



BUDGET 2020

HIGHLIGHTS & UPDATES

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Organised by

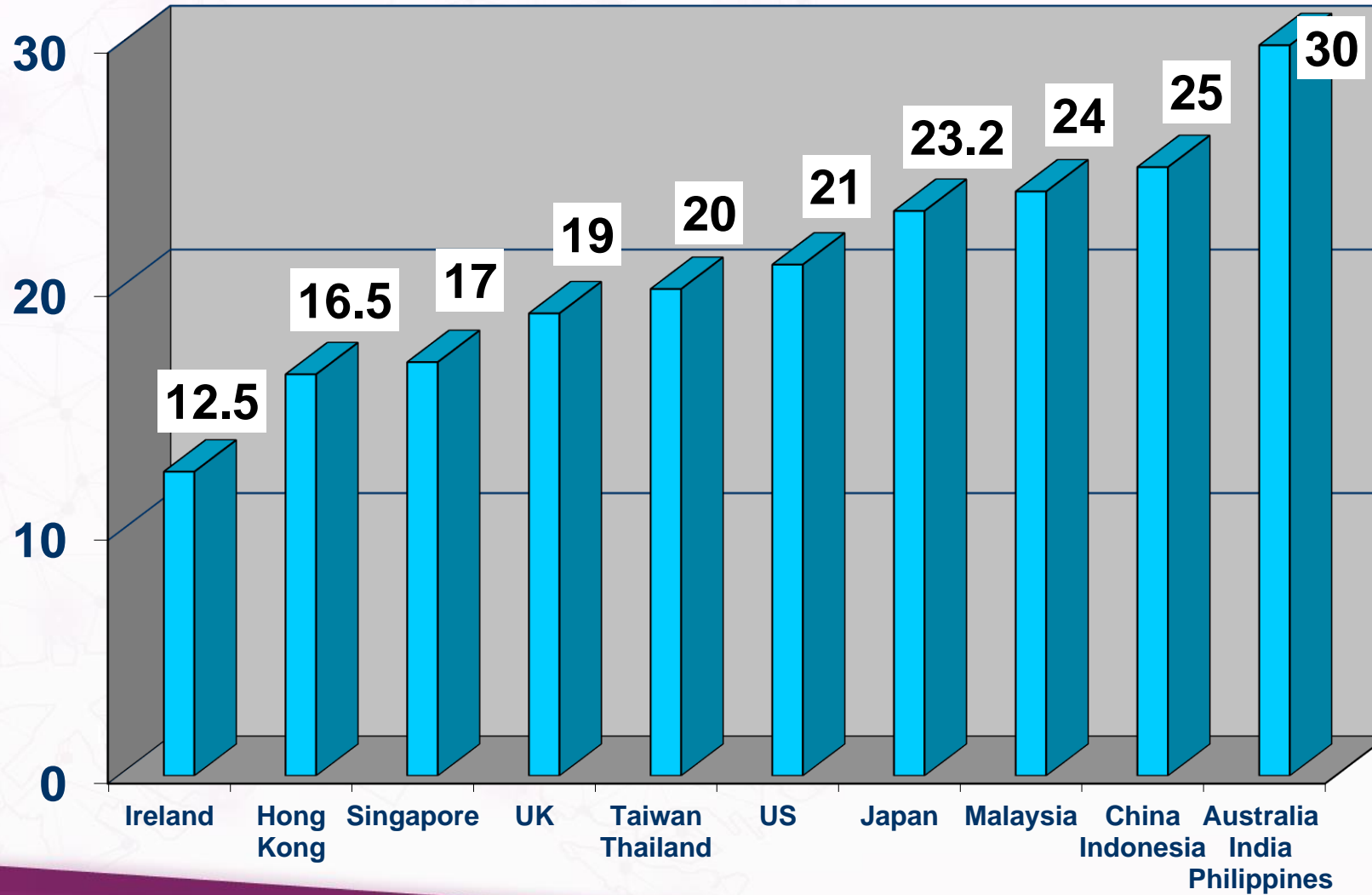


Corporate Tax

Corporate Tax Rate

Remains @ 17%

Corporate Tax Comparisons



YA 2020

- Tax Rebate **25%**
- Cap **\$15k**

YA 2020

<u>CI</u> \$	<u>Rate*</u> %
300,000	8.4
455,441	9.9
500,000	10.5
1,000,000	13.8

* After partial exemption of \$102,500 & tax rebate

SG vs Hong Kong Headline Corporate Rate

Singapore	17%
Hong Kong	16.5%

1st HK\$2m @ 8.25%

PTE Reduced:

1st \$10k

75% exempt

Next \$190k

50% exempt

(wef YA 2020)

