
C	<u>1 Nov 2020 to 31 Dec 2020</u> Using Formula 1B, $(\frac{353.23}{\frac{22}{31} + 4}) \times 2 = \150	-	\$150

The owner can pass on the rebate to the tenant(s) through any prescribed manner described in paragraph 9.26, as long as the rebate is passed on within the prescribed timeline.

However, if the property owner opts to pass on the rebate through 2 or more instalments of monetary payments or 2 or more instalments of off-sets against or reductions of any rent payable on or after 3 Apr 2020, the owner must seek the tenant's agreement if he wishes to pass on the multiple payments or off-sets or reductions after the prescribed timeline of 31 Jul 2020 and 31 Dec 2020. The date of the agreement for pass-on and the first instalment payment for each period must be made by the prescribed timeline(s).

For example, for Tenant B, if the property owner decides to pass on the rebate of \$498 for the period of Jan to Jun 2020 in two payments to him, he needs to pass on the first payment to Tenant B by 31 Jul 2020. The remaining amount can be made at any such time agreed with Tenant B. Similarly, if the property owner decides to pass on the rebate of \$280.65 to Tenant B in two payments, he needs to pass on the first payment to Tenant B by 31 Dec 2020. The remaining amount can be made at any such time agreed with Tenant B.

[Option 2A]

The property owner can instead of Option 1A, choose to pass on the rebate using Option 2A. He can pass to the Tenant B \$1,080 in full by 31 Jul 2020.

If the property owner has passed on \$1,080 to Tenant B by 31 Jul 2020, and on 10 Aug 2020 due to change in circumstances, and the rebate amount reduces to \$1,009.35 for the period 1 Jan 2020 to 31 Dec 2020, the property owner is not required to pass on any further amount of rebate to Tenant B.

The owner is not required to pass on any further rebate to Tenant C.

Appendix H – Where part of property is leased or licensed to a tenant or different parts of the property are leased or licensed to different tenants

This example illustrates how a property owner can choose to pass on the property tax rebate to his tenants through either Option 1B or Option 2B, and when he needs to pass on the rebate.

Example 1: Option 1B and Option 2B

The property qualifies for a total of property tax rebate of \$32,000 for 1 Jan 2020 to 31 Dec 2020, computed based on 100% of the property tax payable for 2020.

Property/ Unit	Lessee	Lease Period in Year 2020	Net Monthly Rent (\$)
#A	A	1 Jan 2020 to 31 Dec 2020	\$8,000
#B	B1	1 Feb 2020 to 30 May 2020	\$3,500
#B	B2	1 Jul 2020 to 31 Dec 2020	\$3,000
#C	C1	1 Jan 2020 to 29 Feb 2020	\$5,500
#C	C2	1 Apr 2020 to 30 Oct 2020	\$6,000
#D	Owner-occupied for running his own business		

[Option 1B]

If property owner chooses to fulfil his obligation using Option 1B, the computation of the rebate due to each tenant is:

$$\text{Formula 2: } NR \times 10\% \times PTR(\%) \times \frac{D}{D(\text{Month})}$$

Lessee	Amount of Rebate	Minimum Amount of Rebate to be Passed on	
		By 31 Jul 2020 [For rebate relating to the months of Jan to Jun 2020]	By 31 Dec 2020 [For rebate relating to the months of Jul to Dec 2020]
A	<u>1 Jan 2020 to 31 Dec 2020 (12 full months):</u> \$8,000 \times 10% \times 100% \times 12 = \$9,600	\$4,800	\$4,800
B1	<u>1 Feb 2020 to 30 Apr 2020 (3 full months):</u> \$3,500 \times 10% \times 100% \times 3 = \$1,050 <u>1 May 2020 to 30 May 2020 (30 days):</u> \$3,500 \times 10% \times 100% \times $\frac{30}{31}$ = \$338.71 Total rebate: \$1,050 + \$338.71 = \$1,388.71	\$1,388.71	-

Lessee	Amount of Rebate	Minimum Amount of Rebate to be Passed on	
		By 31 Jul 2020 [For rebate relating to the months of Jan to Jun 2020]	By 31 Dec 2020 [For rebate relating to the months of Jul to Dec 2020]
B2	<u>1 Jul 2020 to 31 Dec 2020 (6 full months):</u> \$3,000 x 10% x 100% x 6 = \$1,800	-	\$1,800
C1	Lessee C1 is not eligible for the rebate as he is not a prescribed lessee. The rebate attributed to Lessee C1 if he were a prescribed lessee is: \$5,500 x 10% x 100% x 2 = \$1,100 This amount is to be passed on to Lessee C2 whose lease with the owner for this part of the property includes any part of the specified period between 3 Apr 2020 to 30 Jun 2020.	-	-
C2	<u>1 Apr 2020 to 30 Jun 2020 (3 full months):</u> \$6,000 x 10% x 100% x 3 = \$1,800 <u>1 Jul 2020 to 30 Sep 2020 (3 full months):</u> \$6,000 x 10% x 100% x 3 = \$1,800 <u>1 Oct 2020 to 30 Oct 2020 (30 days):</u> \$6,000 x 10% x 100% x $\frac{30}{31}$ = \$580.65 Total rebate: \$1,800 + \$1,800 + \$580.65 + \$1,100 = \$5,280.65	\$2,900 (\$1,800 + \$1,100)	\$5,280.65 - \$2,900 = \$2,380.65
Total	\$18,069.36		

[Option 2B]

The property owner can instead of Option 1B, choose to pass on the rebate using Option 2B.

