

Goods and Services Tax (Amendment) Bill

Bill No. 29/2008.

Read the first time on 20th October 2008.

A BILL

intituled

An Act to amend the Goods and Services Tax Act (Chapter 117A 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 Goods and Services Tax (Amendment) Act 2008 and shall come into operation on such date as the Minister may, by notification in the *Gazette*, appoint.

5 Amendment of section 21

2. Section 21(3) of the Goods and Services Tax Act (referred to in this Act as the principal Act) is amended —

(a) by deleting the word “or” at the end of paragraph (t); and

10 (b) by deleting the full-stop at the end of paragraph (u) and substituting a semi-colon, and by inserting immediately thereafter the following paragraphs:

15 “(v) the supply (including the letting on hire) of any air container or sea container, which is used or to be used for the international transportation of goods and which complies with such other requirements as may be prescribed; or

20 (w) prescribed services comprising the repair, maintenance or management of any air container or sea container, which is used or to be used for the international transportation of goods and which complies with such other requirements as may be prescribed.”.

Amendment of section 21A

3. Section 21A of the principal Act is amended —

25 (a) by inserting, immediately after the words “such tool” wherever they appear in subsection (1), the words “or machinery”;

(b) by inserting, immediately after the words “prescribed tool” in subsection (1)(a), the words “or prescribed machinery”; and

30 (c) by deleting the word “etc.” in the section heading and substituting the words “machinery and prototypes”.

Amendment of section 79

4. Section 79 of the principal Act is amended —

- (a) by deleting the words “taxable person” in subsection (1) and substituting the words “other person”;
- (b) by deleting the words “the taxable person” in the 2nd line of subsection (2) and substituting the words “such other person”;
- 5 (c) by deleting the words “in respect of taxable supplies made before the date of the notice,” in the 3rd and 4th lines of subsection (2);
- (d) by deleting subsection (5) and substituting the following subsections:

10 “(5) Where an agent makes any payment of moneys to the Comptroller under this section —

- (a) the agent shall be deemed to have been acting under the authority of the person by whom the tax is payable (referred to in this section as the defaulting taxpayer);
- 15 (b) the amount of the tax due from the defaulting taxpayer shall be reduced by the amount paid by the agent to the Comptroller; and
- (c) the amount of the reduction shall, to the extent of that amount, be deemed to have been paid to the defaulting taxpayer in accordance with any law, contract or scheme governing the payment of moneys held by the agent for or due from the agent to the defaulting taxpayer.

(5A) Where —

- 25 (a) an amount of tax is due from any person under this Act otherwise than as an agent under this section;
 - (b) except for this subsection, an amount is or would, at any time during the period of 90 days after the date of the receipt of the notice in paragraph (c), be payable by the Government to the defaulting taxpayer by or under any written law, contract or scheme; and
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(c) before payment of the amount referred to in paragraph (b) is made to the defaulting taxpayer, the Comptroller serves notice on any public officer by whom the payment is to be made that the tax is due from the defaulting taxpayer,

then the public officer shall, notwithstanding any other written law, contract or scheme, be entitled to reduce the amount referred to in paragraph (b) by the amount of the whole or any part of the tax referred to in paragraph (a), and if the public officer makes such a reduction —

(i) the amount of the tax referred to in paragraph (a) shall be reduced by the amount of the reduction; and

(ii) the amount of the reduction shall, to the extent of such amount, be deemed to have been paid to the defaulting taxpayer in accordance with any law, contract or scheme governing the payment of moneys referred to in paragraph (b) to the defaulting taxpayer.”; and

(e) by inserting, immediately after the word “agent” in the section heading, the word “, etc.,”.

EXPLANATORY STATEMENT

This Bill seeks to amend the Goods and Services Tax Act (Cap. 117A).

Clause 1 relates to the short title and commencement.

Clause 2 amends section 21(3) by inserting new paragraphs (v) and (w) to allow for the zero-rating of certain supplies pertaining to air containers and sea containers which are used or to be used for the international transportation of goods and which comply with such other requirements as may be prescribed.

Clause 3 amends section 21A to extend the application of that section (which provides for the zero-rating of the supply of prescribed tools, etc.) to prescribed machinery.

Clause 4 amends section 79 —

(a) to enable the Comptroller of Goods and Services Tax to appoint, in relation to the recovery of tax, agents for *any* person and not only for any *taxable* person (as a person who is not a taxable person may be liable to pay tax); and

- (b) to enable the Government to set-off an amount of outstanding tax against what is payable by the Government to the defaulting taxpayer under any law, contract or scheme.

EXPENDITURE OF PUBLIC MONEY

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