SUTE

**Exemption Reduced to 75%
(wef: YA 2020)**

New Companies:- (wef: YA 2020)

1st \$100k	75% exempt
Next \$100k	50% exempt

1st YA: YA 2019

1st \$100k 100% exempt

Next \$200k 50% exempt

2nd YA: YA 2020

1st \$100k 75% exempt

Next \$100k 50% exempt

3rd YA: YA 2021

1st \$100k 75% exempt

Next \$100k 50% exempt

Conditions

- **New company incorporated in Singapore**
- **Tax resident in Singapore**
- **20 individual shareholders, or**
- **Individual shareholders holding at least 10% shares**

New Company

CI

\$
300,000

Partial Exemption:-

\$100,000 @ 75% 75,000

\$100,000 @ 50% 50,000 (125,000)

Net CI

175,000

PIC

PIC ceased after YA 2018

PIC

YA2020

Still Applicable to:

- IT & Automation equipment purchased under HP
- IPR

Double Deduction for Internationalisation

- **Extended to 31.12.2025**
- **To cover third party consultancy costs**

M & A Scheme

- **Extended to 31.12.2025**
- **Waiver of stamp duty ceases on 31.3.2020**

S13Z

- **Exemption of gains on disposal of shares**
- **Extended to 31.12.2027**

LIA

- Extended to 31.12.2025

S14E R&D Double Deduction

- Ceases on 31.3.2020

IBD - CI

- Extended to 31.12.2025

Maritime Sector Incentive

Global Trader Programme

Finance & Treasury Centre Incentive

Fund Management Incentive

- Extended to 31.12.2026

Loss Carry-Back

YA 2020 CA & Losses

- Carry-back 3 YAs
- Max \$100k

YA	Rebate		For Max Rebate	
	Max \$	%	CI \$	Gross Tax \$
2019	10,000	20	446,618	50,000
2018	15,000	40	373,088	37,500
2017	25,000	50	446,618	50,000

YA	CI / (Loss)
2020	(\$100,000)
2019	\$400,000
2018	\$400,000
2017	\$400,000

Carry-Back to YA 2017

CI	400,000
Loss c/b	<u>(100,000)</u>
	300,000
PTE	<u>(152,500)</u>
Net CI	<u>147,500</u>
Tax @ 17%	25,075.00
Rebate @ 50%	<u>(12,537.50)</u>
Tax with c/b	<u>12,537.50</u>

Without Carry-Back YA 2017

CI	400,000
PTE	<u>(152,500)</u>
Net CI	<u>247,500</u>
Tax @ 17%	42,075.00
Rebate @ 50%	<u>(21,037.50)</u>
Tax without c/b	<u>21,037.50</u>

YA 2017 Tax Refund

Tax without c/b	21,037.50
Tax with c/b	<u>(12,537.50)</u>
Tax Refund	<u>8,500.00</u>

Carry-Back to YA 2019

CI	400,000
Loss c/b	<u>(100,000)</u>
	300,000
PTE	<u>(152,500)</u>
Net CI	<u>147,500</u>
Tax @ 17%	25,075
Rebate @ 20%	<u>(5,015)</u>
Tax with c/b	<u>20,060</u>

Without Carry-Back YA 2019

CI	400,000
PTE	<u>(152,500)</u>
Net CI	<u>247,500</u>
Tax @ 17%	42,075
Rebate @ 20%	<u>(8,415)</u>
Tax without c/b	<u>33,660</u>

YA 2019 Tax Refund

Tax without c/b	33,660
Tax with c/b	<u>(20,060)</u>
Tax Refund	<u>13,600</u>

Acquisition of P & M

- YA 2021 **75%**

- YA 2022 **25%**

Streamline CA Claims (under 6th Sch)

Tax life:

