

SINGAPORE BUDGET 2018

Tax Changes for Companies

No	Description	Current	Changes	Effective Period
1	Corporate Income Tax (CIT) Rebate	20% of Tax Payable but capped at \$10,000	40% of Tax Payable but capped at \$15,000	YA 2018
		na	20% of Tax Payable but capped at \$10,000	YA 2019
2	Start Up Tax Exemption (SUTE)	Previously, Full 100% Tax Exemption on first \$100,000 for the 1st three years	75% Tax Exemption on first \$100,000 for the 1st three years	YA 2020
		50% Tax Exemption on the next \$200,000 for the 1st three years	50% Tax Exemption on next \$100,000 for the 1st three years	
3	Partial Tax Exemption for Companies set up more than 3 years	Previously, 75% Tax Exemption on the 1st \$10,000.	Same	YA 2020
		50% Tax Exemption on the next \$290,000	50% Tax Exemption on the next \$190,000	
4	250% Tax Deduction on Approved Donation	Previously up to 31 December 2018	Extended to 31 December 2021	On-going

Tax Changes for Residential Properties

5	Raise Buyer's Stamp Duty from 3% to 4% for Residential Property	1% First \$180,000	Same	All Residential Properties acquired from <u>20 February 2018 onwards</u>
		2% Next \$180,000	Same	
		3% Amount exceeding \$360,000	3% Next \$640,000	
		na	4% Amount exceeding \$1,000,000	



GST

6	GST to be raised	7%	9%	Between 2021 and 2025
7	Introduce GST on imported services	Currently GST is not applicable to overseas vendor with no establishment in Singapore	<p>Introduction of reverse charge mechanism affecting B2B and B2C</p> <p>a) B2B - local business customer must account for GST to IRAS on the services it imports</p> <p>b) B2C - Overseas suppliers and electronic marketplace operators to register with IRAS for GST under the Overseas Vendor Registration (OVR)</p>	To be effective on <u>1 January 2020</u> but further details to be released by end February 2018
<i>Families & Individuals</i>				
8	Tobacco Stamp Duty	na	Increase by 10%	<u>Immediate</u>
9	All adult Singaporeans (aged 21 & above) to receive "ang pows"	na	One-off SG Bonus hongbao of \$300, \$200 or \$100 depending on income earned for YA 2017.	Payout in end-2018
10	S&CC rebates	na	To extend by one more year	



11	Enhanced Proximity Housing Grant (PHG)	Buying resale flat to live with parents		On-going
		Singles: \$10,000	Singles: \$15,000	
		Families: \$20,000	Families: \$30,000	
		Buying resale flat near parents within proximity of 4km (previously 2km)		
		Singles: na	Singles: \$10,000	
		Families: \$20,000	same	
12	Foreign Domestic Worker (FDW) Levy	1st FDW		1 April 2019 onwards
		\$265	\$300	
		2nd FDW		
		\$265	\$450	
		Concessionary (age increased from 65 to 67)		
		\$60	same	
<i>Businesses and Workers</i>				
13	Wage Credit Scheme (co-funding of wage increases of up to \$4,000 monthly gross salary)	Qualifying period: 2016 and 2017	Qualifying period extended to 2018, 2019 and 2020	On-going
		20% of qualifying wage increases for both years	20% of qualifying wage increases in 2018	
			15% of qualifying wage increases in 2019	
		10% of qualifying wage increases in 2020		
14	Marine Shipyard and Process sectors	na	Foreign worker levy increases to be deferred for another year.	Deferred



15	Spring and IE Singapore to merge as ' Enterprise Singapore '	na	<p>a) Enterprise Development Grant (EDG) - An integration of SPRING's Capability Development Grant & IE's Global Company Partnership Grant. The EDG will provide up to 70% co-funding.</p>	Q4 2018 onwards
			<p>b) Productivity Solutions Grant (PSG) - provide funding support for up to 70% of qualifying costs.</p>	1 April 2018 onwards
			<p>c) PACT - provide funding support for up to 70% qualifying costs for collaborations between companies in areas including capability upgrading, business development and internationalisation.</p>	More details to be released in due course.
16	Carbon Tax	na	Carbon Tax rate will be set at \$5 per tCO ₂ e of emissions from 2019 to 2023.	First payment of carbon tax in 2020 based on emissions in calendar year 2019.

