

Property Tax (Amendment) Bill

Bill No. /2010.

Read the first time on

2010.

A BILL

intituled

An Act to amend the Property Tax Act (Chapter 254 of the 2005 Revised Edition).

Be it enacted by the President with the advice and consent of the Parliament of Singapore, as follows:

Short title and commencement

1. This Act may be cited as the Property Tax (Amendment) Act 2010 and shall come into operation on such date as the Minister may, by notification in the *Gazette*, appoint.

5 Amendment of section 2

2. Section 2(1) of the Property Tax Act (referred to in this Act as the principal Act) is amended —

- (a) by inserting, immediately after the words “(whether closed or otherwise)” in the definition of “structural network”, the words “or any part thereof”; and
- 10 (b) by inserting, immediately after the word “comprising” in paragraph (b) of the definition of “structural network”, the words “one or more of any of the following”.

Amendment of section 6

15 3. Section 6 of the principal Act is amended —

- (a) by deleting subsection (6) and substituting the following subsections:

“(6) Where the Comptroller is satisfied that a building or any part thereof is used exclusively —

- 20 (a) as a place for public religious worship;
- (b) for a public school which is in receipt of grants-in-aid from the Government;
- (c) for charitable purposes; or
- 25 (d) for purposes conducive to social development in Singapore,

the building or such part thereof, as the case may be, shall be exempted from payment of the tax.

- 30 (6A) Where the Comptroller is satisfied that land is used or will be developed or is being developed into a building for use wholly or principally for any purpose specified in subsection (6), the land shall be exempted from the payment of the tax.”; and

- (b) by deleting the words “6 years” in subsection (14) and substituting the words “5 years”.

Amendment of section 19

4. Section 19 of the principal Act is amended —

- 5 (a) by deleting subsections (2), (4), (5), (6) and (12);
- (b) by deleting subsection (9) and substituting the following subsection:

“(9) Where there is —

- (a) a letting of any property;
- 10 (b) an increase in any rent charged for the letting of the property; or
- (c) an increase in any sum charged —
- (i) for the use of furniture, fixtures, fittings and other furnishings in the property;
- 15 (ii) for the maintenance of the property and the grounds thereof; or
- (iii) for services provided in connection with the property,

20 the owner of the property shall, within 15 days after the letting or the increase, give notice thereof in writing to the Chief Assessor.”; and

- (c) by inserting, immediately after subsection (10), the following subsection:

25 “(10A) Subsections (9) and (10) shall not apply where the instrument (in relation to the letting or the increase, as the case may be) —

- (a) is chargeable with duty under the Stamp Duties Act (Cap. 312); and
- 30 (b) is stamped under that Act within the 15-day period referred to in subsection (9) or (10), as the case may be.”.

Amendment of section 20

5. Section 20 of the principal Act is amended —

- (a) by deleting the word “or” at the end of subsection (2)(a)(ii);
- (b) by inserting, immediately after sub-paragraph (iii) of subsection (2)(a), the following sub-paragraphs:

“(iv) the development cost of that or similar property; or

(v) the gross takings or receipts derived from the use of that or similar property;”;

- (c) by inserting, immediately after the word “building” wherever it appears in subsection (2)(c), the words “or tenement”;

- (d) by inserting, immediately after the word “property” in subsection (2)(d), the words “or part thereof”; and

- (e) by inserting, immediately after subsection (4), the following subsection:

“(4A) Where the Chief Assessor is satisfied that there is any clerical or arithmetic error in the Valuation List in respect of the annual value ascribed to any house, building, land or tenement, the Chief Assessor may, in his discretion —

- (a) make an alteration to the Valuation List to correct the error; and

- (b) cancel any notice given under subsection (1) and replace it with another notice to correct such error,

provided that no such alteration or cancellation shall be in respect of any annual value for any period of more than 5 years prior to the date on which the Chief Assessor has ascertained that such an error exists.”.

Amendment of section 20A

6. Section 20A of the principal Act is amended by inserting, immediately after the word “notice” at the end of subsection (6), the words “not later than 5 years after the serving of the notice under that subsection”.

