



THE STATUTES OF THE REPUBLIC OF SINGAPORE

PAYROLL TAX ACT 1965

2020 REVISED EDITION

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Payroll Tax Act 1965

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An Act to make provision with respect to payroll tax and to tax forms and to provide for matters connected therewith and ancillary thereto.

[1 January 1965]

PART 1
PRELIMINARY

Short title

1. This Act is the Payroll Tax Act 1965.

PART 2
FORMS

Interpretation

2. In this Part, “scheduled matter” means any matter referred to in the Schedule.

Forms

- 3.—(1) The Minister may approve forms to be used in respect of any scheduled matter.

(2) A form applicable to any one or more of the laws relating to any scheduled matter and approved in pursuance of subsection (1) shall be deemed to be a form prescribed under and for the purpose of any of those laws with regard to which the form is applicable; and, in case of any conflict between any form so approved and any form prescribed under such law or laws, the former shall prevail.

(3) Any form purporting to have been approved by the Minister under subsection (1) shall, until the contrary is proved, be deemed to have been so approved.

PART 3
PAYROLL TAX

Interpretation

4. In this Act, unless the context otherwise requires —
“cash” includes notes, cheques or any commercial equivalent of money in any currency;

“Comptroller” means the Comptroller of Income Tax appointed under section 3(1) of the Income Tax Act 1947 and includes a Deputy Comptroller so appointed;

“employee”, in relation to a month, means an employee rendering in that month services wholly or partly in Singapore and an employee who is on leave during that month where such leave is attributable to services rendered wholly or partly in Singapore in any previous month and includes the director of a company and the holder of any other office, but does not include any domestic servant, gardener or driver, wholly and exclusively employed by an individual otherwise than in connection with his trade, business, profession or vocation;

“employer” means any person who pays or is liable to pay any remuneration to an employee;

“Minister” means the Minister charged with the responsibility for finance;

“payroll” means the total remuneration paid by or on behalf of an employer to his employees in any month and includes a proportion of the civilian remuneration which an employer is liable to pay to his employees pursuant to section 24 of the Enlistment Act 1970;

“remuneration” means any wages, salary, commission, bonuses, allowances (including a housing allowance or other like allowance) or other emoluments paid in cash by or on behalf of an employer to an employee, and includes any leave pay.

Charge to payroll tax

5. Tax (referred to in this Act as payroll tax) shall, subject to the provisions of this Act, be charged on every employer and shall be levied and paid on the payroll of such employer in respect of the month of January 1965 and of each subsequent month.

Rate of payroll tax

6.—(1) Payroll tax shall be levied at such rate as the Minister may by order from time to time prescribe on the payroll of an employer for each month.

(2) Where the payroll tax levied results in an amount which contains a fraction of a dollar, the tax payable shall be taken to be that amount less that fraction.

Exemption

7. There shall be exempted from the payment of payroll tax the following:

- (a) the Government;
- (b) any accredited foreign government;
- (c) any local authority constituted under any written law for the time being in force;
- (d) subject to such conditions, and whether wholly or to such extent, as may be specified, such public bodies or class of employers as the Minister may from time to time by notification in the *Gazette* exempt.

Time for payment of payroll tax

8.—(1) Every employer liable to pay payroll tax for any month shall pay the tax on or before the 14th day of the month next following or by such later date as may be provided in accordance with regulations made under this Act.

(2) Any employer contravening subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$1,000 or to imprisonment for a term not exceeding 6 months or to both.

Payroll tax payable to debt due to Government

9. Any payroll tax due from and payable by an employer under this Act or any regulations made thereunder shall be recoverable by the Comptroller or any person duly authorised by the Comptroller to act on his behalf, as a debt due to the Government.

Payment of payroll tax by any person for or on behalf of any other person

10.—(1) Where several persons, being joint employers, are liable under this Act or any regulations made thereunder to pay payroll tax, those persons shall be jointly and severally so liable; but any of those persons who has paid payroll tax in respect of any payroll may recover by way of contribution from any other such persons jointly liable to pay that tax a sum which bears the same proportion to the tax as the share of the payroll which those other persons were liable to pay bears to the total amount of payroll which all such persons jointly liable to payroll tax were liable to pay.

(2) The secretary, manager, principal officer or any director in Singapore of every company and the secretary, manager, principal officer or other officer in Singapore of every body of persons shall be answerable for doing all such acts, matters and things relating to payroll tax as are required to be done by this Act or any regulations made thereunder by that company or body of persons.