Formula 3: 1.2 x AR

Lessee	Amount of Rebate	Minimum Amount of Rebate to pass on by 31 Jul 2020
A	AR for 1 Jan 2020 to 30 Jun 2020: \$8,000 per month Total rebate: 1.2 x \$8,000 = \$9,600	\$9,600
B1	AR for 1 Feb 2020 to 30 May 2020: \$3,500 per month Total rebate: 1.2 x \$3,500 = \$4,200	\$4,200

Lessee	Amount of Rebate	Minimum Amount of Rebate to pass on by 31 Jul 2020
B2	Not entitled to rebate if owner chooses to pass on rebate using Option 2B and he has passed on rebate to Lessee B1.	-
C1	Lessee C1 is not eligible for the rebate as he is not a prescribed lessee.	-
C2	AR for 1 Apr 2020 to 30 Jun 2020: \$6,000 per month Total rebate: $1.2 \times \$6,000 = \$7,200$	\$7,200
Total	\$21,000	

The owner can pass on the rebate to the tenant(s) through any prescribed manner described in paragraph 9.26, as long as the rebate is passed on within the prescribed timeline.

However, if the property owner opts to pass on the rebate through 2 or more instalments of monetary payments or 2 or more off-sets against or reductions of any rent payable on or after 3 Apr 2020, the multiple payments or off-sets or reductions can be made beyond the prescribed timeline of 31 Jul 2020. The timeline is subject to the tenant's agreement, and the date of the agreement for the pass-on and the first payment must be within the prescribed timeline by 31 Jul 2020.

For example, the owner chooses to pass on the rebate of \$9,600 to Tenant A in 3 monetary payments of \$5,000 in Jun 2020, \$2,600 in Aug 2020 and the remaining \$2,000 in Nov 2020. This is acceptable if the tenant agrees to the timeline.

Example 2: Option 1B and Option 2B

The property qualifies for a total of property tax rebate of \$15,000 for the period of 1 Jan 2020 to 31 Dec 2020, computed based on 100% of the property tax payable for 2020.

Property/ Unit	Lessee	Lease Period in Year 2020	Net Monthly Rent (\$)
#1	A	1 Jan 2020 to 31 Dec 2020	\$8,000
#2	B	15 Apr 2020 to 31 Dec 2020	\$3,000 + Gross Turnover (GTO)

After accounting for monthly GTO collection, the net monthly rent for Tenant B:

Month	Net Monthly Rent (\$)
15 Apr to 30 Apr 2020	\$3,100 (scaled up to per month basis)
May 2020	\$3,000
Jun 2020	\$3,000
Jul 2020	\$3,300
Aug 2020	\$3,500
Sep 2020	\$3,400
Oct 2020	\$3,300
Nov 2020	\$3,400
Dec 2020	Assuming GTO information not available as at time of computation, it will be based on the previous month, Nov 2020. \$3,400

[Option 1B]

If property owner chooses to fulfil his obligation using Option 1B, the computation of the rebate due to each tenant is:

$$\text{Formula 2: } NR \times 10\% \times PTR(\%) \times \frac{D}{D(\text{Month})}$$

Tenant	Amount of Rebate	Minimum Amount of Rebate to pass on	
		By 31 Jul 2020 [For rebate relating to the months of Jan to Jun 2020]	By 31 Dec 2020 [For rebate relating to the months of Jul to Dec 2020]
A	<u>1 Jan 2020 to 31 Dec 2020 (12 full months):</u> \$8,000 x 10% x 100% x 12 = \$9,600	\$4,800	\$4,800
B	<u>15 Apr 2020 to 30 Apr 2020 (16 days):</u> \$3,100 x 10% x 100% x $\frac{16}{30} = \$165.33$ May 2020: \$300 Jun 2020: \$300 Jul 2020: \$330 Aug 2020: \$350 Sep 2020: \$340 Oct 2020: \$330 Nov 2020: \$340 Dec 2020: \$340 Total rebate: \$2,795.33	15 Apr to 30 Jun 2020: \$765.33 (\$165.33 + \$300 + \$300) \$2,795.33 - \$765.33 = \$2,030	
Total	\$12,395.33		

[Option 2B]

The property owner can instead of Option 1B, choose to pass on the rebate using Option 2B.

Formula 3: $1.2 \times AR$

Tenant	Amount of Rebate	Minimum Amount of Rebate to pass on by 31 Jul 2020
A	AR for 1 Jan 2020 to 30 Jun 2020*: \$8,000 per month Total rebate: $1.2 \times \$8,000 = \$9,600$	\$9,600
B	Assuming, owner decides to pass on the rebate to tenant in Jul 2020, the AR for 15 Apr 2020 to 30 Jun 2020: $\frac{(\$3,100 + \$3,000 + \$3,000)}{3} = \$3,033.33$ Total rebate: $1.2 \times \$3,033.33 = \$3,639.99$	\$3,639.99
Total	\$13,239.99	

*This is assuming that the owner chooses to pass on the rebate in Jul 2020.

The owner can pass on the rebate to the tenant(s) through any prescribed manner described in paragraph 9.26, as long as the rebate is passed on within the prescribed timeline.

However, if the property owner opts to pass on the rebate through 2 or more instalments of monetary payments or 2 or more off-sets against or reductions of any rent payable on or after 3 Apr 2020, the multiple payments or off-sets or reductions can be made beyond the prescribed timeline of 31 Jul 2020. The timeline is subject to the tenant's agreement, and the date of the agreement for the pass-on and the first payment must be within the prescribed timeline by 31 Jul 2020.

For example, the owner chooses to pass on the rebate of \$9,600 to Tenant A in 3 monetary payments of \$5,000 in Jun 2020, \$2,600 in Aug 2020 and the remaining \$2,000 in Nov 2020. This is acceptable if the tenant agrees to the timeline.

Example 3: [Option 1B and Option 2B] Where total amount of rebate to pass on calculated using formulae exceeds total rebate amount received by the owner for the property

The property qualifies for a total of property tax rebate of \$8,500 from 1 Jan 2020 to 31 Dec 2020, computed based on 100% of the property tax payable for 2020.