- up to 12 yrs:
 - AA over 6 or 12 yrs
- 16 yrs:
 - AA over 6,12 or 16 yrs

Renovation and Refurbishment

- YA 2021

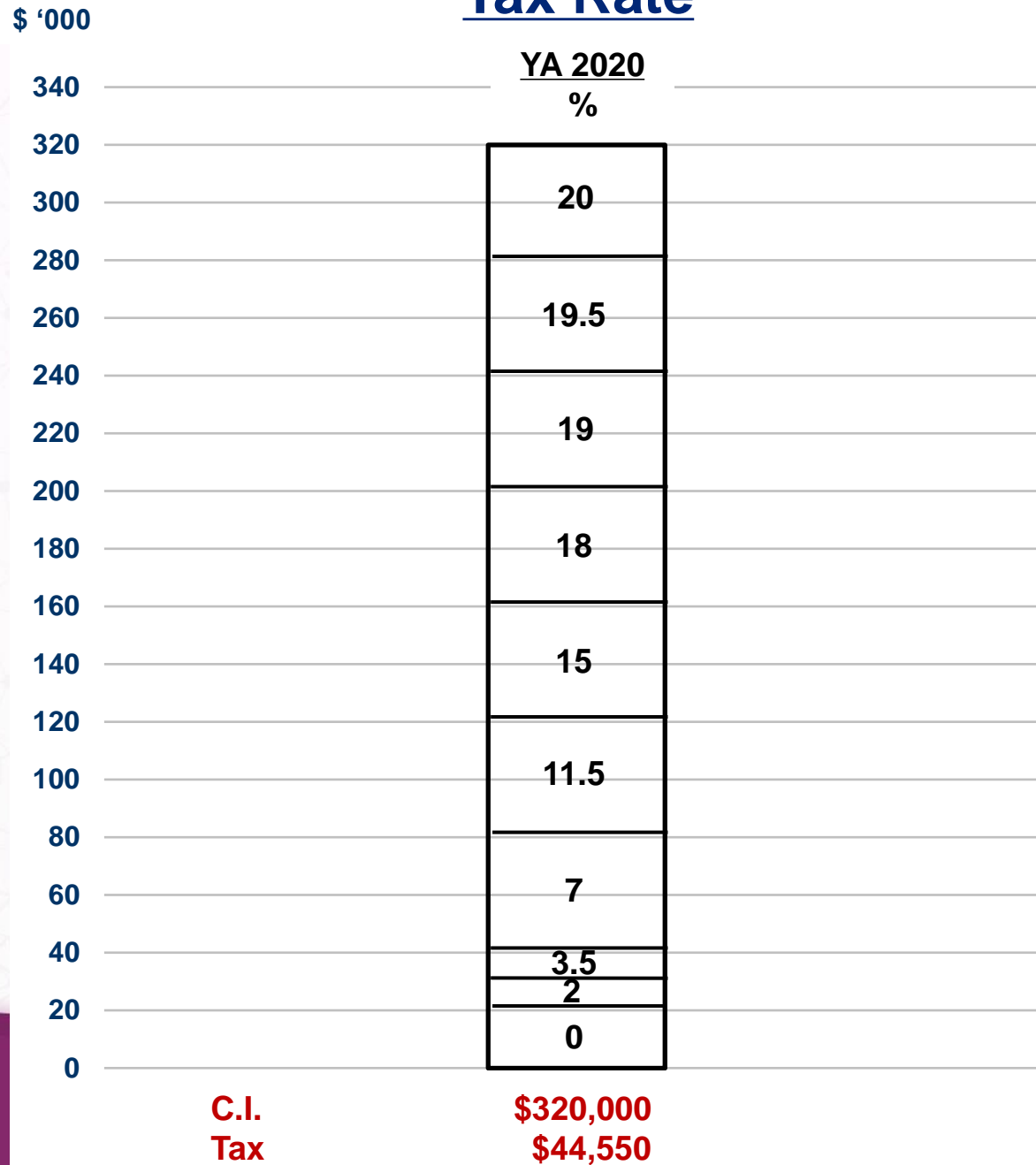
100% write-off

Personal Tax

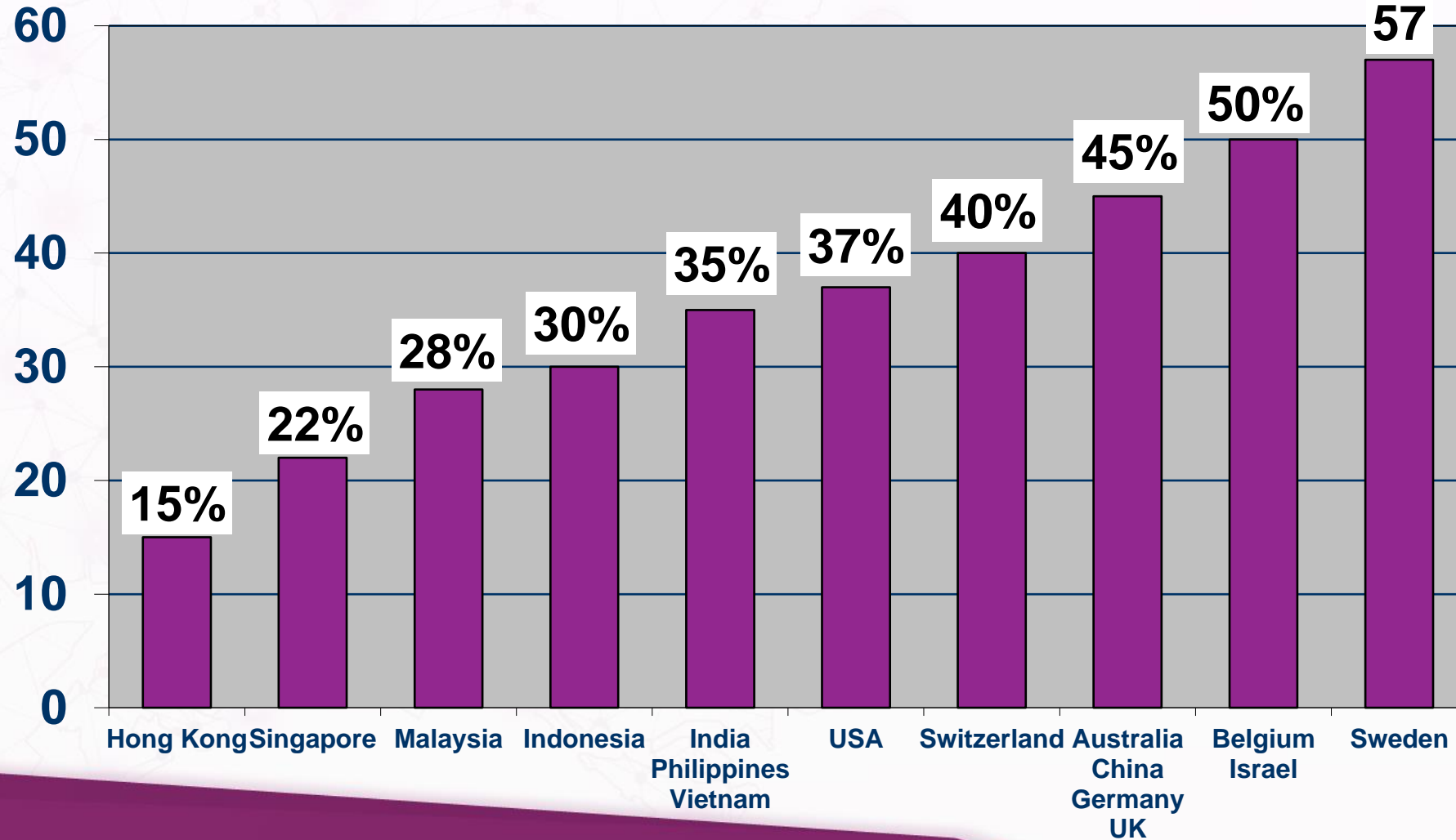
