

realising aspirations with our taxpayers

Our success as a nation has been the crowning achievement of a people known for their discipline, diligence, intelligence and ambition. As our nation progressed, so did our people. At every stage of our development, a thirst to learn and to grow had been the driving force behind our success as citizens and individuals.

IRAS recognises that to keep in step with the aspirations of our citizenry, we have to renew and re-invent ourselves in the same way that they do.

Our commitment to uphold the highest standards of service and excellence are far more than just our corporate rallying cry. Understanding the taxpayer clearly, and serving him well is our daily practice. We already have a slew of programmes and initiatives to elevate service excellence, respond to taxpayer feedback, widen taxpayer education and refine the revenue collection process. And we are constantly reviewing and revamping them so we can do an even better job.

**Serving the people well is serving the nation well;
one step forward for us is a step forward for the nation.**





MEETING SERVICE STANDARDS

At IRAS, we constantly seek to improve our processes and raise our service level.

In FY2007/08, we did a comprehensive review of our frontline service and adopted a new set of service standards on 1 July 2007. New initiatives and programmes were introduced in our bid to raise our service standards and enhance service quality. One of the new initiatives, implemented on 1 July, is to make tax refunds to taxpayers within 30 days, failing which interest will be paid to taxpayers.

This is IRAS' commitment to upholding high service standards, as we aim to be efficient in tax administration – whether in assessing and collecting taxes, or in refunding money due to taxpayers. We commit to 30 days because this is the same amount of time taxpayers have to pay their taxes to IRAS upon receiving their assessment.

IRAS' commitment to delivering quality service is reflected in our Service Pledge to taxpayers, a public document that sets out our service standards in five key areas, namely, telephone calls, letters, walk-in interviews, emails and tax refunds.

In FY2007/08, we answered a total of 1,141,354 phone calls from taxpayers. We achieved a 79% rate for answering telephone calls within two minutes, exceeding our service target of 75%.

Our responses to correspondence via post within three weeks numbered 487,457 in FY2007/08. This represented 83% of all letters received, exceeding our service target of 80%.

Out of 179,881 emails we received in FY2007/08, 94.1% of the emails were responded promptly within five working days. We have done well by exceeding our service target of 80% by 14%.

294,707 taxpayers visited Revenue House in FY2007/08. 87% of these visitors were attended to within 20 minutes. This was an 8% point improvement from the 79% achieved last financial year.

For our last indicator of tax refunds, 100% of 582,434 refund cases received were processed within 30 days.

We aim to keep up our good performance in the coming year.

LISTENING TO TAXPAYER FEEDBACK

At IRAS, we understand that good service goes beyond simply meeting numerical targets; it also encompasses the quality of delivery. Hence, listening to what taxpayers have to say about our service is crucial in upholding our service pledge.

In FY2007/08, 5,064 compliments and 20 learning opportunities were received. To enhance our service quality, we shared among our officers the causes and remedies for these learning opportunities.

Formed in September 1999, the Taxpayer Feedback Panel (TFP) comprises representatives from the local business associations and individuals from various industries. This Panel, together with IRAS' other taxpayer feedback channels such as the biennial Taxpayer Survey, reaches out to various segments of taxpayers.

In FY2007/08, IRAS conducted four English and two Mandarin TFP meetings to understand taxpayers' needs and expectations in the ever-changing economic and business environment. Some of the specific issues discussed included simplifying GST filing requirements for SMEs and rendering support to hawkers to help them file their income tax returns.

We conducted Taxpayer Focus Groups in July 2007, prior to the launch of the new e-Services for Property Tax, to gather views and suggestions. Valuable inputs and feedback were exchanged at the discussions.

Besides the TFP and taxpayer focus groups, we have implemented other channels to reach out to different segments of taxpayers. An online feedback channel was also launched in February 2008 providing taxpayers with an additional avenue to provide feedback on our services.

As part of our efforts to partner taxpayers in economic development, we engage industry and professional bodies like Singapore National Employers Federation (SNEF), Real Estate Developers' Association of Singapore (REDAS) and Federation of Merchants' Association (FMA) in tax policy reviews. The meetings act as a platform for us to better understand business concerns, gather their inputs and for IRAS to explain the rationale of tax policies and procedures. Issues discussed included the harmonisation of corporate and individual income tax rates, abolition of estate duty, en-bloc sales and land assessment.



PROMOTING TAXPAYER EDUCATION

At IRAS, we believe better understanding of taxation and tax obligations by taxpayers will promote compliance. As such, IRAS actively organises seminars on different tax types to cater to different groups of stakeholders. In FY2007/08, we held workshops on corporate tax e-Services, GST classes for newly GST-registered traders and GST e-Filing workshops.