Property/Unit	Tenant	Lease Period in Year 2020	Net Monthly Rent (\$)
#1	A	1 Jan 2020 to 15 Nov 2020	\$5,000
#2	B	1 Jan 2020 to 31 Dec 2020	\$3,000

[Option 1B]

If property owner chooses to pass on the rebate using Option 1B, the computation of the rebate due to each tenant is:

$$\text{Formula 2: } NR \times 10\% \times PTR(\%) \times \frac{D}{D(\text{Month})}$$

Month	Minimum Amount of Rebate		
	Tenant A	Tenant B	Cumulative Amount of Rebate
Jan 2020	\$500	\$300	\$800
Feb 2020	\$500	\$300	\$1,600
Mar 2020	\$500	\$300	\$2,400
Apr 2020	\$500	\$300	\$3,200
May 2020	\$500	\$300	\$4,000
Jun 2020	\$500	\$300	\$4,800
Jul 2020	\$500	\$300	\$5,600
Aug 2020	\$500	\$300	\$6,400
Sep 2020	\$500	\$300	\$7,200
Oct 2020	\$500	\$300	\$8,000
Nov 2020	$\$5,000 \times 10\% \times 100\% \times \frac{15}{30} = \250	\$300	\$8,550
Dec 2020	-	\$300	\$8,850

The total amount of rebate to be passed on to Tenants A and B computed using Formula 2 is \$8,850 which exceeds the total rebate of \$8,500 received by the owner for the property. The rebate attributed to each tenant has to be re-computed proportionately in accordance to paragraph 9.16.

For Nov 2020, the rebate is re-computed as such:

Tenant A:

$$(\$8,500 - \$8,000) \times \frac{\$250}{(\$250 + \$300)} = \$227.27$$

Tenant B:

$$(\$8,500 - \$8,000) \times \frac{\$300}{(\$250 + \$300)} = \$272.73$$

Revised amount of rebate to be passed on to tenants:

Tenant	Revised Amount of Rebate	Minimum Amount of Rebate to pass on	
		By 31 Jul 2020 [For rebate relating to the months of Jan to Jun 2020]	By 31 Dec 2020 [For rebate relating to the months of Jul to Dec 2020]
A	<u>Jan 2020 to Jun 2020:</u> $\$500 \times 6 = \$3,000$ <u>Jul 2020 to Nov 2020:</u> $(\$500 \times 4) + \$227.27 = \$2,227.27$ Total rebate: $\\$5,227.27$	\$3,000	\$2,227.27
B	<u>Jan 2020 to Jun 2020:</u> $\$300 \times 6 = \$1,800$ <u>Jul 2020 to Nov 2020:</u> $(\$300 \times 4) + \$272.73 = \$1,472.73$ Total rebate: $\\$3,272.73$	\$1,800	\$1,472.73
Total	\$8,500		

[Option 2B]

The property owner can instead of Option 1B, choose to pass on the rebate using Option 2B.

Formula 3: $1.2 \times AR$

Tenant	Minimum Amount of Rebate
A	AR for 1 Jan 2020 to 30 Jun 2020*: \$5,000 per month Total rebate: $1.2 \times \$5,000 = \$6,000$
B	AR for 1 Jan 2020 to 30 Jun 2020*: \$3,000 per month Total rebate: $1.2 \times \$3,000 = \$3,600$
Total	\$9,600

*This is assuming that the owner chooses to pass on the rebate in Jul 2020. As the total sum of the rebate to be passed on to the tenants (\$9,600) computed using Formula 3 exceeds the rebate amount for the property (\$8,500), the amount of the rebate to be passed on must be re-computed on a proportionate basis based on paragraph 9.19.

Tenant	Revised Amount of Rebate	Minimum Amount of Rebate to pass on by 31 Jul 2020
A	$\$8,500 \times \frac{\$6,000}{(\$6,000 + \$3,600)} = \$5,312.50$	\$5,312.50
B	$\$8,500 \times \frac{\$3,600}{(\$6,000 + \$3,600)} = \$3,187.50$	\$3,187.50
Total	\$8,500	

The owner can pass on the rebate to the tenant(s) through any prescribed manner described in paragraph 9.26, as long as the rebate is passed on within the prescribed timeline.

However, if the property owner opts to pass on the rebate through 2 or more instalments of monetary payments or 2 or more off-sets against or reductions of any rent payable on or after 3 Apr 2020, the multiple payments or off-sets or reductions can be made beyond the prescribed timeline of 31 Jul 2020. The timeline is subject to the tenant's agreement, and the date of the agreement for the pass-on and the first payment must be within the prescribed timeline by 31 Jul 2020.

For example, the owner chooses to pass on the rebate of \$5,312.50 to Tenant A in 5 monetary payments of \$1,312.50 in Jul 2020 and \$1,000 per month from Aug to Nov 2020. This is acceptable if the tenant agrees to the timeline.

Example 4: [Option 1B and Option 2B] Change in circumstances resulting in change in rebate amount

The property qualifies for a total of property tax rebate of \$12,000 for the period of 1 Jan 2020 to 31 Dec 2020, computed based on 100% of the property tax payable for 2020.

A change in the circumstances occurs on 1 Oct 2020, resulting in the rebate amount becoming **\$13,200** for 1 Jan 2020 to 31 Dec 2020:

Property/Unit	Tenant	Lease Period in Year 2020	Net Monthly Rent (\$)
#1	A	1 Jan 2020 to 31 Dec 2020	\$8,000
#2	B	15 Apr 2020 to 31 Dec 2020	\$6,000

The notice for the change in circumstances is served on the property owner on 1 Dec 2020.

