

## SUMMARY TABLE ON PROPOSED CHANGES TO THE PROPERTY TAX IN 2017

| No. | Tax Change   | Description and Reason for Change  | Amendment to Property Tax Act                 |
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| 1   | <p>To provide as a clarification to the machinery exemption in Section 2(2) that machinery that is used to provide the setting / controlled environment for business and industrial processes to take place in the building or for storage of articles is to be assessed, together with the land or building on which it has been affixed, to property tax</p> | <p>To clarify that machinery that is used for providing the setting / controlled environment for business and industrial processes to take place in the building or for storage of articles is to be assessed, together with the land or building on which it has been affixed, for property tax. (In other words, such machinery is not exempted from property tax.)</p> <p>The amendment makes it clear that machinery directly used for manufacturing process continues to be exempted, whereas machinery used or intended to be used in a peripheral process, which includes machinery used for the provision of the setting / controlled environment whether for human habitation or otherwise will be taxable. Peripheral machinery such as those used or intended to be used for storage of articles will also be taxable.</p> <p>The current S2(2) provision of the Property Tax Act has been in existence since early 1960s. The industrial property landscape, which had been characterised by conventional, manufacturing factories, has since shifted to one which comprises more high-value facilities. The growth of these high-value, modern industrial buildings equipped with sophisticated building systems will continue as the economy changes.</p> <p>In view of the evolving property landscape in Singapore, S2(2) will be amended to be more relevant and to clarify its scope in today's context. The amendment provides clarity and certainty to taxpayers.</p> <p>The amendment will take effect from 1 January 2018.</p> | Section 2<br>[Clause 2]                       |
| 2   | <p>Provide basis to implement an "opt-out" approach for digital property tax notices</p>   | <p>The widespread use of computers and mobile devices allows taxpayers to receive digital instead of hardcopy tax notices. The use of digital notices gives taxpayers greater convenience, security and timeliness of alert. To enable more taxpayers to benefit from digital channels, the Act will be amended so that taxpayers who wish to continue receiving hardcopies can opt out while others will receive digital tax notices. (The current provisions of the Act require taxpayers to provide specific consent before the Comptroller can issue them with digital tax</p>   | Sections 65, 66 and 67<br>[Clauses 6,7 and 8] |

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|   |  | <p>notices instead of hardcopy notices.) Taxpayers will have the flexibility to manage their preference for hardcopy or e-copy at any time.</p> <p>For more information on the change, please refer to the draft Property Tax (Electronic Service) Regulations 2017.</p> <p>The amendment will take effect from the date the Bill is gazetted.</p>  |  |
| 3 | <p>Provide clarity and enhance the Comptroller's, and the Chief Assessor's information gathering powers under the Property Tax Act</p> | <p>The amendments allow the Comptroller of Property Tax, the Chief Assessor and their authorised officers to:</p> <ul style="list-style-type: none"> <li>a) Require persons to attend personally before the Comptroller, Chief Assessor or an officer authorised by them, to provide information at a time and place specified by them.</li> <li>b) Require any person to be examined orally and provide information for investigation by the Comptroller, Chief Assessor, or an officer authorised by them, if the person appears to be acquainted with the facts and circumstances concerning the person's or another person's properties.</li> <li>c) Enhance the penalties for failure to comply with a request of information made by the Comptroller, Chief Assessor or an officer authorised by them.</li> </ul> <p>The amendment will take effect from the date the Bill is gazetted.</p> | <p>Sections 56, 64, 64A<br/>[Clauses 3, 4 and 5]</p> |