

Property Tax (Amendment) Bill

Bill No. 13/2013.

Read the first time on 16th September 2013.

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 2013 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 deleting the definition of “industrial premises”;

10 (b) by deleting “8(2),” in paragraph (a) of the definition of “Minister”; and

(c) by inserting, immediately after the words “9(2) and (3),” in paragraph (a) of the definition of “Minister”, “19(12),”.

Amendment of section 8

3. Section 8 of the principal Act is amended —

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

“(1A) Notwithstanding subsection (1), no refund of tax shall be made with respect to —

20 (a) any unbroken period of 30 days or a calendar month or longer that starts on or after 1st January 2014; or

(b) such portion of any unbroken period of 30 days or a calendar month or longer that falls after 31st December 2013.

25 (2) An owner of a building claiming under this section a refund of the tax for any period or part thereof falling between 1st November 2012 and 31st December 2013 (both dates inclusive) shall submit his claim in writing to the Comptroller not later than 31st March 2014.”; and

30 (b) by deleting paragraph (b) of subsection (3).

Amendment of section 9

4. Section 9 of the principal Act is amended by deleting subsections (2) and (3) and substituting the following subsections:

“(2) The Minister may, by order published in the *Gazette*, direct that the tax payable in respect of any property prescribed, or falling within a class of property prescribed, or any part of such property, shall be at a rate or rates less than 36%; and different rates may be specified for different properties or classes of properties prescribed.

(3) For the purposes of this Act, a reference to a change in the prescribed class of any property is a reference to the property or part thereof —

(a) being prescribed or falling within a class prescribed by the Minister under subsection (2), where it was previously not so prescribed or it previously did not fall within any prescribed class, as the case may be; or

(b) ceasing to be prescribed or to fall within a prescribed class, whether or not it also falls within any other prescribed class,

because of a change in circumstances relating to the property (including a change in the use of the property or part thereof).”.

Amendment of section 19

5. Section 19 of the principal Act is amended —

(a) by inserting, immediately after subsection (11), the following subsections:

“(12) Without prejudice to subsection (11), where there has been a change in the prescribed class of any property referred to in section 9(3), the owner of the property shall, within 15 days after the date of the change, give notice thereof in writing to the Chief Assessor, unless the Minister, in an order referred to in section 9(2) —

(a) prescribes a period longer than 15 days; or

(b) provides that no notice need be given.

5 (12A) Where there has been a change in the prescribed class of any property referred to in section 9(3), the owner of the property shall, notwithstanding the change, continue to be liable to pay the tax in respect of the property he had been paying immediately prior to the change as if no change had occurred until his liability is adjusted under subsection (12B), or subsections (12B) and (12C).

10 (12B) Where the Comptroller becomes aware of the change in the prescribed class of any property, the owner of the property shall be liable, as from the date of the change, to pay the tax on the basis of the rate or rates applicable to the property following the change.

15 (12C) Without prejudice to subsection (12B), where there is a revised annual value ascribed to the property in a subsequent amended Valuation List pursuant to the change in the prescribed class of the property, the owner of the property shall be liable, as from the date of the change and at the option of the Comptroller, to pay the tax on the revised annual value.

20 (12D) For the purposes of subsections (12) to (12C), where planning permission (other than provisional permission) for the making of any material change in the use of the property or part thereof (as the case may be) is given by the competent authority under the Planning Act (Cap. 232) and the circumstances for which such permission is sought correspond to any circumstances resulting in the change in the prescribed class of the property, then the date of the planning permission shall be prima facie evidence of the date of the change in the prescribed class of the property.

30 (12E) No tax shall be payable or refundable, as the case may be —

35 (a) under subsection (12B) or (12C) in respect of any period which is more than 5 years prior to

the 1st of January of the year in which a notice of amendment to the Valuation List under section 20 is issued pursuant to the change in the prescribed class of the property; or

(b) under subsection (12B) in respect of any period which is more than 5 years prior to the 1st of January of the year in which the Chief Assessor considers it is not desirable that an amendment be made to the Valuation List in respect of the property notwithstanding the change in the prescribed class thereof.”; and

(b) by deleting the section heading and substituting the following section heading:

“Notice to be given by owners of property, etc.”.

