

Fact Sheet on Corporate Tax Filing 2014

Pilot Run of Form C e-Filing

Companies that wish to participate in the pilot run can contact IRAS (ctmail@iras.gov.sg) so arrangements can be made for them to e-File their company's Form C. Pilot users will be requested to provide feedback/ suggestions on how IRAS can improve the e-Filing of Form C for YA 2015.

Companies that e-File Form C will enjoy the following benefits:

- i) Instant acknowledgement upon successful submission;
- ii) An extended filing due date of 15 Dec instead of 30 Nov 2014.

Benefits of e-Filing Form C-S

Form C-S is a shortened 3-page tax return for companies with annual revenue of up to \$1 million. Introduced in 2012 to make tax filing for small companies easier, the simplified return includes only essential tax and financial information most relevant to them. Companies that file Form C-S are not required to submit their financial accounts and tax computations unless requested by IRAS.

Please refer to **Annex 1** for the benefits of e-Filing Form C-S.

Pro-Enterprise Panel Recognises Efforts to Simplify Processes

Form C-S has been recognised for its role in improving productivity for small companies and contributing to greater efficiency. IRAS has been awarded the Best Pro-Enterprise Initiative Award (2013- Bronze) on 7 Nov 2014. We thank companies for their support in Form C-S e-Filing.

Companies and tax agents that have e-Filed Form C-S have given positive feedback on their experiences:

“e-Filing of Form C-S allows us to have a 15-day extended due date till 15 December to file our returns. It is very convenient to use. We prefer e-Filing over paper filing for our tax returns.”

Ms Nicole Liew (刘丽雯)

Account Manager, Aetas Systems International Pte Ltd

“The forms were easy to fill in and saved us a lot of time because some of the fields in the forms (sum total of values etc.) were automatically filled up. There's also no need to submit hard copies of Tax Computation and Statement of Accounts, so less manual effort is needed.”

Mdm. Lee Siu Ling (李岫玲)

Director, Song Hui Commercial Services Pte Ltd

More Companies and Tax Agents Warming Up to e-Filing

In 2013, almost 30 per cent (about 25,600) of small companies that filed Form C-S did so via e-Filing, up from about 20 per cent (about 14,000) in 2012.

More tax agents are also choosing to e-File Form C-S for their clients. The e-Filing rate of tax agents has increased from about 20 per cent in YA 2012 to 30 per cent in YA 2013.

One tax agent firm in particular has become an advocate for e-Filing. Hawksford Singapore Pte Ltd (formerly known as Janus Corporate Solutions Pte Ltd) e-Files Form C-S for most of its clients that qualify for Form C-S.

Mr Eddy Putra, Tax and Accounting Manager from Hawksford, shared that they prefer to e-File for the following reasons:

- It is friendlier to the environment as they do not need to print physical forms;
- Reduced risk of lost or misplaced physical documents; and
- All information is saved in softcopy, making information easier to retrieve.

Helping Companies Prepare for e-Filing

In a bid to encourage e-Filing, from 2014, eligible companies will no longer receive paper copies of Form C-S via mail.

Additional measures have been put in place to familiarise companies and taxpayers with the e-Filing system:

- i) E-Filing of Form C Workshops to equip pilot users with hands-on experience;
- ii) An e-Learning guide (available at elearn.iras.gov.sg) and step-by-step Guides (available on IRAS website) to help companies through the Form C-S e-Filing process; and
- iii) Designated surf centre in IRAS which taxpayers can visit up to 15 Dec 2014 to get help on e-Filing of Form C-S.

Tax Saving Tips for Companies

All companies carrying on a trade or business in Singapore need to file their corporate income tax return, even if there was no business done, as long as they have received the Form C or Form C-S package. Some common rebates, concessions and reliefs to help companies lower their tax bills can be found in **Annex 2**.