(3) The Comptroller may by notice in writing, if he thinks it necessary, declare any person to be the agent of any employer and the person so declared to be the agent shall be the agent of the employer for the purpose of this Act, and may be required to pay any payroll tax due from any moneys which may be held by him for, or due by him to, the employer whose agent he has been declared to be.

(4) Every person answerable under this Act for the payment of payroll tax on behalf of an employer may retain out of any money coming to his hands on behalf of the employer so much thereof as shall be sufficient to pay the tax; and he shall be and is hereby indemnified against any person whatsoever for all payments made by him under this Act or any regulations made thereunder.

Regulations

11.—(1) The Minister shall make such regulations as appear to him to be necessary for carrying out the provisions of this Act; and without prejudice to the generality of the foregoing the regulations may provide for —

- (a) requiring employers to give notice of their liability to pay payroll tax, and the manner in which the notice shall be given;
- (b) the manner in which payroll tax or any part thereof is to be paid and collected and the manner in which the tax when paid and collected shall be accounted for;
- (c) the manner in which payroll tax due and unpaid is to be assessed and collected;
- (d) the keeping by employers chargeable with payroll tax of payroll records, payroll tax receipts and such other documents as may seem necessary, and preserving the same;
- (e) the disclosure to the Comptroller or to income tax officers or other persons duly authorised by the Comptroller of such information as may be required for the ascertainment of liability to payroll tax;
- (f) the production to and inspection and removal by persons authorised by the Comptroller of accounts, payroll records, books, receipts and other records for the purpose of satisfying themselves as to whether payroll tax has been duly paid;
- (g) the refund of any payroll tax paid in excess of the amount required by this Act or any regulations made thereunder;
- (h) matters consequential on the death of an employer or his becoming subject to any incapacity, in relation to any unpaid payroll tax;
- (i) the remission of any payroll tax; and
- (j) empowering the Comptroller to abate any penalty or compound any offence under such regulations or, before judgment, to stay and compound any proceedings thereunder.

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(2) Regulations made under this section may provide for the imposition of penalties for failure to comply with such regulations; and such penalties may consist of —

(a) a fine equal to double the amount of payroll tax due and unpaid; and

(b) a further fine not exceeding \$5,000 or a term of imprisonment not exceeding 3 years or both.

(3) Without prejudice to any other mode of assessment and recovery which may be provided for in the regulations, the regulations may provide that the provisions of any law relating to the assessment and recovery of income tax shall apply to the assessment and recovery of any payroll tax as they apply in relation to the assessment and recovery of income tax, subject to any modifications as may be specified in the regulations.

(4) All regulations made under this section shall be published in the *Gazette* and shall be presented to Parliament as soon as possible after publication and if a resolution is passed by Parliament within 2 months after the regulations are so presented annulling the regulations they shall thenceforth be void, but without prejudice to the validity of anything previously done thereunder or to the making of any new regulations.

Administration

12.—(1) The Comptroller shall have the general administration of this Act; but the Minister may from time to time give to the Comptroller directions of a general character, and not inconsistent with the provisions of this Act, as to the exercise of the powers and discretions conferred on the Comptroller and to the performance of the duties required to be discharged by the Comptroller under this Act or any regulations made thereunder; and the Comptroller shall give effect to such directions.

(2) The Comptroller may in writing authorise any person or class of persons to assist in the administration of this Act and, for that purpose, to perform or exercise any specific duty imposed or power

conferred upon the Comptroller by this Act or any regulations made thereunder.

[Act 5 of 2025 wef 09/03/2025]

(3) Subject to such conditions as he may specify, the Comptroller may direct that any information, return or document required to be supplied, forwarded or given to him be supplied to such other person as he may direct.

[Act 5 of 2025 wef 09/03/2025]

(3A) A direction under subsection (3) must be published in the *Gazette*.

[Act 5 of 2025 wef 09/03/2025]

(4) Every person having any official duty or being employed in the administration of this Act and any regulations made thereunder shall regard and deal with all documents, information and returns and any copies thereof relating to remuneration and to payroll tax as secret and confidential.