YA 2020

No change in tax rates

Tax Rate



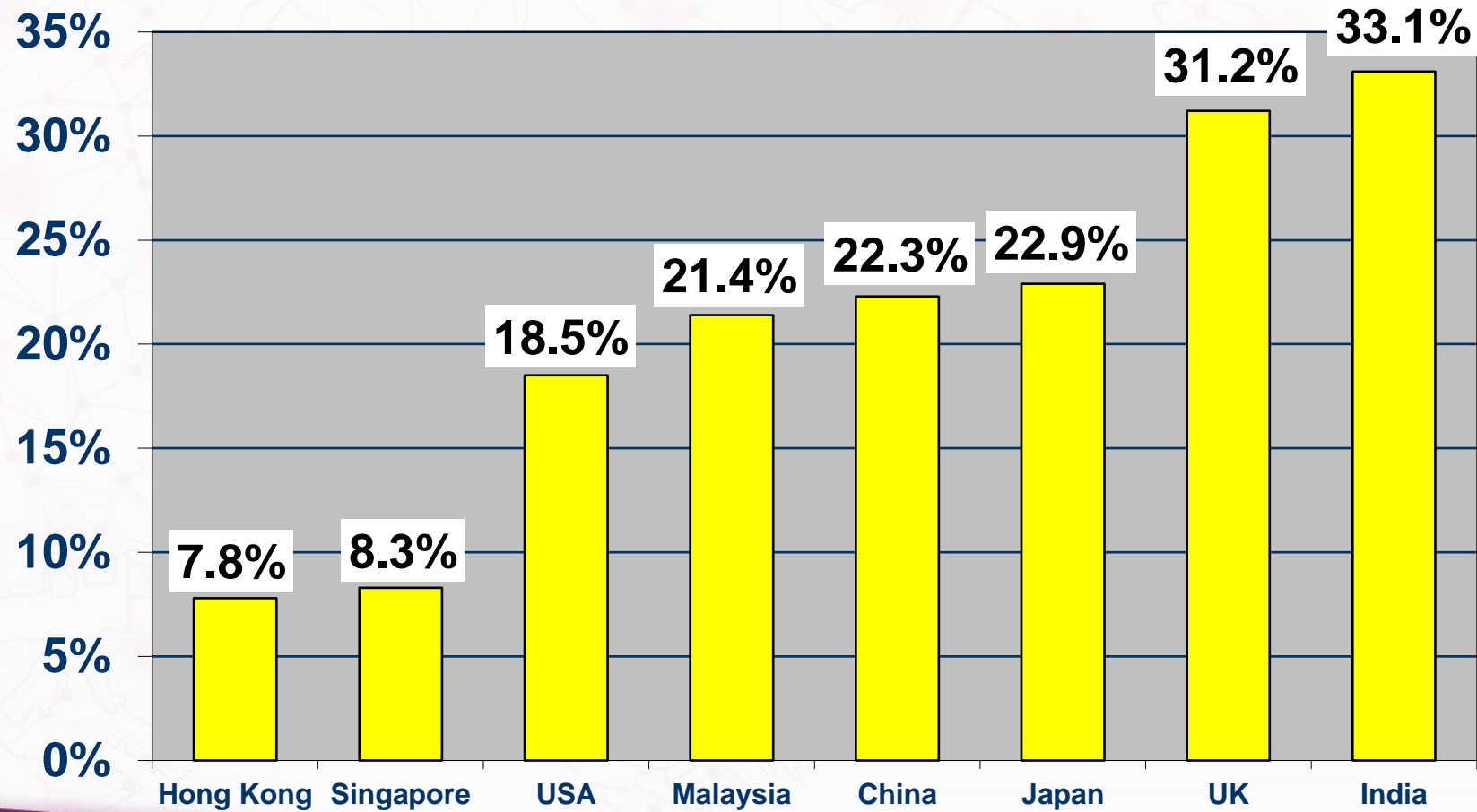
Top Marginal Tax Rate for Individuals



Comparative personal effective tax rates YA 2020

Employee married with 2 children

Gross annual remuneration of \$200k



Personal Tax

C.I	YA 2020	
	Tax	ETR
S\$	S\$	%
100,000	5,650	5.65
200,000	21,150	10.58
500,000	84,150	16.83
1,000,000	194,150	19.42
2,000,000	414,150	20.71