[Option 1B]

If property owner chooses to pass on the rebate using Option 1B, the computation of the rebate due to each tenant is:

$$\text{Formula 2: } NR \times 10\% \times PTR(\%) \times \frac{D}{D(\text{Month})}$$

Tenant	Minimum Amount of Rebate
A	<u>1 Jan 2020 to 31 Dec 2020 (12 full months):</u> $\$8,000 \times 10\% \times 100\% \times 12 = \$9,600$ (\$800 per month)
B	<u>15 Apr 2020 to 30 Apr 2020 (16 days):</u> $\$6,000 \times 10\% \times 100\% \times \frac{16}{30} = \320 <u>1 May 2020 to 31 Dec 2020 (8 full months):</u> $\$6,000 \times 10\% \times 100\% \times 8 = \$4,800$ (\$600 per month) Total rebate: $\$320 + \$4,800 = \$5,120$
Total	\$14,720

Prior to the change in circumstances on 1 Oct 2020, the total amount of rebate to be passed on to tenants computed using Formula 2 is \$14,720 which exceeds the total rebate of \$12,000 received by the owner for the property. Hence, the rebate attributed to each tenant has to be re-computed proportionately in accordance to paragraph 9.16.

Month	Minimum Amount of Rebate Computed based on Formula 2		
	Tenant A	Tenant B	Cumulative Amount of Rebate
Jan 2020	\$800	\$0	\$800
Feb 2020	\$800	\$0	\$1,600
Mar 2020	\$800	\$0	\$2,400
Apr 2020	\$800	\$320	\$3,520
May 2020	\$800	\$600	\$4,920
Jun 2020	\$800	\$600	\$6,320
Jul 2020	\$800	\$600	\$7,720
Aug 2020	\$800	\$600	\$9,120
Sep 2020	\$800	\$600	\$10,520
Oct 2020	\$800	\$600	\$11,920
Nov 2020	\$800	\$600	\$13,320
Dec 2020	\$800	\$600	\$14,720

For Nov 2020, the rebate is re-computed as such:

Tenant A:

$$(\$12,000 - \$11,920) \times \frac{\$800}{(\$800 + \$600)} = \$45.71$$

Tenant B:

$$(\$12,000 - \$11,920) \times \frac{\$600}{(\$800 + \$600)} = \$34.29$$

Revised amount of rebate to be passed on to tenants:

Tenant	Revised Amount of Rebate	Minimum Amount of Rebate to pass on	
		By 31 Jul 2020 [For rebate relating to the months of Jan to Jun 2020]	By 31 Dec 2020 [For rebate relating to the months of Jul to Dec 2020]
A	<u>Jan 2020 to Jun 2020:</u> $\$800 \times 6 = \$4,800$ <u>Jul 2020 to Nov 2020:</u> $(\$800 \times 4) + \$45.71 = \$3,245.71$ Total rebate: \$8,045.71	\$4,800	\$3,245.71
B	<u>15 Apr 2020 to 30 Jun 2020:</u> $\$320 + (\$600 \times 2) = \$1,520$ <u>Jul 2020 to Nov 2020:</u> $(\$600 \times 4) + \$34.29 = \$2,434.29$ Total rebate: \$3,954.29	\$1,520	\$2,434.29
Total	\$12,000		

After the change in circumstances on 1 Oct 2020, which results in the increase in rebate from \$12,000 to \$13,200 for 1 Jan 2020 to 31 Dec 2020. The re-computation of the rebate to be given to the tenants are as follows:

Month	Minimum Amount of Rebate Computed based on Formula 2		
	Tenant A	Tenant B	Cumulative Amount of Rebate
Jan 2020	\$800	\$0	\$800
Feb 2020	\$800	\$0	\$1,600
Mar 2020	\$800	\$0	\$2,400
Apr 2020	\$800	\$320	\$3,520
May 2020	\$800	\$600	\$4,920
Jun 2020	\$800	\$600	\$6,320

Month	Minimum Amount of Rebate Computed based on Formula 2		
	Tenant A	Tenant B	Cumulative Amount of Rebate
Jul 2020	\$800	\$600	\$7,720
Aug 2020	\$800	\$600	\$9,120
Sep 2020	\$800	\$600	\$10,520
Oct 2020	\$800	\$600	\$11,920
Nov 2020	\$800	\$600	\$13,320
Dec 2020	\$800	\$600	\$14,720

For Nov 2020, the rebate is re-computed as such:

Tenant A:

$$(\$13,200 - \$11,920) \times \frac{\$800}{(\$800 + \$600)} = \$731.43$$

Tenant B:

$$(\$13,200 - \$11,920) \times \frac{\$600}{(\$800 + \$600)} = \$548.57$$

Revised amount of rebate to be passed on to tenants:

Tenant	Revised Amount of Rebate	Minimum Amount of Rebate to pass on	
		By 31 Jul 2020 [For rebate relating to the months of Jan to Jun 2020]	By 31 Dec 2020 [For rebate relating to the months of Jul to Dec 2020]
A	<u>Jan 2020 to Jun 2020:</u> $\$800 \times 6 = \$4,800$ <u>Jul 2020 to Nov 2020:</u> $(\$800 \times 4) + \$731.43 = \$3,931.43$ Total rebate: \$8,731.43	\$4,800	\$3,931.43
B	<u>15 Apr 2020 to 30 Jun 2020:</u> $\$320 + (\$600 \times 2) = \$1,520$ <u>Jul 2020 to Nov 2020:</u> $(\$600 \times 4) + \$548.57 = \$2,948.57$ Total rebate: \$4,468.57	\$1,520	\$2,948.57
Total	\$13,200		

Assuming the property owner had chosen to pass on the rebate amount of \$12,000 to both tenants in Jul 2020 (\$8,045.71 to Tenant A and \$3,954.29 to Tenant B), he will be required to pass on the positive difference in rebate of \$1,200 (\$13,200 - \$12,000) to the tenants after the change in circumstances occurred in Oct 2020.

The property owner will be required to pass on to Tenant A an additional \$685.72 (\$8,731.43 -\$8,045.71) and Tenant B an additional \$514.28 (\$4,468.57 - \$3,954.29) within 60 days after the day of service of the notice (1 Dec 2020) on the owner. This means that he needs to pass on the rebate by 30 Jan 2021.