Amendment of section 20

6. Section 20(2) of the principal Act is amended by inserting, immediately after paragraph (c), the following paragraph:

“(ca) there is any change in the prescribed class of any property referred to in section 9(3);”.

Amendment of section 20A

7. Section 20A of the principal Act is amended —

(a) by deleting the words “21 days” in subsection (2) and substituting the words “30 days”; and

(b) by deleting the words “21 days” in subsection (7) and substituting the words “30 days”.

Amendment of section 22

8. Section 22 of the principal Act is amended —

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

“(1) Where it appears to the Comptroller that any tax is payable or is to be refunded in respect of any property

under section 19(8), (12B) or (12C) or 21, as the case may be, the Comptroller shall give notice thereof to the owner of the property concerned stating the amount of the tax due or tax to be refunded and the period for which the tax is payable or to be refunded, as the case may be.”;

(b) by deleting the words “21 days” in subsection (2) and substituting the words “30 days”;

(c) by deleting the words “21 days” in subsection (5) and substituting the words “30 days”; and

(d) by deleting the section heading and substituting the following section heading:

“Collection and refund of taxes”.

EXPLANATORY STATEMENT

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

Clause 1 relates to the short title and commencement.

Clause 2(a) amends section 2(1) (Interpretation) by deleting the definition of “industrial premises” as it is no longer necessary. Clause 2(b) and (c) makes technical amendments to paragraph (a) of the definition of “Minister” arising from the amendments in clauses 3 and 5.

Clause 3 amends section 8 (Refund on unoccupied buildings) —

(a) to remove the refund for unoccupied buildings with effect from 1st January 2014; and

(b) to allow claims for refunds in respect of any period falling between 1st November 2012 and 31st December 2013 (both dates inclusive) to be made by 31st March 2014.

Clause 3 further deletes paragraph (b) of section 8(3) which is no longer necessary in light of the new deadline for claims for refunds in respect of any period in 2013.

Clause 4 replaces subsections (2) and (3) of section 9 (Rates of tax) to empower the Minister to prescribe properties and classes of properties and direct tax rates less than 36% on the annual values of the properties (which is the rate fixed under section 9(1)) to apply in respect of each of such prescribed properties or prescribed

classes of properties, or any part of such properties, and to provide for what is a change in the prescribed class of any property.

Clause 5 amends section 19 (Notice of transfer of property) by inserting new subsections (12) to (12E), to require an owner of property to give to the Chief Assessor notice of a change in the prescribed class of his property, and to clarify what tax is payable in relation to such property. The clause further makes a consequential amendment to the section heading of section 19.

Clause 6 amends subsection (2) of section 20 (Amendment of Valuation List) to deem a Valuation List inaccurate where there has been a change in the prescribed class of any property.

Clause 7 amends subsections (2) and (7) of section 20A (Objection to Valuation List) to extend the time within which an owner may, respectively —

- (a) make an objection to the Chief Assessor against an amendment to the Valuation List; and
- (b) appeal to the Valuation Review Board against any decision of the Chief Assessor in relation to such objection.

Clause 8 replaces subsection (1) of section 22 (Collection of taxes under section 21). The new subsection (1) includes a reference to the new section 19(12B) and (12C) and consequentially also to tax that is to be refunded. The clause further amends section 22(2) and (5) to extend the time within which an owner of property may, respectively —

- (a) make an objection to a demand from the Comptroller of Property Tax pursuant to section 22(1); and
- (b) appeal to the Valuation Review Board against any decision of the Chief Assessor in relation to such objection.

Clause 8 also makes a consequential amendment to the section heading of section 22.

EXPENDITURE OF PUBLIC MONEY

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