

The tax treatment of the ABSD and interest payable on ABSD is as follows:

		ABSD and interest payable on ABSD	
		Incurred before issuance of TOP	Incurred after issuance of TOP
(1)	Single use development project – development of residential units for sale	Capitalise as part of development cost. Amounts attributed to units sold are deductible in or after the TOP Year of Assessment when the profits are brought to tax	<p>a) Allocate to sold and unsold units based on gross floor area:</p> <ul style="list-style-type: none"> • For sold units, the ABSD and interest payable on ABSD are deductible in the year they are incurred. • For unsold units, the ABSD and interest payable on ABSD are deductible as and when the units are sold.
(2)	Mixed-use development e.g. residential & non-residential (Note: Only applicable to land zoned for residential/ institution or white site as ABSD is applicable on 100% of land/ building value)	<p>a) Allocate to each land use based on:</p> <ul style="list-style-type: none"> • Actual land cost; or • Professional valuation, where appropriate <p>b) <u>Units developed for investment holding</u> Capitalise the allocated ABSD and interest payable on ABSD as part of development cost. Amounts are not deductible against rental income</p> <p>c) <u>Units developed for sale</u> Capitalise as part of development cost. Amounts attributed to units sold are deductible in or after the TOP Year of Assessment when the profits are brought to tax</p>	<p>a) Allocate to each land use based on:</p> <ul style="list-style-type: none"> • Actual land cost; or • Professional valuation, where appropriate <p>b) <u>Units developed for investment holding</u> Capitalise the allocated ABSD and interest payable on ABSD as part of development cost. Amounts are not deductible against rental income</p> <p>c) <u>Units developed for sale</u> Same treatment as that for “Incurred after issuance of TOP” under (1) Single use development project - development of residential units for sale</p>