

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

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**Bill No. 28/2010.**

*Read the first time on 18th October 2010.*

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 2010 and shall, with the exception of sections 3 and 4, come into operation on such date as the  
5 Minister may, by notification in the *Gazette*, appoint.

(2) Section 3 shall be deemed to have come into operation on 1st April 2010.

(3) Section 4 shall be deemed to have come into operation on 15th February 2007.

### 10 Repeal of Part VIA

2. Part VIA of the Economic Expansion Incentives (Relief from Income Tax) Act (referred to in this Act as the principal Act) is repealed.

### Amendment of section 67

3. Section 67 of the principal Act is amended —

- 15 (a) by deleting the word “or” at the end of subsection (1)(h);  
 (b) by deleting the comma at the end of paragraph (i) of subsection (1) and substituting the word “; or”, and by inserting immediately thereafter the following paragraph:

“(j) for improving energy efficiency,”; and

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

“(6) Approval under this section shall only be granted during the following periods to a company in respect of any project under subsection (1)(i):

- 25 (a) between 9th September 2004 and 8th September 2009 (both dates inclusive); and  
 (b) between 1st April 2010 and 31st March 2015 (both dates inclusive).

30 (7) Approval under this section shall only be granted during the period between 1st April 2010 and 31st March 2015 (both dates inclusive) to any company in respect of any project under subsection (1)(j).”.

### **Amendment of section 68**

4. Section 68(1) of the principal Act is amended by deleting paragraph (a) and substituting the following paragraph:

- 5 “(a) within such period as the Minister may determine (referred to in this Act as the qualifying period), being a period commencing from the investment day and —
- (i) not exceeding 5 years; or
  - (ii) not exceeding 8 years where the specified item is acquired under a hire-purchase agreement made on or after 15th February 2007; and”.
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### **Amendment of section 97H**

5. Section 97H of the principal Act is amended by deleting paragraphs (d) and (e) of the definition of “qualifying activity” and substituting the following paragraphs:

- 15 “(d) technical services including construction, distribution, design and engineering services;
- (e) consultancy, management, supervisory or advisory services relating to any technical matter or to any trade or business;
  - (f) fabrication of machinery and equipment and procurement of materials, components and equipment;
  - 20 (g) data processing, programming, computer software development, telecommunications and other computer services;
  - (h) professional services including accounting, legal, medical and architectural services;
  - 25 (i) educational and training services; and
  - (j) any other activities or services as may be prescribed;”.

### **Repeal of Part XIIIIE**

6. Part XIIIIE of the principal Act is repealed.

### **Repeal of Part XIIIIF**

7. Part XIIIIF of the principal Act is repealed.

## EXPLANATORY STATEMENT

This Bill seeks to amend the Economic Expansion Incentives (Relief from Income Tax) Act (Cap. 86).

Clause 1 relates to the short title and commencement.

Clause 2 repeals Part VIA (Export of services) as the incentive through tax relief provided under the Part is no longer required.

Clauses 3 and 4 amend sections 67 and 68, respectively, in Part X (Investment allowances).

Clause 3(a) and (b) amends section 67(1) to add improving energy efficiency to the list of projects in respect of which an investment allowance may be given.

Clause 3(c) amends section 67 by deleting and substituting subsection (6) and inserting a new subsection (7). The new subsection (6) expands on the existing subsection (6) by including a second period, *viz.* 1st April 2010 to 31st March 2015 (both dates inclusive), in which approvals of an investment allowance may be given in respect of a project under subsection (1)(i). The new subsection (7) provides for the period in which approvals of an investment allowance may be given in respect of a project under the new subsection (1)(j).

Clause 4 amends section 68(1)(a) to enable the Minister to determine a qualifying period (during which fixed capital expenditure is incurred for an approved project for which an investment allowance may be given) of up to 8 years where any specified item on an approved project is acquired under a hire-purchase agreement made on or after 15th February 2007.

Clause 5 makes a consequential amendment to the definition of “qualifying activity” under section 97H (Interpretation of this Part) as a result of the repeal of section 44A by clause 2.

Clause 6 repeals Part XIII E (Research and development and intellectual property management hub) as the incentive through exemptions from tax provided under the Part is no longer required.

Clause 7 repeals Part XIII F (Overseas investment incentive) as the incentive through the deferment of payment of tax provided under the Part is no longer required.

## EXPENDITURE OF PUBLIC MONEY

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

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