

# **Income Tax (Amendment) Bill**

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**Bill No: 8/1975**

***Read the first time: 25th February 1975***

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**Income Tax (Amendment) Bill**

**Bill No. 8/1975**

*Read the first time on 25th February 1975.*

An Act to amend the Income Tax Act (Chapter 141 of the Revised Edition).

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

**Short title**

**1.—**(1) This Act may be cited as the Income Tax (Amendment) Act, 1975.

(2) Sections 3(a), 4, 6, 7 and 8 of this Act shall have effect for the year of assessment 1974 and subsequent years of assessment.

(3) Sections 3(b), 5 and 18 of this Act shall have effect for the year of assessment 1975 and subsequent years of assessment.

**Amendment of section 6**

**2.** Section 6 of the Income Tax Act (hereinafter in this Act referred to as “the principal

Act”) is hereby amended by inserting immediately after subsection (9) thereof the following subsection: —

“(10) Notwithstanding anything contained in this section, the Comptroller may lay a complaint of professional misconduct against any person in his professional dealings, whether before or after the commencement of this subsection, with the Comptroller to the appropriate authority empowered to take disciplinary action against such person and may in connection with such complaint furnish any relevant documents or information.”.

### **Amendment of section 10**

3. Section 10 of the principal Act is hereby amended —

- (a) by inserting immediately after the word “Act” appearing at the end of subsection (4) thereof the expression “, except in the case of a balancing charge in respect of a Singapore ship the income derived from the operation of which would be income of a shipping enterprise within the meaning of section 13A of this Act”; and
- (b) by inserting immediately after subsection (5) thereof the following subsections: —

“(6) For the purposes of paragraph (e) of subsection (1) of this section, the income derived from an annuity for any year shall be deemed to be an amount equal to three per cent of the total consideration payable or paid for the purchase of the annuity except that the whole amount of the annuity shall be deemed to be income if the person deriving income from the annuity has previously received sums equal to the total consideration for the annuity exclusive of the amounts deemed to be income under this subsection.

(7) Where a person derives interest from a negotiable Certificate of Deposit or derives gains or profits from the sale thereof, his income shall be treated as follows: —

- (a) in the case of a financial institution the interest and the gains or profits shall be deemed to be income from a trade or business under paragraph (a) of subsection (1) of this section; and
- (b) in any other case the interest and the gains or profits shall be deemed to be income from interest under paragraph (d) of subsection (1) of this section subject to the following provisions: —
  - (i) if the interest is received by a subsequent

holder of a certificate of deposit the income derived from such interest shall exclude the amount by which the purchase price exceeds the issued price of the certificate, except where that amount has been excluded in the computation of any previous interest derived by him in respect of that certificate;

(ii) where a subsequent holder sells a certificate after receiving interest therefrom the gains or profits shall be deemed to be the amount by which the sale price exceeds the issued price or the purchase price whichever is the lower; and

(c) for the purposes of paragraph (b) of this subsection, where a subsequent holder purchases a certificate at a price which is less than the issued price and holds the certificate until its maturity, the amount by which the issued price exceeds the purchase price shall be deemed to be interest derived by him.”.

### **Amendment of section 13**

4. Section 13 of the principal Act is hereby amended —

(a) by deleting the full-stop appearing at the end of paragraph (v) of subsection (1) thereof and substituting therefor a semi-colon and by inserting immediately thereafter the following paragraph: —

“(w) the income derived from an employment exercised on board a Singapore ship, as defined in the Merchant Shipping Act (Cap. 172), if the employment is exercised substantially outside Singapore.”; and

(b) by deleting subsection (4) thereof and substituting therefor the following: —

#### **“Income derived by short term visiting employees**

(4) There shall be exempt from tax any income accruing in or derived from Singapore in respect of gains or profits from any employment exercised in Singapore for not more than sixty days in the year preceding any year of assessment by a person who is not resident in Singapore in that year of assessment:

Provided that this subsection shall not apply to —

- (a) the emoluments received by a director of a company; or
- (b) the gains or profits of public entertainers, as defined in section 40B of this Act, whose visits are not substantially supported from public funds of the government of another country.”.

### **Amendment of section 13A**

5. Section 13A of the principal Act is hereby amended —

- (a) by deleting the colon appearing at the end of the first proviso to subsection (2) thereof and substituting therefor a full-stop;
- (b) by deleting the second proviso to subsection (2) thereof;
- (c) by deleting subsection (3) thereof and substituting therefor the following: —

“(3) In determining the income of a shipping enterprise —

- (a) the capital allowances provided under sections 16, 17, 18, 19, 20, 21 and 22 of this Act shall only be made against the income exempt under the provisions of this section, and the balance of such allowances shall not be available as a deduction against any other income;
- (b) a loss incurred by a shipping enterprise in respect of the operation of a Singapore ship for any year shall only be deducted against the income exempt under the provisions of this section, and the balance of such loss shall not be available as a deduction against any other income.”; and

- (d) by inserting immediately after subsection (11) thereof the following subsections: —

“(12) Where in the basis period for any year of assessment a ship