

# Tax Measures and Grants to Help Businesses Manage their Cash Flow

Singapore Unity, Resilience & Solidarity Budgets 2020

Measure	Summary	Action Required	More Information
<b>Corporate Income Tax (CIT) Rebate</b>	All companies will receive a 25% CIT rebate for the Year of Assessment (YA) 2020.	No application is required.	 <a href="https://bit.ly/2wAVEd9">https://bit.ly/2wAVEd9</a>
<b>Deferment of CIT Payments</b>	CIT payments that are due in the months of April, May, and June 2020 will be deferred for three months and collected in July, August, and September 2020 respectively.  The automatic deferment of CIT payments will complement the automatic extension of additional two months interest-free instalments on Estimated Chargeable Income as announced in the Unity Budget 2020 on 18 February 2020. (Please refer to the row below)	No application is required.	 <a href="https://bit.ly/2V4Vh44">https://bit.ly/2V4Vh44</a>
<b>Automatic Extension of Interest-Free Instalments for Payment of CIT on Estimated Chargeable Income (ECI)</b>	Companies will be able to stretch the payment of their estimated corporate income tax on ECI by an additional two months.	Only companies that are on General Interbank Recurring Order (“GIRO”) are allowed to pay their taxes in instalments. Companies that do not have an existing GIRO arrangement should apply for GIRO to take advantage of the interest-free instalments scheme for payment of corporate income tax on ECI.  Companies seeking to take advantage of the additional two months of interest-free instalments should also look into the filing of the ECI as early as possible after the financial year end to be entitled for maximum interest-free instalments.	 <a href="https://bit.ly/2V6ugx8">https://bit.ly/2V6ugx8</a>
<b>Enhanced Carry-Back Relief System</b>	Unabsorbed capital allowances and trade losses for YA 2020, subject to conditions, may be carried back up to three immediate preceding YAs. The amount of carry-back allowed will be capped at S\$100,000.	There is no need to wait for the actual tax filing for YA 2020 to elect for the carry-back relief. There is an option to elect for the carry-back relief before the actual tax filing to carry back the estimated qualifying deductions. The tax refund will be processed by the Inland Revenue Authority of Singapore (IRAS) within 3 months from the date the election for carry-back relief is made.	 <a href="https://bit.ly/2K1V5w0">https://bit.ly/2K1V5w0</a>
<b>Option to Accelerate the Write-Off of the Cost of Acquiring Plant and Machinery</b>	Qualifying capital expenditure incurred on the acquisition of plant and machinery in the Financial Year 2020 (YA 2021) will qualify for accelerated write-off over two years. The rates of write-off are 75% of the cost incurred in the first year (i.e. YA 2021) and the remaining 25% of the costs in the second year (i.e. YA 2022).	Businesses that have not closed their Financial Year for 2020 and have the financial resources, may consider investments in new plant and machinery during this period of economic downturn to tap on opportunities when the economy rebounds.  For businesses that have already invested in new plant and machinery in the Financial Year 2020, they can review their tax position for YA 2021 to ascertain if they should be electing for the 2 years write-off option or the existing options under the Income Tax Act.	 <a href="https://bit.ly/2Ryql4B">https://bit.ly/2Ryql4B</a>
<b>Option to Accelerate Claims on Renovation and Refurbishment (R&amp;R) Costs</b>	Currently, under Section 14Q of the Income Tax Act, a tax deduction can be claimed over three consecutive YAs on qualifying expenditure incurred by a taxpayer on R&R for the purposes of its trade, profession or business.  This will be temporarily enhanced to allow qualifying R&R expenses incurred in the financial year 2020 (i.e. YA 2021) to be claimed over one YA.	Businesses that have not closed their Financial Year for 2020 and have the financial resources, may consider using any downtime due to the economic slowdown to renovate or refurbish their business premises.  For businesses that have already renovated or refurbished their business premises in the Financial Year 2020, they can review their tax position for YA 2021 to ascertain if they should be electing for the 1-year tax deduction.	 <a href="https://bit.ly/2y6PMZB">https://bit.ly/2y6PMZB</a>

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<b>Enhanced Property Tax Rebate for 2020</b>	<ul style="list-style-type: none"> <li>100% rebate for qualifying commercial properties (includes hotels, serviced apartments, tourist attractions, shops and restaurants)</li> <li>60% rebate for the Integrated Resorts</li> <li>30% for other non-residential properties</li> </ul> <p>To learn more about the enhanced property tax rebate, visit the link in <b>“More Information”</b>, on the right.</p>	No application is required.	 <a href="https://bit.ly/3ceKhr">https://bit.ly/3ceKhr</a>
<b>Jobs Support Scheme (JSS)</b>	<p>The JSS is a temporary scheme for 2020 that seeks to help enterprises to retain their local employees during this period of uncertainty. Under the JSS, the Government will co-fund the first S\$4,600 of gross monthly wages paid to each local employee for 9 months. There are different levels of support for employers in different sectors.</p> <p>To learn more about the full details of the JSS, visit the link in <b>“More Information”</b>, on the right.</p>	No application is required. IRAS will notify eligible employers of the tier of support applicable and the amount of JSS payout payable to them.	 <a href="https://bit.ly/2XD0Vfr">https://bit.ly/2XD0Vfr</a>
<b>Wage Credit Scheme (WCS)</b>	<p>The WCS that was first introduced in Budget 2013, encourages employers to share productivity gains with workers by co-funding wage increases of at least S\$50 given by the employers to Singapore citizen employees who earned a gross monthly wage of up to S\$4,000. The wage ceiling for co-funding will be raised from S\$4,000 to S\$5,000 for the years 2019 and 2020. Also, the co-funding ratios will be increased from 15% to 20% for the year 2019 and from 10% to 15% for 2020.</p> <p>To learn more about the full details of the WCS, visit the link in <b>“More Information”</b>, on the right.</p>	No application is required. IRAS will notify eligible employers of the Wage Credit payable to them by the end of March of the payout year. Qualifying employers benefitting from the enhancements for the 2019 wage increases will be notified by the end of June 2020.	 <a href="https://bit.ly/3a6h6Ey">https://bit.ly/3a6h6Ey</a>

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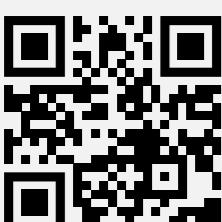
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