

Property Tax (Amendment) Bill

Bill No. 21/2010.

Read the first time on 16th August 2010.

A BILL

i n t i t u l e d

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.—(1) This Act may be cited as the Property Tax (Amendment) Act 2010 and shall, with the exception of section 4(b), come into operation on such date as the Minister may, by notification in the *Gazette*, appoint.

5 (2) Section 4(b) shall come into operation on 1st January 2012.

Amendment of section 2

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

10 (a) by inserting, immediately after the definition of “industrial premises” in subsection (1), the following definition:

“ “Minister” means —

15 (a) in relation to the definitions of “prescribed structural network” and “public authority” in section 2(1) and sections 2(5), 3(1), 6(7), (8) and (11), 7, 8(2), 9(2) and (3), 23(1) and (3) to (7), 24, 25, 66(13) and 69, the Minister charged with the responsibility for finance; and

20 (b) in relation to section 49(1), (3), (4), (7), (8) and (9), the Minister charged with the responsibility for national development;”;

(b) by inserting, immediately after the definition of “public authority” in subsection (1), the following definition:

25 “ “Street and Building Names Board” or “SBNB” means the Street and Building Names Board established under section 49(1);”;

(c) by inserting, immediately after the words “(whether closed or otherwise)” in the definition of “structural network” in subsection (1), the words “or any part thereof”;

30 (d) by inserting, immediately after the word “used” in paragraph (a) of the definition of “structural network” in subsection (1), the words “or intended to be used”;

(e) by deleting the word “comprising —” in paragraph (b) of the definition of “structural network” in subsection (1) and

substituting the words “comprising one or more of any of the following:”; and

- (f) by deleting the words “lease of State land or a lease of property by a public authority” in subsection (8) and substituting the words “State lease or a lease of property by a public authority (where the public authority is the lessor)”.

Amendment of section 4

3. Section 4(1) of the principal Act is amended by inserting, immediately after the words “responsible generally for the carrying out of the provisions of this Act”, the words “(except in relation to such functions and duties as may be assigned to the Street and Building Names Board under this Act)”.

Amendment of section 6

4. 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 —

- (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
- (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.

(6A) Where the Comptroller is satisfied that land is used or will be developed or is being developed into a building for use principally for any purpose specified in subsection (6), the land shall be exempted from 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

5. Section 19 of the principal Act is amended —

- (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;
- (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;

(ii) for the maintenance of the property and the grounds thereof; or

(iii) for services provided in connection with the property,

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:

“(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

(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

6. 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) The Chief Assessor may, in his discretion and if he 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 —

(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

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

Amendment of section 21

8. Section 21 of the principal Act is amended —

(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:

“(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:

“(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:

“(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:

“(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

(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 (where the public authority is the lessor) 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 date of commencement of the 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 section 19(8), where any property is to be or is being re-developed and no action has been taken to amend the Valuation List in respect thereof for any reason whatsoever, the tax in respect of the property shall be payable from such date as the Comptroller may determine, 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

9. 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 words “with another notice” in subsection (4), the words “not later than 5 years after the serving of such notice on the owner of the property”.

Amendment of section 49

10. Section 49 of the principal Act is amended —

- (a) by deleting subsection (2) and substituting the following subsection:

“(2) The SBNB shall have the following functions and duties:

(a) to determine the name by which any building, estate or street shall be known, or to alter the name of any building, estate or street;

(b) such other functions and duties as may be conferred by this Act on the SBNB.”; and

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

“(9) Except for its function and duty referred to in subsection (2)(a), the SBNB may authorise any officer in the employment of a statutory authority which has been approved by the Minister for the purpose of this subsection to assist the SBNB in performing any of the functions and duties of the SBNB under this Act.”.

Amendment of section 50

11. Section 50 of the principal Act is amended by deleting the word “Comptroller” and substituting the word “SBNB”.

Amendment of section 52

12. Section 52 of the principal Act is amended —

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

“(2) Any person who —

(a) without the authority of the Comptroller, allots a number to any property or fixes or causes to be fixed a number on or near any property or at the entrance of the enclosure thereof; or

(b) without the authority of the SBNB, gives a name to any building, estate or street or fixes or causes to be fixed a name to any building, structure or post in or near that building, estate or street,

shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$1,000, and the Comptroller or the SBNB (as the case may be) may, whether or not any proceedings have

been instituted against any person for a contravention of this subsection, without notice authorise any person to enter upon any property to remove or destroy such number or name.”;

(b) by inserting, immediately after the word “Comptroller” in subsection (4), the words “or the SBNB (as the case may be)”;

(c) by inserting, immediately after the word “Comptroller” in the section heading, the words “or SBNB”.

