

Budget 2017 at a glance

GENERAL

Corporate income tax rebate

- YA 2017: 50% of tax payable, cap raised from \$20,000 to \$25,000
- YA 2018: 20% of tax payable, cap of \$10,000

IP ("IP") Development incentive ("IDI")

- IDI to be introduced to encourage exploitation of IP arising from R&D activities. Changes to take effect from 1 July 2017

Finance and Treasury Centre ("FTC") Scheme

- Qualifying counterparties for certain transactions to be streamlined for new or renewal incentive awards approved from 21 February 2017

Global Trader Programme ("GTP") enhancements

- Concessionary tax rate will apply to qualifying transactions with any counterparty instead of qualifying counterparties
- Exclusion of physical trading income from certain transactions will no longer apply. Changes to take effect from 21 February 2017

Safe harbour rule for payments under Cost Sharing Agreements ("CSA") for R&D projects

- Taxpayers may opt to claim tax deductions under Section 14D for 75% of payments made under CSA for R&D projects without the need to provide the breakdown of expenditure claimed for CSA payments made from 21 February 2017

ENTERPRISE

Additional Special Employment Credit ("ASEC")

- ASEC is extended to 31 December 2019 to provide for additional wage offsets in line with the raise in re-employment age from 65 to 67. Changes to take effect from 1 July 2017

SME Go-Digital Programme

- A new programme introduced to support and help SMEs build digital capabilities

International Partnership Fund

- A new scheme for the Singapore Government to co-invest alongside Singapore-based firms in opportunities for scale-up and internationalisation

Internationalisation Finance Scheme ("IFS")

- Enhancements to the IFS to bridge gaps in financial markets for project finance in the region

Foreign Worker Levy

- Deferral of Foreign Worker Levy increases for Marine and Process Sectors by 1 year to 30 June 2018

EXTENSION / EXPIRY / WITHDRAWAL OF INCENTIVES / SCHEMES

Extension of incentive / schemes

- Withholding tax exemption for structured products offered by financial institutions extended to 31 March 2021
- Aircraft leasing scheme / automatic withholding tax exemption on funds drawn down to acquire aircraft and aircraft engines extended to 31 December 2022, with single concessionary rate of 8% for new or renewal awards approved after 1 April 2017.
- Tax incentives for Project and Infrastructure Finance extended to 31 December 2022, except for remission of stamp duty scheme which will lapse after 31 March 2017
- Withholding tax exemption on payments for international telecommunications submarine cable capacity under an Indefeasible Rights of Use agreement extended to 31 December 2023
- Integrated Investment Allowance Scheme extended to 31 December 2022

Expiry / Withdrawal of incentive / schemes

Withdrawal

- Tax Deduction for Computer Donation scheme – after 20 February 2017
- Accelerated Depreciation Allowance for Energy Efficient Equipment and Technology scheme – after 31 December 2017
- GST Tourist Refund Scheme withdrawn for tourists departing by international cruise – purchases made from 1 July 2017

Expiry

- Accelerated Writing-Down Allowances for Acquisition of Intellectual Property Rights for Media and Digital Entertainment – after 31 December 2017
- International Arbitration Tax Incentive – after 30 June 2017
- Approved Building Project scheme – after 31 March 2017

INDIVIDUALS / OTHERS

Personal income tax rebate

- YA 2017: 20% of tax payable, cap at \$500 per taxpayer

Carbon tax

- Implementation of a new carbon tax of between \$10 to \$20 per tonne of greenhouse gas emissions from 2019

Restructuring of diesel tax

- Diesel duty on automotive diesel, industrial diesel and diesel component in biodiesel to be imposed at \$0.10 per litre with effect from 20 February 2017
- Diesel to be removed from Industrial Exemption Factory Scheme from 20 February 2017
- Three years of road tax and cash rebates will be provided for commercial diesel vehicles and school buses

Water conservation tax

- Water Conservation Tax to be imposed on NEWater, at 10% of the NEWater tariff from 1 July 2017.
- Water Conservation Tax imposed on potable water to be increased in two phases