(5) Every person having possession or control of any such documents, information or returns or copies thereof who at any time, otherwise than for the purpose of this Act or of any written law relating to income tax or with the express authority of the Minister —

- (a) communicates or attempts to communicate the information or anything contained in the documents or returns to any person;
- (b) suffers or permits any person to have access to such information or anything contained in any such documents or returns or copies,

shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$1,000 or to imprisonment for a term not exceeding 6 months or to both.

(6) No proceedings for an offence under this section shall be taken except by the Public Prosecutor.

(7) No person appointed under, or employed in carrying out, the provisions of this Act shall be required to produce in any court any return or document, or to divulge or communicate to any court any matter or thing coming under his notice in the performance of his

duties under this Act except as may be necessary for the purposes of carrying into effect the provisions of this Act, in order to institute a prosecution, or in the course of a prosecution, for any offence committed in relation to payroll tax or under any written law relating to income tax.

(8) Notwithstanding anything in this section, the Comptroller shall permit the Auditor-General or any officer duly authorised in that behalf by him to have such access to any records or documents as may be necessary for the performance of his official duties; and the Auditor-General or any such officer shall for the purpose of this section be deemed to be a person employed in carrying out the provisions of this Act.

THE SCHEDULE

Section 2

SCHEDULED MATTERS

1. Any matter which is dealt with in the Income Tax Act 1947.
2. Any matter relating to any tax or proposed tax levied or to be levied on payrolls.
3. Any matter relating to any tax or proposed tax levied or to be levied on turnover.
4. Any matter relating to any tax or proposed tax levied or to be levied on capital gains.
5. Any matter relating to any tax or proposed tax levied on any other matter which the Minister, by order, declares to be a tax to which this Schedule relates.

[7/97]

LEGISLATIVE HISTORY

PAYROLL TAX ACT 1965

This Legislative History is a service provided by the Law Revision Commission on a best-efforts basis. It is not part of the Act.

1. M. Act 2 of 1965 — Finance Act, 1965

Commencement : 1 January 1965

2. 1970 Revised Edition — Finance Act (Chapter 139)

Operation : 30 April 1971

3. Act 7 of 1972 — Singapore Armed Forces Act, 1972

(Amendments made by section 201(5) read with the Second Schedule to the above Act)

Bill : 2/1972

First Reading : 7 March 1972

Second and Third Readings : 23 March 1972

Commencement : 15 June 1972 (section 201(5) read with the Second Schedule)

4. Act 21 of 1974 — Enlistment (Amendment) Act, 1974

(Amendments made by section 7(2) of the above Act)

Bill : 27/1974

First Reading : 23 October 1974

Second and Third Readings : 6 November 1974

Commencement : 1 March 1975 (section 7(2))

5. Act 1 of 1986 — Finance (Amendment) Act 1986

Bill : 13/1985

First Reading : 31 October 1985

Second and Third Readings : 10 January 1986

Commencement : 1 April 1985

6. 1985 Revised Edition — Payroll Tax Act (Chapter 223)

Operation : 30 March 1987

Note: The Finance Act was renamed as the Payroll Tax Act in the 1985 Revised Edition.

7. Act 7 of 1997 — Statutes (Miscellaneous Amendments) Act 1997
(Amendments made by section 7 read with item (19) of the Second Schedule to the above Act)

Bill	:	6/1997
First Reading	:	11 July 1997
Second and Third Readings	:	25 August 1997
Commencement	:	1 October 1997 (section 7 read with item (19) of the Second Schedule)

8. 2020 Revised Edition — Payroll Tax Act 1965

Operation	:	31 December 2021
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9. Act 5 of 2025 — Electronic Gazette and Legislation Act 2025

Bill	:	47/2024
First Reading	:	11 November 2024
Second and Third Readings	:	7 January 2025
Commencement	:	9 March 2025

Abbreviations

(updated on 29 August 2022)

G.N.	Gazette Notification
G.N. Sp.	Gazette Notification (Special Supplement)
L.A.	Legislative Assembly
L.N.	Legal Notification (Federal/Malaysian)
M.	Malaya/Malaysia (including Federated Malay States, Malayan Union, Federation of Malaya and Federation of Malaysia)
Parl.	Parliament
S	Subsidiary Legislation
S.I.	Statutory Instrument (United Kingdom)
S (N.S.)	Subsidiary Legislation (New Series)
S.S.G.G.	Straits Settlements Government Gazette
S.S.G.G. (E)	Straits Settlements Government Gazette (Extraordinary)