YA 2020

No tax rebate

Personal Reliefs

No change

NR Public Entertainers

- **10% tax concession**
- **Extended to 31.3.2022**

Angel Investors Scheme

- Ceases on 31.3.2020

Others

Stabilisation & Support Package

Property Tax Rebate

Organised by

30% Rebate for

- **Hotels**
- **Serviced Apartments**
- **MICE Venues**

15% Rebate for

- **Airport**
- **Cruise & ferry terminals**
- **Shops (retail and F & B)**

10% Rebate for

- **Marina Bay Sands**
- **Resorts World Sentosa**

GST

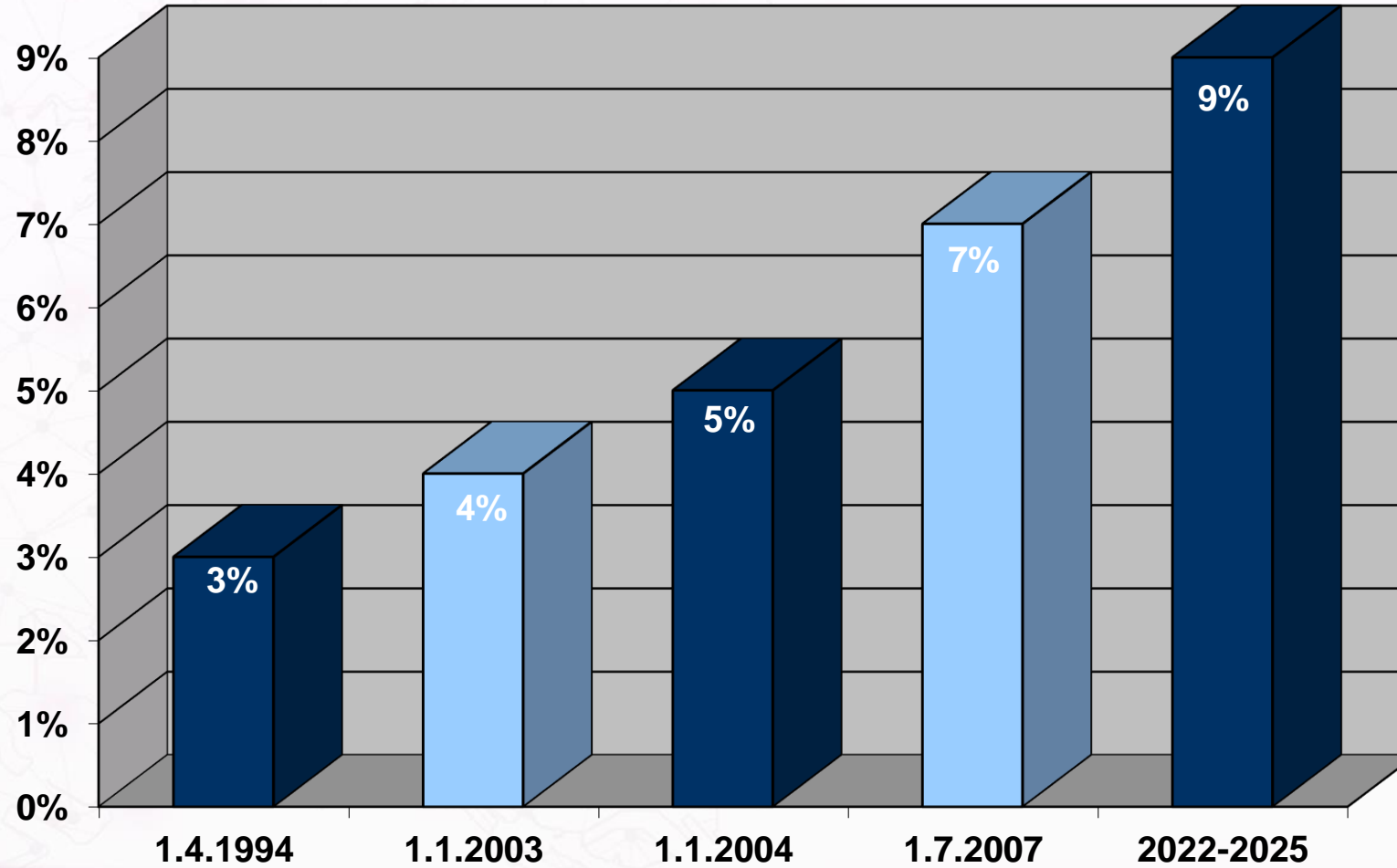
GST

No increase in GST in 2021

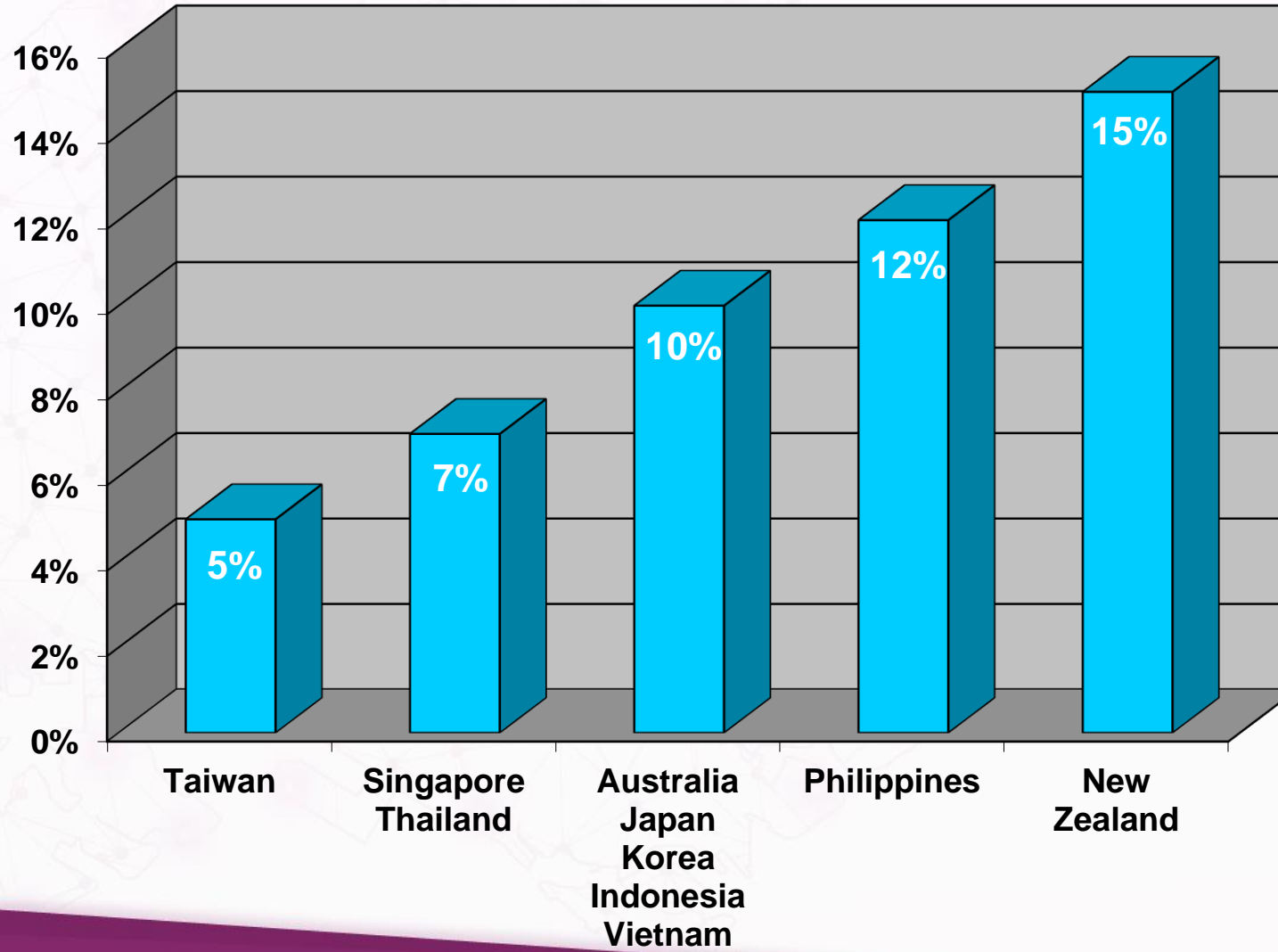
