



# Common Mistakes on Claims for Section 14Q Deduction

Common Mistakes	Correct Way to Claim
<a href="#">Investment holding companies</a> claim S14Q deduction	✓ Investment holding companies cannot claim S14Q deduction. Only businesses that are carrying on a trade or business can claim S14Q deduction
Claim exceeds the expenditure cap	✓ Claim up to the expenditure cap. From YA 2013, claim for S14Q deduction is subject to an expenditure cap of \$300,000* for every relevant three-year period  * Prior to YA 2013, the expenditure cap was \$150,000 for every relevant three-year period
Claim non-qualifying R&R costs (e.g. designer fees, professional fees)	✓ Claim <a href="#">qualifying R&amp;R costs</a> only (e.g. general electrical installation, general lightings, floorings*)  * Refer to the IRAS website for more examples of the R&R costs
Claim on furniture (e.g. cabinets, shelves)	✓ Claim <a href="#">capital allowances</a> , instead of S14Q deduction, for costs incurred on furniture (e.g. cabinets, shelves, venetian blinds, carpets, movable workstation partitions)

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Expenses qualifying for S14Q deduction are claimed as capital allowances	✓ Claim S14Q deduction, not capital allowances, on qualifying R&R costs incurred
Defer the claim for S14Q deduction	✓ S14Q deduction cannot be deferred
Balancing adjustment is computed in the year of disposal of the R&R works	✓ No balancing adjustment is to be computed on disposal of the R&R works. Section 14Q deduction can be claimed so long as the trade or business does not cease