

# MEDIA RELEASE

**08 April 2009**

## **IRAS reduces Annual Values of more than 100,000 private properties in the 1<sup>st</sup> Quarter 2009**

### **Appendix 1: Profile of properties reviewed in Q1 2009**

Property Type	Total No. of Properties in Singapore	No. of Properties Reviewed in Q1 2009		% Reduction in Q1 2009 <sup>3</sup>	
		Reviewed	Reduced <sup>2</sup>	Annual Value (AV) after Review	Property Tax after Review
Private residential	240,525	85,000	84,900	5% - 20%	45% - 50% (owner-occupied) <sup>4</sup> 5% - 20% (non owner-occupied)
Offices	17,000	15,700	15,600	10% - 35%	45% - 60%
Shophouses	26,300	4,900	4,800	5% - 25%	45% - 60%
Industrial	29,108	9,900	9,700	5% - 30%	45% - 60%
Others	4,206	700	400	5% - 40%	5%- 45%

#### Note

<sup>2</sup> For the properties which have had their AVs reviewed but not reduced in Q1 2009, their AVs mostly remain unchanged.

<sup>3</sup> This represents the range of AV and Property Tax reduction for which most AV-reduced properties fall under.

<sup>4</sup> As announced in Budget 2009, owner-occupied residential properties will enjoy a rebate of 40% on the property tax payable (after existing rebates) for calendar year 2009, as long as the properties are eligible for the owner-occupier's concessional tax rate of 4% per year.

## Appendix 2: Illustration of Reduction in Property Tax Payable for an Owner-occupied Private Residential Property

This table illustrates how the property tax payable for 2009 is computed.

(For period 1 Jan 2009 – 31 Dec 2009)

Period	Annual Value	Tax Rate	Tax Payable
<b><u>Property Tax after revision</u></b>			
Property Tax based on proposed AV and after 40% property tax rebate 2009			
01 Jan 2009 - 28 Feb 2009	\$30,000	4%	\$200.00
less 2009 Property Tax rebate			\$16.67
less 40% Property Tax rebate			\$73.33
		Sub Total	\$110.00
01 Mar 2009 - 31 Dec 2009*	\$25,800	4%	\$860.00
less 2009 Property Tax rebate			\$83.33
less 40% Property Tax rebate			\$310.67
		Sub Total	\$466.00
		<b>Total</b>	<b>\$576.00 (A)</b>
<b><u>Property Tax before revision</u></b>			
Property Tax based on existing AV and before 40% property tax rebate 2009			
01 Jan 2009 - 31 Dec 2009	\$30,000	4%	\$1,200.00
less 2009 Property Tax rebate			\$100.00
		<b>Total</b>	<b>\$1,100.00 (B)</b>

$$\begin{aligned}\text{Reduction in Property Tax payable} &= [(B) - (A)] / (B) \\ &= 48\%\end{aligned}$$

\*In this example, the revised AV of \$25,800 will take effect from 1 Mar to 31 Dec 2009.

### Appendix 3: Illustration of Reduction in Property Tax Payable for a Commercial/Industrial Property (Office)

This table illustrates how the property tax payable for 2009 is computed.

(For period 1 Jan 2009 – 31 Dec 2009)

Period	Annual Value	Tax Rate	Tax Payable
<b><u>Property Tax after revision</u></b>			
Property Tax based on proposed AV and after 40% property tax rebate 2009			
01 Jan 2009 - 28 Feb 2009	\$100,000	10%	\$1,666.67
less 40% Property Tax rebate			\$666.67
		Sub Total	\$1,000.00
01 Mar 2009 - 31 Dec 2009	\$75,000	10%	\$6,250.00
less 40% Property Tax rebate			\$2,500.00
		Sub Total	\$3,750.00
		<b>Total</b>	<b>\$4,750.00 (A)</b>
<b><u>Property Tax before revision</u></b>			
Property Tax based on existing AV and before 40% property tax rebate 2009			
01 Jan 2009 - 31 Dec 2009	\$100,000	10%	\$10,000.00
		<b>Total</b>	<b>\$10,000.00 (B)</b>

$$\begin{aligned} \text{Reduction in Property Tax payable} &= [(B) - (A)] / (B) \\ &= \mathbf{53\%} \end{aligned}$$

\* In this example, the revised AV of \$75,000 will take effect from 1 Mar to 31 Dec 2009.