[Option 2B]

The property owner can instead of Option 1B, choose to pass on the rebate using Option 2B.

Formula 3: 1.2 x AR

Tenant	Amount of Rebate
A	AR for 1 Jan 2020 to 30 Jun 2020*: \$8,000 per month Total rebate: $1.2 \times \$8,000 = \$9,600$
B	AR for 15 Apr 2020 to 30 Jun 2020*: \$6,000 per month Total rebate: $1.2 \times \$6,000 = \$7,200$
Total	\$16,800

*This is assuming that the owner chooses to pass on the rebate in Jul 2020.

Prior to the change in circumstances on 1 Oct 2020, the total amount of rebate to be passed on to tenants computed using Formula 3 is \$16,800 which exceeds the total rebate of \$12,000 received by the owner for the property. Hence, the rebate attributed to each tenant has to be re-computed proportionately in accordance to paragraph 9.19.

Tenant	Revised Amount of Rebate	Minimum Amount of Rebate to pass on by 31 Jul 2020
A	$\$12,000 \times \frac{\$9,600}{(\$9,600 + \$7,200)} = \$6,857.14$	\$6,857.14
B	$\$12,000 \times \frac{\$7,200}{(\$9,600 + \$7,200)} = \$5,142.86$	\$5,142.86
Total	\$12,000	

After the change in circumstances on 1 Oct 2020, which results in the increase in rebate from \$12,000 to \$13,200 for 1 Jan 2020 to 31 Dec 2020. The re-computation of the rebate to be given to the tenants are as follows:

Tenant	Revised Amount of Rebate
A	\$9,600 $\$13,200 \times \frac{\$9,600}{(\$9,600 + \$7,200)} = \$7,542.86$
B	\$7,200 $\$13,200 \times \frac{\$7,200}{(\$9,600 + \$7,200)} = \$5,657.14$
Total	\$13,200

Assuming the property owner had chosen to pass on the rebate amount of \$12,000 to both tenants in Jul 2020 (\$6,857.14 to Tenant A and \$5,142.86 to Tenant B), he will be required to pass on the difference in rebate of \$1,200 (\$13,200 - \$12,000) to the tenants after the change in circumstances occurred in Oct 2020.

The property owner will be required to pass on to Tenant A an additional \$685.72 (\$7,542.86 - \$6,857.14) and Tenant B an additional \$514.28 (\$5,657.14 - \$5,142.86) within 60 days after the day of service of the notice (1 Dec 2020) on the owner. This means that he needs to pass on the rebate by 30 Jan 2021.

Appendix 1 – *Property Owners with Qualifying Small and Medium Enterprise (SME) or Non-Profit Organisation (NPO) End-Tenants*

1. Generally⁹, where a property owner is obliged under the Rental Relief Framework to waive rentals for his qualifying SME or NPO tenants, and the tenants are eligible for property tax rebate, the following principles would apply:

- (a) For the property tax rebate for Jan to Jun 2020 which the owner is obliged to pass on for the period of Jan to Jun 2020 by 31 Jul 2020 but did not do so, if –
 - (i) a tenant of the property is eligible for the pass-on of the property tax rebate for the period of Jan to Jun 2020; and
 - (ii) the tenant is also eligible for rental waiver,

then the property tax rebate for Jan to Jun 2020 will be treated as having been passed, via the rental waivers under the Rental Relief Framework (by the same amount).¹⁰

- (b) For the property tax rebate for Jul to Dec 2020 which the owner is obliged to pass on for the period of Jul to Dec 2020 by 31 Dec 2020, if –
 - (i) a tenant of the property is eligible for the pass-on of the property tax rebate for the period of Jul to Dec 2020; and
 - (ii) the tenant is also eligible for rental waiver,

then the rental waivers provided to this tenant under the Rental Relief Framework less the amount of rebate treated as having been passed under (a) would reduce the owner's obligation (by the same amount) to pass on the property tax rebate for Jul to Dec 2020 to this tenant.¹¹

- (c) If after the reduction of the amounts of property tax rebate to be passed to tenant for the duration of his tenancy between Jul to Dec 2020 in the above paragraph (b), there is remaining property tax rebate to pass on to this tenant,

then the owner can further reduce the amount of property tax rebate to be passed to the tenant by deducting the excess amount of rental waivers given to all the tenants of the property eligible under the Rental Relief Framework after taking into account the rental waivers towards the property tax rebate for these tenants under paragraphs (a) and (b).¹²

- (d) If the owner has already passed on the property tax rebate for the period Jul to Dec 2020 to the tenant, and rental waivers are subsequently effected under the Rental Relief Framework, the owner is allowed to recover from the tenant

⁹ This covers scenarios where the property passes on the rebate under Option 1A or 1B, and rebate notice was issued to the property owner by 31 May 2020.

¹⁰ Regulation 11B(1) of the PTR Regulations.

¹¹ Regulation 6A or 7A of the PTR Regulations.

¹² Regulation 6A or 7A of the PTR Regulations.

the excess rebate that was passed on the tenant after adjusting for the amount of rental waivers provided.

(e) The prescribed time of passing on of the property tax rebate would be extended in all instances where the property owner (i) receives a notice of cash grant or (ii) submits an application for the Government cash grant, before the current prescribed time to pass on the rebate. However, the prescribed time for the property owner to pass on the property tax rebate will not be extended in cases where the property owner receives the notice of cash grant or submits an application for the Government cash grant after the current prescribed time to pass on the property tax rebate.

Illustration of Principles (a) to (c)

2. The following are examples to illustrate the above principles in paragraphs (a) to (c):

Example 1: Changes in tenant at the property during 2020

Qualifying commercial property that is wholly let-out

AV of property = \$24,000 [Note: In this example, the AV is higher than 12 x Actual Rent.]