IRAS rendered assistance to GST-registered businesses and help them prepare for the GST rate increase from 5% to 7% on 1 July 2007. We published a comprehensive e-Tax Guide “2007 rate change – A guide for GST-registered businesses” and other information on our website, conducted free rate change seminars and proactively visited retailers to help them prepare for the rate change. IRAS was also invited by the Association of Chartered Certified Accountants (ACCA) to present the GST rate change topic at the ACCA Singapore Executive Power Lunch. Auditors and accountants who were frequently consulted by businesses on rate change matters benefited from the lunch talk.

IRAS participated in Accounting and Corporate Regulatory Authority's (ACRA) Public Education Programme Seminars. At these seminars, IRAS reached out to business owners and would-be entrepreneurs to educate them on essentials

such as tax obligations of self-employed persons, keeping proper records and accounts, reporting business incomes and GST registration.

The importance of taxes to nation building was also shared with our future taxpayers when IRAS hosted eight National Education Visits to 241 students from polytechnics, junior colleges and secondary schools. In addition, the important role that IRAS and taxpayers play in nation building and economic development are taught through social studies modules in primary schools.

To provide specialised, structured tax training and promote knowledge sharing across the public and private sectors, the Tax Academy of Singapore (TAS) was formed on 28 July 2006. TAS is a collaboration between the Inland Revenue Authority of Singapore, the Law Society of Singapore and the international accounting firms - Deloitte & Touche, Ernst & Young, KPMG and PricewaterhouseCoopers.

In July 2007, the Tax Academy of Singapore collaborated with UniSIM to launch Southeast Asia's first Masters in Taxation Programme. The collaboration resulted in the creation of Southeast Asia's first upgrading pathway for tax professionals, as graduates of the Advance Tax Programme (ATP) awarded by TAS may continue

with advance standing in the Masters in Taxation awarded by UniSIM. In line with TAS' vision, the collaboration plays an important part in the development of a vibrant tax community of high professional standing in local and international arenas.

Following the budget announcement on 15 February 2008, TAS organised a Budget Seminar for the business community and professional bodies on 9 March 2008. Besides providing insights on new tax changes, the seminar featured a panel discussion with representatives from IRAS, Institute of Certified Public Accountants of Singapore, Ministry of Finance and Singapore International Chamber of Commerce.

IMPROVING TAXPAYER COMPLIANCE

One of our corporate goals is to ensure compliance by taxpayers. The ability to maintain high levels of voluntary compliance is vital to the overall effectiveness and efficiency of Singapore's tax system. Hence, while IRAS makes it easy for taxpayers to comply, we also take strong deterrent measures against taxpayers who do not fulfil their tax obligations.

Out of the 1,510,020 individual income tax returns issued for YA2007, close to 93% of the YA2007 returns were received by the filing due date

last year. This is a 1% point improvement from 92% for YA2006. By 31 March 2007, 1,462,017 returns were submitted, representing 96.8% of the total returns issued. The high compliance rate could be attributable to the ease of e-Filing through *myTaxPortal*, the new “No-Filing Service”, and timely reminders to taxpayers to file on time through publicity in newspapers and outdoor advertisements.

For corporate income tax, 119,555 returns were issued for YA2007, and 74.1% were received, showing an encouraging 3.8% point increase from the previous filing year.

For GST-registered traders, 97.5% of the 274,025 returns issued were submitted.

Tax arrears amounted to 1.1% of the tax contributions for FY2007/08, a 0.8% point decrease from the 1.9% in the previous financial year.

Though most of our taxpayers are compliant, there remains a minority who choose not to fulfil their tax obligations. Through the efforts of our GST and individual income tax audit and investigation teams, we have uncovered a total of 11,286 non-compliant cases, resulting in the collection of S\$154 million in taxes and penalties.

IRAS takes a serious view of tax evasion and would not hesitate to take strong deterrent action against taxpayers who are errant. We publicised those cases that were prosecuted in court, so as to raise public awareness of our compliance capabilities and to deter taxpayers from committing tax offences. This year, seven prosecution cases were highly publicised in the media, including a famous curry puff hawker who understated the profits of his business for the Years of Assessment 2001 to 2006. This is the first case that a hawker in a coffee shop has been prosecuted for tax evasion.

