

Income Tax (Amendment) Act 1999
(No. 32 of 1999)

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The following Act was passed by Parliament on 17th August 1999 and assented to by the President on 23rd August 1999:—

INCOME TAX (AMENDMENT) ACT 1999

(No. 32 of 1999)

I assent.

ONG TENG CHEONG,
President.
23rd August 1999.

Date of Commencement: 3rd September 1999

Date of Commencement: 31st August 1999

An Act to amend the Income Tax Act (Chapter 134 of the 1996 Revised Edition).

Be it enacted by the President with the advice and consent of the Parliament of Singapore, as follows:

Short title and commencement

1.—(1) This Act may be cited as the Income Tax (Amendment) Act 1999.

(2) Section 19(c) shall be deemed to have come into operation on 28th February 1998.

(3) Section 4(b) shall be deemed to have come into operation on 18th November 1998.

(4) Section 9(c) shall have effect for the years of assessment 1999 and 2000.

(5) Sections 9(a) and (b), 10(a), 11(c) and 12(b) shall have effect for the year of assessment 1999 and subsequent years of assessment.

(6) Sections 22 and 23 shall have effect from 1st January 2000.

(7) Sections 3, 4(a), 5(b), 6, 7(c), 12(a), 14, 15 and 18 shall have effect for the year of assessment 2000 and subsequent years of assessment.

Amendment of section 2

2. Section 2(1) of the Income Tax Act (referred to in this Act as the principal Act) is amended by inserting, immediately after the definition of “Comptroller”, the following definition:

““country” includes a territory;”.

Amendment of section 10

3. Section 10 of the principal Act is amended by inserting, immediately after subsection (4), the following subsection:

“(4A) Subsection (4)(b) shall apply, with the necessary modifications, to an approved floating production storage offloading ship or an approved floating storage offloading ship the income derived from the operation of which is exempt from tax under section 13F.”.

New sections 10H to 10K

4. The principal Act is amended —

(a) by inserting, immediately after section 10G, the following section:

“Ascertainment of income from business of hiring out motor cars or providing driving instruction

10H.—(1) Notwithstanding any other provisions of this Act, in determining the income derived by any person for any year of assessment from any business of hiring out motor cars or of providing driving instruction using motor cars, the following provisions shall apply:

- (a) any outgoings and expenses incurred in respect of that business for that year of assessment and allowable under this Act shall only be deducted against the income derived from that business and any excess of such outgoings and expenses over such income shall not be available as a deduction against any other income of the person for that year of assessment and any subsequent year of assessment; and
- (b) the allowances under sections 19, 19A, 20, 21 and 22 relating to that business for that year of assessment shall only be available as a deduction against the income derived from that business and any excess of such allowances over such income shall not be available as a deduction against any other income of the person for that year of assessment and any subsequent year of assessment.

(2) In this section, “motor car” means a car which is constructed or adapted for the carriage of not more than 7 passengers exclusive of the driver and the weight of which unladen does not exceed 3,000

kilograms.”;

(b) by inserting, immediately after section 10H, the following sections:

“Reduction of share capital

10I.—(1) This section shall, subject to sections 10J and 10K, apply where a company resident in Singapore reduces its share capital and the reduction of share capital involves a payment to any shareholder of the company.

(2) Where the reduction of share capital is made out of the contributed capital of the company, and a payment is made to any shareholder of the company pursuant to such reduction, the payment to the shareholder shall not be regarded as a payment of dividend by the company to the shareholder, and an amount equal to the payment shall be debited to the contributed capital account referred to in subsection (5)(c)(i).

(3) Where the reduction of share capital is not made out of the contributed capital of the company, and a payment is made to any shareholder of the company pursuant to such reduction, the payment to the shareholder shall be deemed to be a dividend paid by the company to the shareholder on the date of the payment, and the provisions relating to the payment of dividends under this Act and the Economic Expansion Incentives (Relief from Income Tax) Act (Cap. 86) shall apply, with the necessary modifications, to the dividend deemed to be paid.

(4) Where the dividend deemed to be paid under subsection (3) is a dividend to which section 44 applies, the amount of dividend deemed to be paid by the company to the shareholder shall be deemed to be of such a gross amount as after deduction of tax at the rate deductible at the date of payment would be equal to the amount of payment made by the company to the shareholder.

(5) For the purposes of this section —

(a) the share capital of a company shall include any share premium or capital redemption reserve which is treated as paid-up share capital of the company for the purpose of any reduction of share capital made by the company;

(b) the contributed capital of a company as at any date