When GST increases to 9%

- \$6b Assurance Package

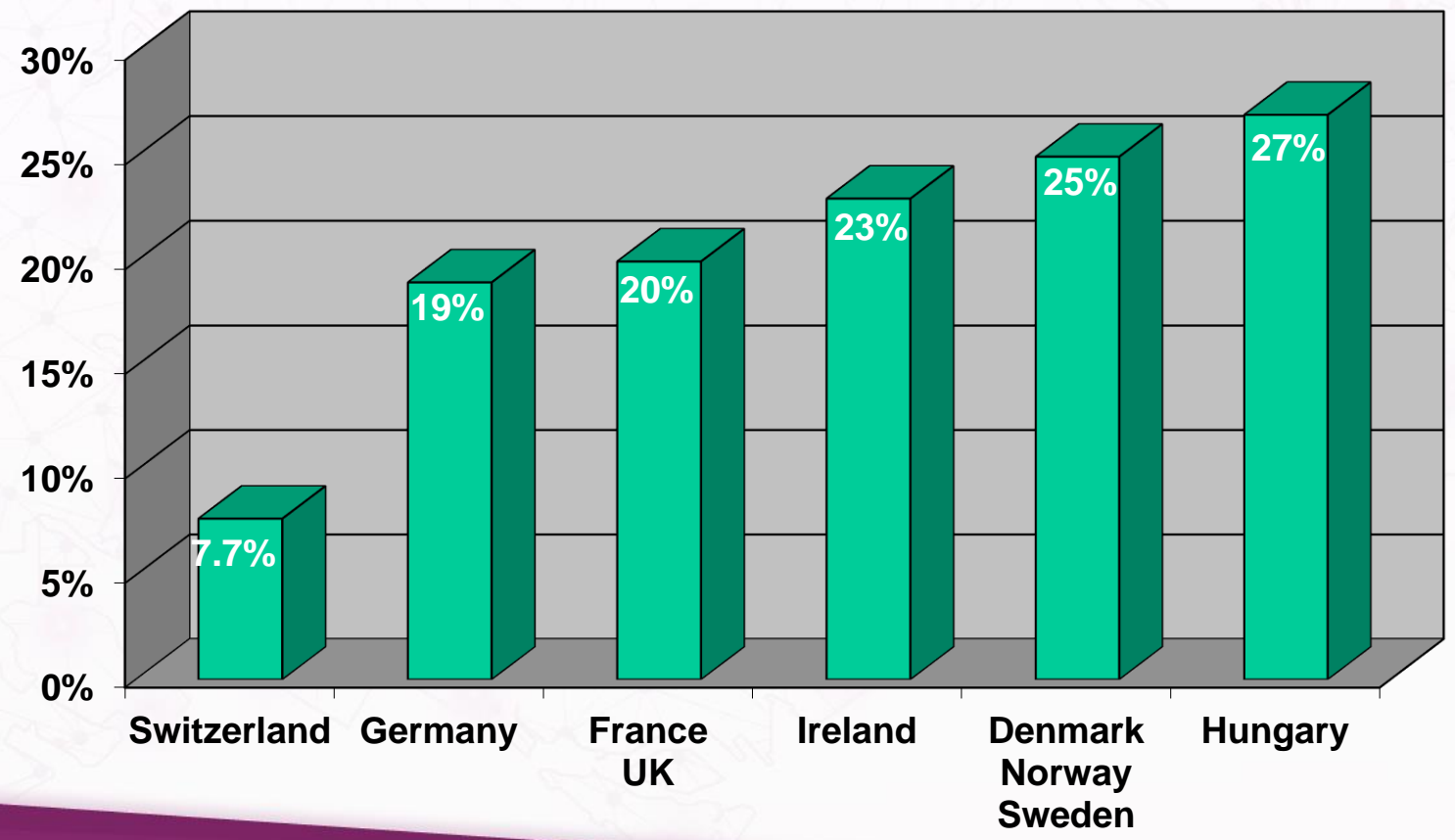
Singapore GST



GST/VAT Asia-Pacific



EU VAT



GST – Importation of Services

- B2B
- Reverse Charge
- From 1 Jan 2020

Reverse Charge

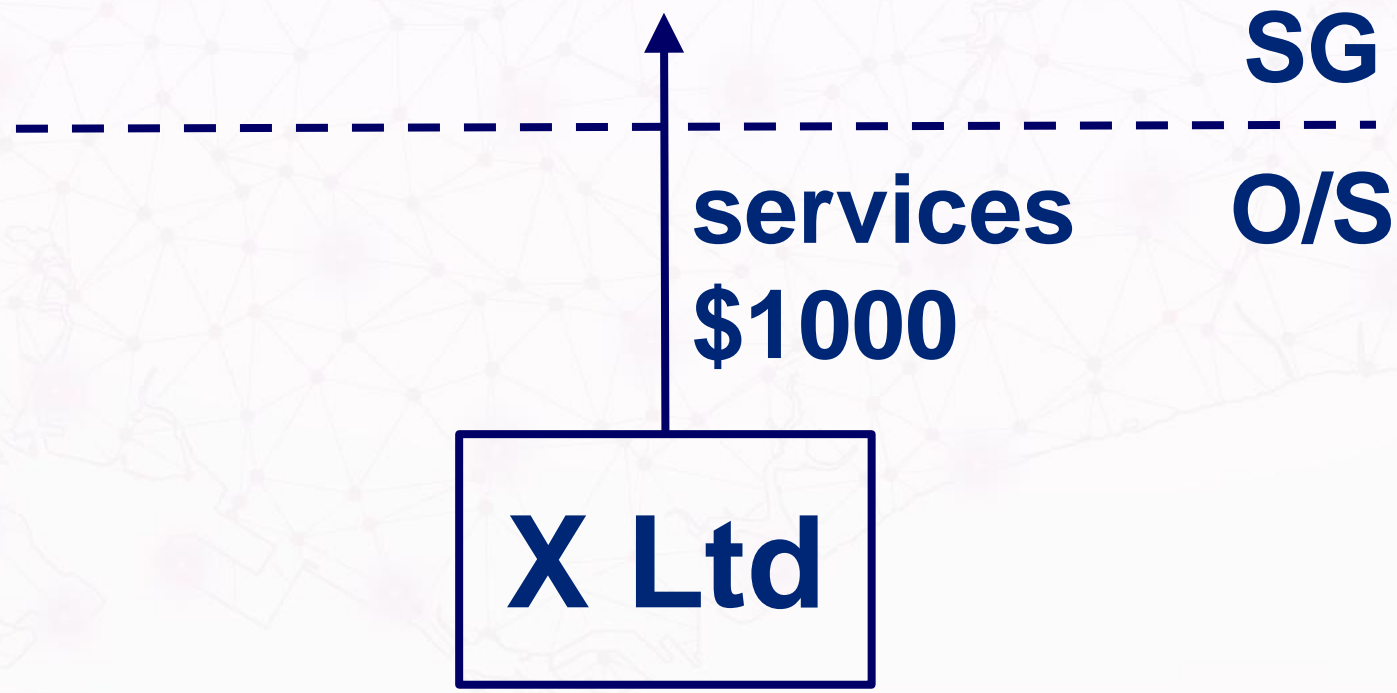
- **Does not apply to fully taxable persons**
- **Applies only to partially exempt and exempt traders**

GST – Importation of Services

- B2C
- Overseas Vendors to register
 - From 1 Jan 2020

Overseas Vendor Registration (OVR)

Joe



X Ltd – OVR GST registered

Services	1,000
GST	<u>70</u>
Total	<u>1,070</u>

OVR

Overseas suppliers with

- **Global revenue > S\$1m**
- **SG revenue > S\$100k**

Registered Overseas Vendors (ROV)

- **Charge GST if SG customer is not GST registered**
- **No GST charge if SG customer is GST registered**

Job Support Scheme

- **8% cash grant**
- **Payroll of Oct – Dec 2019**
- **Wage cap \$3,600**
- **Payable 31.7.2020**

Wage Credit Scheme

Enhanced

- **2019 wage increase**
 - **20% (from 15%)**
- **2020 wage increase**
 - **15% (from 10%)**
- **Wage level increased to \$5k**
(from \$4k)

Workfare Income Supplement (WIS)

- **Income cap increased to \$2.3k
(from \$2k)**
- **Payout increased to max \$4k
(from \$3.6k)**

END