Repeal and re-enactment of section 56

13. Section 56 of the principal Act is repealed and the following section substituted therefor:

“Penalty for obstructing Comptroller, etc., in carrying out his duties

56. Any person who at any time hinders, obstructs or molests —

(a) the Comptroller or the Chief Assessor;

(b) any member of the SBNB; or

(c) any other person employed in the administration of this Act (including any officer of a statutory authority authorised by the SBNB under section 49(9)),

in the performance and execution of his duty or of anything which he is empowered or required to do by virtue of or in consequence of this Act, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$2,000 or to imprisonment for a term not exceeding 3 months or to both.”.

Amendment of section 58

14. Section 58 of the principal Act is amended —

(a) by inserting, immediately after the word “Act” in subsection (1), the words “(other than under section 52(2)(b) or (5) or 53(1) in respect of matters relating to the naming of buildings, estates and streets)”;

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

“(2) For the purpose of subsection (1), any officer employed in the administration of this Act (other than an officer of a statutory authority authorised by the SBNB under section 49(9)) may conduct such prosecution on behalf of the Comptroller or the Chief Assessor, as the case may be.

(3) Subject to his being appointed or authorised by the Public Prosecutor, any officer of a statutory authority authorised by the SBNB under section 49(9) may conduct prosecution for any offence under section 52(2)(b) or (5) or 53(1) in respect of matters relating to the naming of buildings, estates and streets.”.

Amendment of section 59

15. Section 59(1) of the principal Act is amended by inserting, immediately after the words “any officer employed in the administration of this Act”, the words “(including any officer of a statutory authority authorised by the SBNB under section 49(9))”.

Amendment of section 63

16. Section 63 of the principal Act is amended by inserting, immediately after the word “Comptroller” in subsections (1) and (2), the words “or the SBNB (as the case may be)”.

Amendment of section 64

17. Section 64 of the principal Act is amended —

(a) by deleting subsection (1) and substituting the following subsection:

“(1) For the purposes of carrying out in good faith the functions and duties of the Comptroller and the Chief Assessor, or the SBNB, under this Act —

(a) the Comptroller or the Chief Assessor or any officer authorised by either of them in that behalf; or

(b) any member of the SBNB or officer of a statutory authority authorised by the SBNB under section 49(9),

as the case may be, may enter at all reasonable hours in the daytime into and upon any building or land without being

liable to any legal proceedings or molestation whatsoever on account of such entry.”; and

- (b) by inserting, immediately after the words “any such authorised officer” in subsection (2), the words “, or such member of the SBNB or such officer of a statutory authority authorised by the SBNB,”.

Amendment of section 65

18. Section 65 of the principal Act is amended by deleting subsections (1) and (2) and substituting the following subsections:

“(1) All notices, orders, receipts, warrants and other documents of whatsoever nature which the Comptroller or the Chief Assessor, or the SBNB, is empowered to give by this Act may be given by any employee authorised thereunto by the Comptroller or the Chief Assessor, or by any officer of a statutory authority authorised by the SBNB under section 49(9), as the case may be.

(2) Where any such notice, order, warrant or document requires authentication, the signature or a facsimile thereof affixed thereunto of —

(a) the Comptroller or the Chief Assessor or any employee authorised thereunto by the Comptroller or the Chief Assessor; or

(b) any member of the SBNB or officer of a statutory authority authorised by the SBNB under section 49(9),

as the case may be, shall be sufficient authentication.”.

Amendment of section 72

19. Section 72 of the principal Act is amended —

(a) by deleting the words “The Minister may make regulations” in subsection (1) and substituting the words “The appropriate Minister may make regulations for carrying out the purposes and provisions of this Act for which he is responsible”;

(b) by deleting the words “the Street and Building Names Board constituted under section 49” in subsection (1)(g) and substituting the words “the SBNB”; and

- (c) by deleting subsection (2) and substituting the following subsection:

“(2) The appropriate Minister may, in lieu of making any regulations prescribing the forms which by this Act are required to be or may be prescribed, authorise the Comptroller or the SBNB, as the case may be, to approve the use of such forms as the Comptroller or SBNB thinks fit.”.

Miscellaneous amendments

20. 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;
- (b) by deleting the word “Clerk” in the section heading of section 25 and substituting the word “Secretary”; and
- (c) by deleting the word “clerk” or “clerks” wherever they appear in the following sections and substituting in each case the word “secretary” or “secretaries”, respectively:

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

Savings and transitional provision

21. For a period of 2 years after the date of commencement of this section, the Minister may, by regulations published in the *Gazette*, prescribe such provisions of a savings or transitional nature consequent on the enactment of this Act, as he may consider necessary or expedient.

THE SCHEDULE

Section 20(a)

| <i>First column</i> | <i>Second column</i> | <i>Third column</i> |
|---------------------|--------------------------------|--|
| 1. Section 6(12) | “at the prevailing bank rate” | “at such rate as may be prescribed” |
| 2. Section 19(14) | “at the rate of 10% per annum” | “at such rate as may be prescribed” |
| 3. 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” |

| <i>First column</i> | <i>Second column</i> | <i>Third column</i> |
|---------------------|--|--------------------------------------|
| 4. Section 37 | “at a rate which shall not exceed 10% per annum” | “at such rate as may be prescribed” |
| 5. 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 section 2 (Interpretation).