Property tax rebate (“PTR”) = 100% rebate x 10% PT rate x AV = \$2,400

Government cash grant = AV / 12 x 0.8 months = \$1,600

PTR + Government cash grant = \$2,400 + \$1,600 = \$4,000

Tenants A and B are prescribed tenant-occupiers (PTOs)¹³ who qualify for Rental Relief but not Additional Rental Relief¹⁴.

2020	Tenant	PTO	Actual Rent	Before Introduction of Rental Waiver		After Introduction of Rental Waiver	
				Monthly pass-on of PTR	Total pass-on of PTR	Rental waiver	Total pass-on of PTR due <u>after</u> rental waiver (Owner has <u>not</u> passed on any PTR)
Jan	A	Yes	\$1,000	\$200			
Feb			\$1,000	\$200			
Mar			\$1,000	\$200			
Apr			\$1,000	\$200	\$800	Rental waiver for Apr = \$500 ¹	Principle (a): \$800 - \$500 ² = \$300

¹³ PTO refers to a SME or NPO end-tenant eligible for rental waivers under the Rental Relief Framework.

¹⁴ Where the end-tenant qualifies for Additional Rental Relief, the landlord/property owner is required to waive up to an additional 2 months of rent for qualifying commercial properties, and up to an additional 1 month of rent for other non-residential properties, e.g. industrial and office properties.

2020	Tenant	PTO	Actual Rent	Before Introduction of Rental Waiver		After Introduction of Rental Waiver	
				Monthly pass-on of PTR	Total pass-on of PTR	Rental waiver	Total pass-on of PTR due <u>after</u> rental waiver (Owner has not passed on any PTR)
May Jun Jul Aug Sep Oct Nov Dec	B C	Yes Immaterial	\$1,000 \$1,000	\$200 \$200	\$400 \$200	Rental waiver for May – Jul = \$1,500 ³ N/A	Principle (a): \$400 - \$1,500 = \$0 ⁴ Principle (b): \$200 – (\$1,500-\$400) = 0 ⁵ Principle (c): \$1,000 - {[(\$500+\$1,500) - (\$500+\$400+\$200)] x (31+30+31+30+31) } 31+30+31+30+31 = \$100 ⁶
			\$1,000	\$200			
			\$1,000	\$200			
			\$1,000	\$200			
			\$1,000	\$200			
Total				\$2,400	\$2,000	\$400	\$2,400

¹For PTO A who occupies the property in Apr 2020, assuming that there are no applicable deductions under the Rental Relief Framework, he will receive Rental Relief of 0.5 month, under the COVID-19 (Temporary Measures) (Rental and Related Measures) Regulations 2020 (“Rental Relief Regulations”).

²Due to the rental waiver under the Rental Relief Framework between the property owner and PTO A (\$500), the property owner is treated as having passed \$500 of property tax rebate to PTO A. The owner is only required to pass on the remaining \$300 of property tax rebate to PTO A after the rental waiver under the Rental Relief Framework.

³For PTO B who occupies the property from May to Jul 2020, assuming that there are no applicable deductions under the Rental Relief Framework, he will receive Rental Relief of $\frac{3}{4} \times 2$ months = 1.5 months, under the Rental Relief Regulations.

⁴As the rental waiver under the Rental Relief Framework between the property owner and PTO B (\$1,500) exceeds the property tax rebate relating to May to Jun 2020 due to PTO B (\$400), the property owner is treated as having passed \$400 of property tax

rebate to PTO B. The owner is not required to pass on any further property tax rebate to PTO B after the rental waivers under the Rental Relief Framework.

⁵The net rental waiver given to PTO B less the amount of rental waiver taken into account towards the property tax rebate for May to Jun 2020 in relation to PTO B (\$1,500 - \$400), exceeds the amount of property tax rebate relating to Jul 2020, due to PTO B by 31 Dec 2020 under the PTR Regulations (\$200). The full amount of rebate relating to Jul 2020 due to PTO B (\$200) has been offset by the remaining net rental waiver. As such, the property owner is not required to pass on the rebate relating to Jul 2020 to PTO B after he has provided the rental waiver under the Rental Relief Framework.

⁶The remaining quantum of property tax rebate due to Tenant C (\$100) is derived by:

- Taking the amount of rebate for Aug to Dec 2020 (\$1,000); then
- Deducting the sum of the net rental waivers that is effected under the Rental Relief Framework between the property owner and all his tenants between Apr and Jul 2020 (\$500 + \$1,500), less the total amount of rental waivers taken into account towards reducing the total amount of rebate to pass on (\$500 + \$400 + \$200), multiplied by $\frac{31+30+31+30+31}{31+30+31+30+31}$ as Tenant C occupied the property from Aug to Dec 2020, which is the period in Jul to Dec 2020 for which the owner's obligations to pass on rebate has not yet been discharged.

Example 2: Apportionment of principle (c) among tenants at the property at different times during the period from Jul to Dec 2020 (where the tenants are non-PTO)

Qualifying commercial property that is wholly let-out

AV of property = \$24,000 [Note: In this example, the AV is higher than 12 x Actual Rent.]

Property tax rebate ("PTR") = 100% rebate x 10% PT rate x AV = \$2,400

Government cash grant = AV / 12 x 0.8 months = \$1,600

PTR + Government cash grant = \$2,400 + \$1,600 = \$4,000

Tenant A is a PTO who qualifies for Rental Relief but not Additional Rental Relief.

