

Income Tax (Amendment) Bill

Table of Contents

Bill No: 30/1967

Read the first time: 31st October 1967

Long Title

Enacting Formula

1 Short title and commencement

2 Amendment of section 2

3 Amendment of section 20

4 Amendment of section 24

5 Amendment of section 40

6 New section 40A

7 New sections 40B and 40C

8 Amendment of section 44

9 Amendment of section 45

10 Amendment of section 90

11 Amendment of First Schedule

Explanatory Statement

Expenditure of Public Money

Income Tax (Amendment) Bill

Bill No. 30/1967

Read the first time on 31st October 1967.

An Act to amend the Income Tax Ordinance (*Chapter 166 of the 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, 1967, and shall come into operation on such date as the Minister may, by notification in the *Gazette*, appoint.

(2) The amendments made by sections 3, 4 and 5 and paragraph (e) of section 11 of this Act shall apply in respect of the year of assessment 1966 and subsequent years of assessment.

(3) The amendments made by section 6 and paragraphs (a) to (d) of section 11 of this Act shall apply in respect of the year of assessment 1967 and subsequent years of assessment.

(4) The amendments made by section 7 of this Act shall apply in respect of the year of assessment 1968 and subsequent years of assessment.

Amendment of section 2

2. Section 2 of the Income Tax Ordinance (hereinafter in this Act referred to as “the Ordinance”) is hereby amended by deleting the definition of “accountant” appearing therein and substituting therefor the following: —

“ “accountant” means a public accountant within the meaning of the Singapore Society of Accountants Ordinance, 1963 (Ord. 14 of 1963);”.

Amendment of section 20

3. Section 20 of the Ordinance is hereby amended —

(a) by deleting the expression “him,” appearing in the eleventh line of subsection (1) thereof and substituting therefor the expression “him in Singapore (whether by reason of the discontinuance of the trade, profession or business, or discontinuance of use of such machinery or plant

in a trade, profession or business which continues to be carried on in Singapore)”;

- (b) by deleting the second proviso to subsection (1) thereof and substituting therefor the following: —

“And provided further that, where machinery or plant continues to belong to such person after the date on which it permanently ceases to be used for the purposes of a trade, profession or business carried on by him in Singapore, it shall be deemed to have been sold on the date of permanent cessation of use at the open-market price on such date.”; and

- (c) by deleting the full-stop appearing at the end of subsection (6) thereof and substituting therefor a colon, and by inserting immediately thereafter the following new proviso: —

“Provided that, where the Comptroller is satisfied by reason of the special nature of any machinery or plant that it is not practicable to determine an open-market price, he may adopt such other value as appears to him to be reasonable in the circumstances.”.

Amendment of section 24

4. Subsection (2) of section 24 of the Ordinance is hereby amended by deleting the semi-colon appearing at the end of paragraph (a) thereof and substituting therefor a colon, and by inserting immediately thereafter the following new proviso: —

“Provided that no such election may be made unless before the sale in the case of the seller and after the sale in the case of the buyer the property is used in the production of income chargeable under the provisions of this Ordinance.”.

Amendment of section 40

5. Subsection (1) of section 40 of the Ordinance is hereby amended by deleting the expression “proviso (ii)” appearing in the ninth line thereof and substituting therefor the expression “proviso (i)”.

New section 40A

6. The Ordinance is hereby amended by inserting immediately after section 40 thereof the following new section: —

“Relief for non-residents in respect of interest on moneys held on deposit in approved banks

40A.—(1) Any individual who, in any year of assessment, is not resident in Singapore shall, if the tax payable by him in respect of that year is attributable in whole or in part to interest on moneys held on deposit in an approved bank in Singapore, be allowed relief in respect of that year in the following manner: —

- (a) where the only source of income in Singapore is such moneys on deposit, by reduction of the rate of tax to ten *per centum* on every dollar of the chargeable income;
- (b) where such person possesses any other source of income in Singapore and the total assessable income exceeds the statutory income attributable to such moneys on deposit, by reduction of the rate of tax to ten *per centum* on such part of the chargeable income as bears the same proportion to the total chargeable income as the statutory income attributable to such moneys on deposit bears to the total assessable income;
- (c) where such person possesses any other source of income in Singapore and the total assessable income is equal to or less than the statutory income attributable to such moneys on deposit, by reduction of the rate of tax to ten *per centum* on every dollar of the chargeable income.

(2) Where any person is entitled to relief under this section and is also entitled to relief under either subsection (1) or (2A) of section 40 of this Ordinance, he shall be entitled to whichever relief is the greater in respect of the income to which this section relates.

(3) In this section —

“approved bank” means a bank in Singapore approved by the Minister by order published in the *Gazette*;

“statutory income attributable to such moneys on deposit” means the statutory income derived from source ascertained in accordance with subsection (1), (6) or (7) (as appropriate) of section 35 of this Ordinance;

“total assessable income” means the remainder of the statutory income of any person after the deductions allowed under paragraphs (a) and (b) of subsection (2) of section 37 of this Ordinance have been made.”.

New sections 40B and 40C