IRAS also actively reviewed our procedures to simplify them for taxpayers’ convenience and increase compliance. For instance, to provide greater clarity and certainty to taxpayers, and to reduce their compliance costs, with effect from 1 July 2007, advance rulings on GST can be obtained from the Comptroller of GST. As at end January 2008, 89 Income Tax and nine GST advance rulings had been issued.

In FY2007/08, we have enhanced the Auto-Inclusion Scheme for Employment Income, which enabled us to support more than 6,000 employers between February and March 2008 to transmit their employees’ information to IRAS electronically. The enhanced system also improved

the processing speed so that individual income taxpayers may view their auto-included data within four days of submission by their employers.

To make it easy for individual income taxpayers to report their income, we will be working towards making it compulsory for employers to join in the auto-inclusion scheme for employment income.

Taxpayers will also be encouraged to pay their taxes through GIRO, so that tax payment becomes a non-event for them. We will explore implementing GIRO applications at ATMs and promote the use of Master GIRO so that taxpayers would only need to authorise the bank once for deduction of tax from their bank accounts.

In October 2007, IRAS set up the Chief Compliance Office (CCO) to drive tax compliance at the strategic level. CCO will provide IRAS-wide management focus on managing compliance function while retaining the bottom-up accountability and responsibilities for compliance in the respective divisions.





ENHANCING TAXPAYER EXPERIENCE THROUGH TECHNOLOGY

The IRAS website was re-launched on 12 February 2008 with a brand new look, intuitive navigation and more taxpayer-friendly features.

Our website is increasingly becoming taxpayers' first stop when searching for tax information. As part of our corporate strategy to encourage self-help, and promote taxpayer education and voluntary compliance, the contents of our website had to meet taxpayers' demand for information and allow for easy access and retrieval of information. The revamped website's information architecture is born out of careful research and usability studies conducted by independent consultants. The research included benchmarking against our tax counterparts' websites and interviewing taxpayers, internal stakeholders, and frontline staff.

IRAS' technological achievements were recognised when the organisation bagged not one, but two awards during the year. First, our Inland Revenue Interactive Network (IRIN) system won us the 2007 MIS Asia IT Excellence Award for the Best Business Enabler (Government). We beat two other local statutory board finalists. MIS Asia is a magazine that reaches out to 12,000 IT directors in South East Asia. Second, we also clinched the

Government Technology Award for Technology Leadership in the Asia Government Technology Awards organised by the Public Sector Technology and Management magazine, a regional enterprise technology publication for government, education and healthcare. Countries that participated in this year's awards included New Zealand, Hong Kong, India, Malaysia, Saudi Arabia, South Korea, Sri Lanka, United Arab Emirates and Thailand.

Developments in technology have enabled IRAS to raise the productivity and cost-effectiveness of tax administration without compromising our service quality. With the successful rollout of IRIN, IRAS has a state-of-the-art technological platform to not only perform its tax assessment and collection functions efficiently but also deliver a wide range of electronic services to taxpayers.

On 28 June 2007, Mrs Lim Hwee Hua, Minister for State for Finance and Transport, officially launched *myTax* Portal, a secure one-stop personalised portal for taxpayers to transact with IRAS electronically. The launch marked a major milestone in the rollout of IRIN e-Services. Some new e-Services that taxpayers could access include "Transfer of Parenthood Tax Rebate", "View Correspondence/Notices", "Subscribe to GST Alerts", "Apply for GST registration", "Apply Vacancy Refund", and "File Objection to Annual Value".

While a good system enhances the users' experience, IRAS recognises that effective public communication and assistance are necessary. To make it more convenient for taxpayers to seek help in e-Filing, tax officers were stationed at five community clubs from 17 March to 18 April 2008. The opening hours were also extended to 8:00 p.m. on weekdays, and 4:00 p.m. on Saturdays. These centres proved very popular with taxpayers as approximately 13,900 taxpayers walked in at these centres to file their taxes, of whom about 98% e-Filed.

As at the close of the e-Filing deadline of 18 April 2008, 87% taxpayers e-Filed their taxes, or close to nine out of ten. This is a remarkable increase of 7% points as compared with the 80% who e-Filed last year.

By October 2008, e-Filing will be compulsory for all GST traders. e-Filing has been made compulsory for groups of traders in phases, starting with the larger traders since January 2007. To assist the businesses to transit smoothly from hardcopy filing to electronic filing, we gave advance notice, provided dedicated helplines and emails, tutorials on CD-Roms and conducted monthly e-Filing workshops. As at end March 2008, 73% of GST traders were already e-Filing their GST returns. We expect all traders to be able to hop onto the e-Filing bandwagon by October 2008, right on target.