2020	Tenant	PTO	Rent	Before Introduction of Rental Waiver		After Introduction of Rental Waiver	
				Monthly pass-on of PTR	Total pass-on of PTR	Rental waiver	Total pass-on of PTR due after rental waiver (Owner has not passed on any PTR)
Jan	A	Yes	\$1,000	\$200			
Feb			\$1,000	\$200			
Mar			\$1,000	\$200			
Apr			\$1,000	\$200	\$800	Rental waiver for Apr = \$1,000 ¹	Principle (a): \$800 - \$1,000 = \$0 ²

2020	Tenant	PTO	Rent	Before Introduction of Rental Waiver		After Introduction of Rental Waiver	
				Monthly pass-on of PTR	Total pass-on of PTR	Rental waiver	Total pass-on of PTR due <u>after</u> rental waiver (Owner has <u>not</u> passed on any PTR)
May Jun Jul	B	<u>NO</u>	\$1,000	\$200	\$400	N/A	\$400
			\$1,000	\$200	\$200		Principle (c): $\frac{\$200 - [(\$1,000 - \$800) \times \frac{31}{31+31+30+31+30+31}]}{31+31+30+31+30+31} = \167^3
			\$1,000	\$200			
Aug Sep Oct Nov Dec	C	Immaterial	\$1,000	\$200	\$1,000	N/A	Principle (c): $\frac{\$1,000 - [(\$1,000 - \$800) \times \frac{31+30+31+30+31}{31+31+30+31+30+31}]}{31+31+30+31+30+31} = \833^4
			\$1,000	\$200			
			\$1,000	\$200			
			\$1,000	\$200			
			\$1,000	\$200			
			\$1,000	\$200			
Total				\$2,400	\$2,400		

¹For PTO A who occupies the property in Apr 2020, he will receive Rental Relief of 1 month, under the Rental Relief Regulations.

²Due to the rental waiver under the Rental Relief Framework between the property owner and PTO A (\$1,000), the property owner is treated as having passed \$800 of property tax rebate to PTO A. The owner is not required to pass on any rebate relating to Jan to Apr 2020 to PTO A after he has provided the rental waiver under the Rental Relief Framework.

³The remaining amount of property tax rebate due to Tenant B (\$167) is derived by:

- Taking the amount of rebate for Jul 2020 (\$200); then
- Deducting the sum of the net rental waiver that is effected under the Rental Relief Framework between the property owner and all his tenants between Apr and Jul 2020 (\$1,000), less the total amount of rental waivers taken into account towards reducing the total amount of rebate to pass on (\$800), multiplied by $\frac{31}{31+31+30+31+30+31}$ as Tenant B occupied the property for Jul 2020, out of Jul to Dec 2020, the period for which the owner's obligations to pass on rebate has not yet been discharged.

⁴The remaining amount of property tax rebate due to Tenant C (\$833) is derived by:

- Taking the amount of property tax rebate for Aug - Dec 2020 (\$1,000); then
- Deducting the sum of the net rental waiver that is effected under the Rental Relief Framework between the property owner and all his tenants between Apr

and Jul 2020 (\$1,000), less the total amount of rental waivers taken into account towards reducing the total amount of rebate to pass on (\$800), multiplied by $\left(\frac{31+30+31+30+31}{31+31+30+31+30+31}\right)$ as Tenant C occupied the property for Aug to Dec 2020, out of Jul to Dec 2020, the period for which the owner's obligations to pass on rebate has not yet been discharged.

Example 3: Apportionment of principle (c) among tenants at the property at different times during the period from Jul to Dec 2020 (where at least one tenant is PTO)

Qualifying commercial property that is wholly let-out

AV of property = \$24,000 [Note: In this example, the AV is higher than 12 x Actual Rent.]

Property tax rebate ("PTR") = 100% rebate x 10% PT rate x AV = \$2,400

Government cash grant = AV / 12 x 0.8 months = \$1,600

PT rebate + Government cash grant = \$2,400 + \$1,600 = \$4,000

For simplicity, we assume that Tenant A and Tenant B are PTOs who qualify for Rental Relief but not Additional Rental Relief.

2020	Tenant	PTO	Actual Rent	Before Introduction of Rental Waiver		After Introduction of Rental Waiver	
				Monthly pass-on of PTR	Total pass-on of PTR	Rental waiver	Total pass-on of PTR due after rental waiver (Owner has not passed on PTR)
Jan Feb Mar Apr May Jun	A	Yes	\$1,200	\$200			
			\$1,200	\$200			
			\$1,200	\$200			
			\$1,200	\$200			
			\$1,200	\$200			
			\$1,200	\$200	\$1,200	Rental waiver for Apr - Jun = \$1,800 ¹	Principle (a): \$1,200 ² - 1,800 = \$0
	Jul Aug Sep Oct Nov	Yes	\$800	\$200			
			\$800	\$200			
			\$800	\$200			
			\$800	\$200			
			\$800	\$200	\$1,000	Rental waiver for Jul = \$400 ³	Principle (b): \$1,000 - \$400 = \$600 ⁴
							Principle (c): \$2,200 - \$1,200 - \$400 = \$600 ⁵
							(\$600 $(\frac{30+31+30}{30+31+30+31})])$ x = \$447.54
							^ Number of days which Tenant B is a

Property Tax Rebate for Non-Residential Properties in 2020 (Sixth Edition)

2020	Tenant	PTO	Actual Rent	Before Introduction of Rental Waiver		After Introduction of Rental Waiver	
				Monthly pass-on of PTR	Total pass-on of PTR	Rental waiver	Total pass-on of PTR due <u>after</u> rental waiver (Owner has not passed on PTR)
							tenant of property from the day where the rental relief for Tenant B is exhausted. As the rental relief for Tenant B is \$400 and the PTR due to Tenant B is \$200 each month, it will be exhausted on 31 Aug 2020. Hence, the \$600 will be apportioned among the remaining tenants on 1 Sep 2020. Remaining PTR to pass on: \$600 - \$447.54 (apportioned rental relief) = \$152.46⁶
Dec	C	Immaterial	\$1,000	\$200	\$200		Principle (c): (\$600 31 ---) 30+31+30+31 = \$152.46 Remaining PTR to pass: \$200 - \$152.46 (apportioned rental relief) = \$47.54⁷
Total					\$2,200	\$200	
					\$2,400	\$2,400	

¹For PTO A who occupies the property in Apr to Jun 2020, assuming that there are no applicable deductions under the Rental Relief Framework, he will receive Rental Relief of 1.5 months, under the Rental Relief Regulations.