Amendment of section 21

7. Section 21 of the principal Act is amended —

5 (a) by inserting, immediately after the word “building” wherever it appears in subsections (1), (3), (5) and (8), the words “or tenement”;

(b) by deleting subsection (2) and substituting the following subsection:

10 “(2) The tax payable under subsection (1) shall be calculated on the basis of any revised annual value which may be ascribed to the building or tenement in a subsequent Valuation List.”;

(c) by deleting subsection (4) and substituting the following subsection:

15 “(4) The tax payable under subsection (3) shall be calculated on the basis of any revised annual value which may be ascribed to that part of the building or tenement in a subsequent Valuation List.”;

(d) by deleting subsection (6) and substituting the following subsection:

20 “(6) The tax payable under subsection (5) shall be calculated on the basis of any revised annual value which may be ascribed to the building or tenement in a subsequent Valuation List.”;

(e) by deleting subsection (7) and substituting the following subsections:

25 “(7) Where any property is included for the first time in a Valuation List for any year, then, notwithstanding that the property was not previously included in any Valuation List, the tax in respect of the property shall be payable from —

(a) in the case of any building, the date of completion of such building; and

30 (b) in the case of any land or tenement, such date as may be determined by the Comptroller,

and such tax shall be calculated on the basis of the annual value ascribed to the property in the Valuation List.

(7A) Notwithstanding subsection (7), where any property comprised in —

- (a) a statutory land grant or State lease; or
- (b) a lease of property by a public authority for a period exceeding 3 years,

is transferred or leased and thereupon included in the Valuation List (whether for the first time or otherwise) —

- (i) the tax in respect of the property shall be payable from the date of the transfer or lease of the property; and
- (ii) such tax shall be calculated on the basis of the revised annual value which may be ascribed to the property in a subsequent Valuation List.”; and

(f) by inserting, immediately after subsection (8), the following subsections:

“(8A) Notwithstanding anything in this section, where the annual value of property is determined in accordance with section 2(3)(b), the tax in respect of the property shall be payable from —

- (a) the date of the most recent transfer of the property; or
- (b) such later date as may be determined by the Comptroller,

and such tax shall be calculated on the basis of the revised annual value which may be ascribed to the property in a subsequent Valuation List.

(8B) No tax shall be payable under this section in respect of any period which is more than 5 years prior to the 1st of January of the year in which such notice of inclusion in the Valuation List or notice of amendment to the Valuation List under section 20 is issued.”.

Amendment of section 22

8. Section 22 of the principal Act is amended —

- (a) by deleting the words “section 21” in subsection (1) and substituting the words “section 19(8) or 21”; and

- (b) by inserting, immediately after the word “notice” at the end of subsection (4), the words “not later than 5 years after the serving of such notice on the owner of the property”.

Miscellaneous amendments

5 **9.** The principal Act is amended —

- (a) by deleting the words in the second column of the Schedule in the sections specified in the first column of the Schedule and substituting the words in the third column of the Schedule; and
- 10 (b) by deleting the words “clerk” or “clerks” wherever they appear in the following sections and substituting the word “secretary” or “secretaries”, respectively:

Sections 25, 26(3), 29(1), 30(1) and 32(1).

THE SCHEDULE

Section 20(a)

	<i>First column</i>	<i>Second column</i>	<i>Third column</i>
(a)	Section 6(12)	“at the prevailing bank rate”	“at such rate as may be prescribed”
(b)	Section 19(4)	“at the rate of 10% per annum”	“at such rate as may be prescribed”
(c)	Section 33(4)	“at the rate of 6% per annum”	“, from the date the decision of the Board is first pronounced, at such rate as may be prescribed”
(d)	Section 37	“at a rate which shall not exceed 10% per annum”	“at such rate as may be prescribed”
(e)	Section 41(1)	“at the rate of 6% per annum”	“at such rate as may be prescribed”.

EXPLANATORY STATEMENT

This Bill seeks to amend the Property Tax Act (Cap. 254).

Clause 1 relates to the short title and commencement.

Clause 2 amends the definition of “structural network” in section 2(1) to clarify, for the avoidance of doubt, that any part of a structural network (which may be comprised of one or more pipelines, etc.) may be regarded as a structural network for purposes of the Act.

Clause 3 amends section 6 (Charge of property tax).

Clause 3(a) amends section 6 by making technical changes to the drafting of subsection (6) to clarify the same, and by inserting a new subsection (6A). The new subsection (6A) provides for the exemption from property tax of land that is used or will be developed or is being developed into a building for use wholly or principally for any purpose specified in subsection (6). The Comptroller must be satisfied of such use before the land can be exempted from tax.

Clause 3(b) amends section 6(14) to provide that a claim for tax refund must be made within 5 years (instead of 6 years) of the excess payment.

Clause 4 amends section 19 (Notice of transfer of property).