Benefits of e-Filing Form C-S

Paper filing	e-Filing
Mismatch of company's name and tax reference number on Page 1 of Form C-S	Information is auto generated through e-Filing.
Errors caused by manual calculation of totals for various line items in Form C-S (line items no. 5, 9, 15c , 18, 19 and 20.)	In-built formulae to auto-compute relevant fields avoiding calculation errors.
Forms cannot be processed because certain line items are left blank, or because forms have not been signed.	Prompts companies to complete certain fields, avoiding common errors made in the paper Forms, such as leaving certain data items blank or forgetting to sign the Form. Complete forms enable IRAS to finalise companies' tax matters more quickly.
Companies may wrongly try to file Form C-S even though they do not meet the qualifying conditions.	System ensures that the company meets the qualifying conditions to file Form C-S before allowing it to declare its income.
Form may get lost in the mail.	Instant submission over secured channel and instant acknowledgement upon successful submission.
Less user friendly self-help avenues if companies are unsure of how to complete Form C-S (e.g. hardcopy explanatory notes).	Presence of an online facility, iHelp, which companies can mouse-over for guidance while e-Filing Form C-S. This reduces the need for phone calls or manual checking of notes.

Tax Saving Tips for Companies

1.	<p><u>Corporate Tax Rebate</u></p> <p>Companies get a 30% tax rebate from YA 2013 to 2015, subject to a cap of \$30,000 per YA. No application needed!</p>
2.	<p><u>Tax Exemption Scheme for New Start-Ups</u></p> <p>About 20 per cent of small companies that need to file their income tax this year are newly incorporated companies.</p> <p>Qualifying new companies can enjoy full tax exemption on the first \$100,000 of chargeable income, and a further 50 per cent exemption on the next \$200,000 of chargeable income, for the first three YAs from date of incorporation.</p> <p>This exemption will not be extended to investment holding companies and companies engaged in property development activities that are incorporated after 25 Feb 2013.</p> <p>Instead, these companies will be given a partial tax exemption- 75 per cent on the first \$10,000 of chargeable income and 50 per cent on the next \$290,000 of chargeable income.</p>
3.	<p><u>Renovation and Refurbishment (R&R) Costs</u></p> <p>Qualifying expenses on R&R works such as general electrical installations, fixed partitions and so on are tax deductible. Deduction will be granted on a straight-line basis over three consecutive YAs, subject to an expenditure cap of \$300,000 for every relevant three-year period from YA 2013.</p>
4.	<p><u>Capital Allowances (CA)</u></p> <p>Capital allowances are deductions that companies can claim on the wear and tear of fixed assets bought and used in the trade or business.</p> <p>They are given in place of depreciation and other capital expenditure, which</p>

	are not deductible for income tax purposes. Examples of qualifying fixed assets include carpets, furniture and fixtures, electrical and electronic equipments etc.						
5.	<p><u>Productivity and Innovation Credit (PIC) Scheme</u></p> <p>Companies can enjoy a 400% tax deduction or 60% cash payout (YA 2013 to 2018) for spending in the six qualifying activities:</p> <ol style="list-style-type: none"> 1. Purchase/Lease of PIC IT and Automation Equipment 2. Training of Employees 3. Acquisition and In-licensing of Intellectual Property Rights 4. Registration of Patents, Trademarks, Designs and Plant Varieties 5. Research and Development Activities 6. Design Projects Approved by DesignSingapore Council <table border="1"> <thead> <tr> <th>Top Two Qualifying Activities Claimed For</th><th>Common Examples</th></tr> </thead> <tbody> <tr> <td>Purchase/Leasing of PIC IT and Automation Equipment</td><td>Purchase of computer, office system software, computer numerical control cutting machine and self-climbing scaffold system</td></tr> <tr> <td>Training of Employees</td><td>External course fees for staff; Cost of staff's skills upgrading (e.g. internal Workforce Skills Qualification courses)</td></tr> </tbody> </table> <p>From YA 2013 to 2015, eligible companies will get a dollar-for-dollar cash bonus on top of existing PIC benefits! The PIC Bonus is capped at \$15,000 over all 3 YAs combined, and is taxable.</p>	Top Two Qualifying Activities Claimed For	Common Examples	Purchase/Leasing of PIC IT and Automation Equipment	Purchase of computer, office system software, computer numerical control cutting machine and self-climbing scaffold system	Training of Employees	External course fees for staff; Cost of staff's skills upgrading (e.g. internal Workforce Skills Qualification courses)
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