²Due to the rental waiver under the Rental Relief Framework between the property owner and PTO A (\$1,800), the property owner is treated as having passed \$1,200 of property tax rebate to PTO A. The owner is not required to pass on any rebate relating to Jan to Jun 2020 to PTO A after he has provided the rental waiver under the Rental Relief Framework.

³For PTO B who occupies the property in Jul 2020, assuming that there are no applicable deductions under the Rental Relief Framework, he will receive Rental Relief of 0.5 months, under the Rental Relief Regulations.

⁴After the deduction of net rental waiver that is effected under the Rental Relief Framework between the property owner and PTO B under the Rental Relief Framework (\$400), there is still property tax rebate for Jul to Dec 2020 due to PTO B (\$600).

⁵ In addition, there is excess net rental waiver that is effected under the Rental Relief Framework between the property owner and all tenants under the Rental Relief Framework (\$600), after taking into account the amount of rental waivers towards reducing the amount of rebate to pass on under principles (a) and (b). This amount will be apportioned amongst the remaining tenants of the property, which have remaining property tax rebate due to them.

⁶The remaining amount of property tax rebate due to Tenant B (\$152.46) is derived by:

- Taking the remaining amount of property tax rebate for Jul to Nov 2020 due to PTO B (\$600); then
- Deducting the sum of the net rental waivers that is effected under the Rental Relief Framework between the property owner and all his tenants (\$1,800 + \$400 = \$2,200), less the total amount of rental waivers taken into account towards reducing the total amount of rebate to pass on (\$1,200 + \$400 = \$1,600), i.e. $\$2,200 - \$1,600 = \$600$, multiplied by $\frac{30+31+30}{30+31+30+31}$ as Tenant B occupied the property from 1 Sep to 30 Nov 2020, which is the period in Jul to Dec 2020 for which the owner's obligations to pass on rebate has not yet been discharged.

⁷The remaining amount of property tax rebate due to Tenant C (\$47.54) is derived by:

- Taking amount of property tax rebate for Dec 2020 (\$200); then
- Deducting the excess net rental waiver that is effected under the Rental Relief Framework between the property owner and all tenants under the Rental Relief Framework (\$600), after taking into account the amount of rental waivers towards reducing the amount of rebate to pass on under principles (a) and (b), multiplied by $\frac{31}{30+31+30+31}$ as Tenant C occupied the property in Dec 2020, which is the month in Jul to Dec 2020 for which the owner's obligations to pass on rebate has not yet been discharged.

Prescribed Time of Passing on of Rebate

3. The extended time for passing on of property tax rebate are summarised in the following table:

Extended Time for Passing on Property Tax Rebate

Scenario	Rebate Amount Relating to Months of	Current Prescribed Time for Passing On of Property Tax Rebate	Extended Time for Passing On of Property Tax Rebate
Where notice for the rebate amount for the property is served <u>on or after</u> 1 Jun 2020	Jan to Jun 2020	60 days after rebate notice is served	<p>1) Where request for notice of cash grant is made before the expiry of current prescribed time,</p> <p>(a) but subsequently rejected by IRAS, 60 days after IRAS' decision;</p>
Where notice for the rebate amount for the property is served <u>on or after</u> 1 Jun 2020, and property owner chooses to pass on the rebate using Option 2A or 2B	Jan to Dec 2020	60 days after rebate notice is served	<p>(b) and a notice of cash grant is issued by IRAS and no application for Assessor's determination is made, 60 days after the last day on which application for Assessor's Determination may be made¹⁵. This is to allow the owner the full amount of time to consider if he should apply to seek Assessor's Determination; or</p> <p>(c) a notice of cash grant is issued by IRAS and application for Assessor's Determination is made, 60 days after date of Assessor's Determination¹⁶.</p>

¹⁵ This refers to 59 days after the "crystallisation date" as defined in the PTR Regulations.

¹⁶ This refers to 59 days after the "crystallisation date" as defined in the PTR Regulations.

Scenario	Rebate Amount Relating to Months of	Current Prescribed Time for Passing On of Property Tax Rebate	Extended Time for Passing On of Property Tax Rebate
			<p>2) Where a notice of cash grant is issued by IRAS before the expiry of the current prescribed time, and</p> <p>(a) no application for Assessor's Determination is made, 60 days after the last day on which application for Assessor's Determination may be made; or</p> <p>(b) application for Assessor's Determination is made, 60 days after date of Assessor's Determination.</p>
<p>Where notice for the rebate amount for the property is served before 1 Nov 2020</p> <p>Where notice for the rebate amount for the property is served on or after 1 Nov 2020</p>	<p>Jul to Dec 2020</p> <p>60 days after rebate notice is served (which will be after 31 Dec 2020)</p>	<p>31 Dec 2020</p>	<p>1) The later of 31 Dec 2020; or</p> <p>2) Where request for notice of cash grant is made before the expiry of current prescribed time,</p> <p>(a) but subsequently rejected by IRAS, 60 days after IRAS' decision;</p> <p>(b) and a notice of cash grant is issued by IRAS and no application for Assessor's determination is made, 60 days after the last day on</p>

Scenario	Rebate Amount Relating to Months of	Current Prescribed Time for Passing On of Property Tax Rebate	Extended Time for Passing On of Property Tax Rebate
			<p>which application for Assessor's Determination may be made; or</p> <p>(c) a notice of cash grant is issued by IRAS and application for Assessor's Determination is made, 60 days after date of Assessor's Determination; or</p> <p>3) Where a notice of cash grant is issued by IRAS before the expiry of the current prescribed time, and</p> <p>(a) no application for Assessor's Determination is made, 60 days after the last day on which application for Assessor's Determination may be made; or</p> <p>(b) application for Assessor's Determination is made, 60 days after date of Assessor's Determination.</p>