Clause 4(a) deletes subsections (2), (4), (5), (6) and (12) of section 19 so as to remove the requirement that notice be given of the circumstances referred to in those subsections by owners and other persons to the Chief Assessor.

Clause 4(b) makes technical changes to the drafting of section 19(9) to clarify the intent of the same.

Clause 4(c) inserts a new subsection (10A) in section 19 to provide that an owner is not required to give the notice required under subsections (9) and (10) if, in the 15-day period referred to in those subsections, the relevant instrument is stamped with duty under the Stamp Duties Act (Cap. 312).

Clause 5 amends section 20 (Amendment of Valuation List).

Clause 5(a) and (b) amends section 20(2) to provide that the annual value may be revised by taking into account the development costs or gross takings of that or similar property.

Clause 5(c) amends section 20(2)(c) (which currently refers to buildings) so that it applies to tenements as well.

Clause 5(d) amends section 20(2)(d) (which currently refers to property) so that it applies to any part of such property as well.

Clause 5(e) inserts a new subsection (4A) in section 20 to allow the Chief Assessor to correct any clerical or arithmetic error in the Valuation List affecting the annual value of any property, by making alterations, and cancelling and re-issuing notices. However, such alteration or cancellation cannot be in respect of any period exceeding 5 years prior to the date on which the Chief Assessor ascertains the error to exist.

Clause 6 amends section 20A (Objection to Valuation List).

Clause 6 amends section 20A(6) to introduce a time limit. Under the amendment, the Chief Assessor may, in respect of a notice of his decision relating to an objection to the Valuation List which is inaccurate in any material particular, cancel the notice and

replace it with another notice, within a period of not more than 5 years after the service of the first-mentioned notice.

Clause 7 amends section 21 (Tax on new buildings, etc.).

Clause 7(*a*) amends subsections (1), (3), (5) and (8) of section 21 to extend the application of those subsections to tenements so as to allow the Chief Assessor to recover tax in respect of tenements for previous periods of time in different scenarios.

Clause 7(*b*), (*c*) and (*d*) amends subsections (2), (4) and (6) to extend their application to tenements, and also to use wordings consistent with section 19(8) in referring to revised annual values that may be ascribed in subsequent Valuation Lists.

Clause 7(*e*) amends subsection (7) to include tenements, and to remove the limitation period of 6 years for claims of tax under that subsection. The limitation period will instead be provided for in accordance with the new subsection (8B) inserted by clause 7(*f*).

Clause 7(*e*) also inserts a new subsection (7A) to provide that where a statutory land grant or State lease or a lease of property by a public authority for a period exceeding 3 years is leased or transferred, and is included in the Valuation List (whether for the first time or otherwise), the tax will be payable from the date of lease or transfer, calculated based on the revised annual value which may be ascribed to the property in a subsequent Valuation List.

Clause 7(*f*) inserts a new subsection (8A) to provide that where the annual value is determined in accordance with section 2(3)(*b*), tax is payable from the date of the most recent transfer of the property or such later date as may be determined by the Comptroller, and the tax is to be computed according to the revised annual value which may be ascribed to the property in a subsequent Valuation List.

Clause 7(*f*) also inserts a new subsection (8B) to impose (in respect of the recovery of tax) a time limit of 5 years before the 1st of January of the year in which the notice of inclusion in or amendment to the Valuation List has been issued.

Clause 8 amends section 22 (Collection of taxes under section 21).

Clause 8(*a*) amends section 22(1) to empower the Comptroller to demand the payment of tax that is payable under section 19(8) (which deals with the situation of a building or part of a building that is demolished or removed).

Clause 8(*b*) amends section 22(4) to introduce a time limit. Under the amendment, the Comptroller may, in respect of a notice of his decision referred to in section 21(3) relating to an objection to a demand for payment of tax due pursuant to section 21, cancel the notice and replace it with another notice within a period of not more than 5 years after the service of the first-mentioned notice.

Clause 9 and the Schedule make various miscellaneous amendments to the Act.

Clause 9(*a*) and the Schedule amend various provisions in the Act to remove references to specific rates of interest for purposes of the Act and empowers the Minister to prescribe these rates of interest instead. The amendment to section 33(4)

further provides for the interest to commence from the date the decision of the Valuation Review Board is first pronounced in respect of an appeal made to it.

Clause 9(b) amends various provisions in the Act to change the reference from “clerk”, in relation to the Valuation Review Board, to “secretary”.

EXPENDITURE OF PUBLIC MONEY

This Bill will not involve the Government in any extra financial expenditure.