

Economic Expansion Incentives (Relief from Income Tax) (Amendment) Bill

Bill No. 2/2007.

Read the first time on 22nd January 2007.

A BILL

intituled

An Act to amend the Economic Expansion Incentives (Relief from
Income Tax) Act (Chapter 86 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.—(1) This Act may be cited as the Economic Expansion Incentives (Relief from Income Tax) (Amendment) Act 2007.

(2) Sections 2(*c*) and (*d*) and 3 shall be deemed to have come into
5 operation on 9th September 2004.

Amendment of section 66

2. Section 66 of the Economic Expansion Incentives (Relief from Income Tax) Act is amended —

- 10 (a) by deleting “43L,” in the definition of “concessionary income” in subsection (1);
- (b) by deleting the words “or 43S” in the definition of “concessionary income” in subsection (1) and substituting the words “, 43S, 43T, 43U, 43V, 43W or 43X”;
- 15 (c) by inserting, immediately after the words “section 67(1)(*h*)” in paragraph (*c*) of the definition of “fixed capital expenditure” in subsection (1), the words “or (*i*)”; and
- (d) by inserting, immediately after the words “section 67(1)(*h*)” in subsection (2)(*c*), the words “or (*i*)”.

Amendment of section 67

20 3. Section 67 of the Economic Expansion Incentives (Relief from Income Tax) Act is amended —

- (a) by deleting the comma at the end of paragraph (*h*) of subsection (1) and substituting the word “; or”, and by inserting immediately thereafter the following paragraph:
25 “(*i*) for the provision of maintenance, repair and overhaul services to any aircraft,”;
- (b) by inserting, immediately after the words “subsection (1)(*h*)” in subsection (3), the words “or (*i*)”; and
- (c) by inserting, immediately after subsection (5), the following
30 subsection:
“(6) No approval under this section shall be granted to any company in respect of any project under subsection (1)(*i*) on or after 9th September 2009.”.

EXPLANATORY STATEMENT

This Bill seeks to amend the Economic Expansion Incentives (Relief from Income Tax) Act (Cap. 86) to extend an investment allowance under Part X to companies providing aircraft maintenance, repair and overhaul services and to make other consequential amendments to the Act.

Clause 1 relates to the short title and commencement dates of the clauses in the Bill.

Clause 2 makes a consequential amendment to the definition of “concessionary income” in section 66(1) arising from the insertion of sections 43T to 43X in the Income Tax Act (Cap. 134) and the repeal of section 43L of that Act. The clause also makes a consequential amendment to the term “fixed capital expenditure” arising from the amendment to section 67 by clause 3.

Clause 3 amends section 67 —

- (a) to insert a new subsection (1)(i) to add aircraft maintenance, repair and overhaul services to the list of projects in respect of which an investment allowance may be given;
- (b) to provide in subsection (3) for the approval of investment allowance where any productive equipment is to be used outside Singapore for any project under the new subsection (1)(i); and
- (c) to insert a new subsection (6) to provide the period during which approval of investment allowance may be granted for projects under the new subsection (1)(i).

EXPENDITURE OF PUBLIC MONEY

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