Clause 2(a) and (b) inserts new definitions of “Minister” and “Street and Building Names Board” or “SBNB”, respectively, in section 2(1). In particular, the new definition of “Minister” makes clear the division of responsibility for matters under the Act between the Minister charged with the responsibility for finance and the Minister charged with the responsibility for national development.

Clause 2(c) and (e) 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 2(d) also amends the definition of “structural network” in section 2(1) by extending the definition of “structural network” to one that is used *or intended to be used* for a purpose specified in paragraph (a) of the definition. This will allow tax to be imposed on a structural network or any part thereof that has been built or constructed but has not yet been put to use.

Clause 2(f) makes a technical amendment to section 2(8).

Clause 3 amends section 4(1) (Responsibility of Comptroller) to clarify that the responsibility of the Comptroller of Property Tax (the Comptroller) for carrying out the provisions of the Act does not extend to matters relating to the functions and duties assigned to the Street and Building Names Board.

Clause 4 amends section 6 (Charge of property tax).

Clause 4(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 principally for any purpose specified in subsection (6). The Comptroller must be satisfied of such use before the land can be exempted from payment of tax.

Clause 4(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 5 amends section 19 (Notice of transfer of property).

Clause 5(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 5(b) makes technical changes to the drafting of section 19(9) to clarify the intent of the same.

Clause 5(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 6 amends section 20 (Amendment of Valuation List).

Clause 6(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 or receipts of that or similar property.

Clause 6(c) amends section 20(2)(c) (which currently refers to buildings) so that it applies to tenements as well.

Clause 6(d) amends section 20(2)(d) (which currently refers to property) so that it applies to any part of such property as well.

Clause 6(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 replacing 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 7 amends section 20A (Objection to Valuation List).

Clause 7 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 8 amends section 21 (Tax on new buildings, etc.).

Clause 8(a) amends section 21(1), (3), (5) and (8) 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 8(b), (c) and (d) amends section 21(2), (4) and (6), respectively, 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 8(e) amends section 21(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 8(f).

Clause 8(e) also inserts a new subsection (7A) in section 21 to provide that where a statutory land grant or State lease or a lease of property by a public authority (where the public authority is the lessor) 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 the transfer or date of commencement of the lease, calculated based on the revised annual value which may be ascribed to the property in a subsequent Valuation List.

Clause 8(f) inserts a new subsection (8A) in section 21 to provide that where any property is to be or is being re-developed and no action has been taken to amend the Valuation List in respect thereof for any reason, tax is payable from such date as the Comptroller may determine, calculated according to the revised annual value which may be ascribed to the property in a subsequent Valuation List.

Clause 8(f) also inserts a new subsection (8B) in section 21 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 9 amends section 22 (Collection of taxes under section 21).

Clause 9(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 9(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 10 amends section 49 (Street and Building Names Board).

Clause 10(a) deletes and substitutes subsection (2) of section 49 to provide that the Street and Building Names Board (the SBNB), in addition to its current function of naming and altering the names of buildings, estates and streets, is to have such other functions and duties as are conferred by the Act.

Clause 10(b) inserts a new subsection (9) in section 49 to allow the SBNB to authorise any officer in the employment of a statutory authority to assist the SBNB in performing any of the functions and duties of the SBNB under the Act. The statutory authority must be one that has been approved by the Minister charged with the responsibility for national development for this purpose.

Clauses 11 and 12 amend section 50 (Name of building, estate or street) and section 52 (Penalty for numbering or naming property, estate or street without authority of Comptroller), respectively, to transfer certain functions of the Comptroller to the SBNB.

Clauses 13 to 18 make consequential amendments to section 56 (Penalty for obstructing Comptroller, etc., in carrying out his duties), section 58 (Comptroller, etc.,

may direct prosecution), section 59 (Property tax officer may demand names and addresses in certain cases), section 63 (Composition of offences), section 64 (Power to enter upon lands for purposes of this Act) and section 65 (Receipts, notices, etc., may be given by authorised officer), respectively, arising from the amendments under clauses 9, 10 and 11. The amendments provide for powers of enforcement in respect of the functions and duties of the SBNB.

Clause 19 amends section 72 (Regulations).

Clause 19(a) and (c) amends section 72(1) and (2) to make reference to the appropriate Minister as the responsibility for administering the Act now lies with 2 Ministers. Clause 19(c) further extends subsection (2) to include the SBNB.

Clause 19(b) makes a technical amendment to section 72(1)(g).

Clause 20 and the Schedule make various miscellaneous amendments to the Act.

Clause 20(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 20(b) and (c) amends various provisions in the Act to change the reference from “clerk”, in relation to the Valuation Review Board, to “secretary”.

Clause 21 is a savings and transitional provision.

EXPENDITURE OF PUBLIC MONEY

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