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PROPERTY TAX ACT
(CHAPTER 254)

PROPERTY TAX
(REPLACEMENT OWNER-OCCUPIED HOUSE
UNDER CONSTRUCTION)
(REMISSION) ORDER 2013

ARRANGEMENT OF PARAGRAPHS

Paragraph

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In exercise of the powers conferred by section 6(8) of the Property Tax Act, the Minister for Finance hereby makes the following Order:

Citation and commencement

1. This Order may be cited as the Property Tax (Replacement Owner-Occupied House Under Construction) (Remission) Order 2013 and shall come into operation on 1st January 2014.

Definitions

2. In this Order —

“Commissioner of Building Control” has the same meaning as in the Building Control Act (Cap. 29);

“CSC”, in relation to a replacement house, means —

- (a) the certificate of statutory completion in respect of the house issued by the Commissioner of Building Control under section 12 of the Building Control Act; and
- (b) where more than one such CSC is issued in respect of the house, the first CSC so issued,

whether issued before, on or after 1st January 2014;

“house” means a building or part of a building that is principally used, constructed or adapted for use for human habitation, and which the Comptroller or Chief Assessor determines is a complete and separate unit for such purpose;

“owner”, in relation to a house or the land on which a house is erected, means the individual, being neither a company, an association nor a body of persons, whose name appears in the Valuation List as the owner of that house or land, as the case may be;

“owner-occupied”, in relation to a house, means the house is principally used or occupied by the owner of the house as residential premises;

“owner-occupier’s tax rates” means the rates specified in Part I of the Schedule to the Property Tax (Rates for Residential Premises) Order 2013 (G.N. No. S 691/2013);

“replacement house” means any new house that is erected on any land to replace any house which was previously erected on that land and demolished to make way for the new house;

“residential premises” has the same meaning as in paragraph 2(1) and (2) of the Property Tax (Rates for Residential Premises) Order 2013;

“TOP”, in relation to a house, means —

- (a) the temporary occupation permit in respect of the house issued by the Commissioner of Building Control under section 12 of the Building Control Act; and

(b) where more than one such TOP is issued, the first TOP so issued,

whether issued before, on or after 1st January 2014.

Remission of tax on vacant land

3.—(1) Subject to the provisions of this Order, where an owner of land demolishes one or more houses on the land for the purpose of constructing one or more replacement houses, there shall be remitted, for the period specified in paragraph 4 and subject to the conditions specified in paragraph 5, an amount of tax on the land computed in accordance with the formula:

$$\left(A \times \frac{B}{C} \right) D,$$

where A is the tax payable on the land for the applicable period under paragraph 4;

B is the total number of owner-occupied houses that have been demolished;

C is the total number of replacement houses to be built; and

D is —

(a) in the event B/C is less than 1, the tax at the owner-occupier's tax rates that would be payable during the applicable period under paragraph 4 on houses that were owner-occupied prior to the demolition, had the houses not been demolished; and

(b) in the event B/C is 1 or more, the tax that would be payable during the applicable period under paragraph 4 on all the houses that were demolished at the rates applicable to each such house, had the houses not been demolished.

(2) For the purpose of the formula in sub-paragraph (1), where B/C is more than 1, it shall be treated as 1.

Period of remission

4. The remission of tax under paragraph 3 for the land shall be for the following period:

- (a) from and including the date on which the land is assessed as vacant land under the Act or the date of submission of the building plans for the replacement house or houses to the Commissioner of Building Control, whichever is the later; and
- (b) to and including the date of issue of the TOP or CSC for the replacement house (or, where there is more than one replacement house, the first TOP or CSC issued for any of the replacement houses), whichever is the earlier,

except that the period shall not in any case exceed 2 years or comprise any period that is before 1st January 2014.

Conditions for remission

5.—(1) The remission of tax under paragraph 3 is subject to all of the following conditions:

- (a) that during the applicable period under paragraph 4 —
 - (i) the land on which the replacement house or houses are being constructed is not occupied;
 - (ii) no rent or fee is charged or received for any use of the land or any part thereof;
 - (iii) the owner of the demolished house or houses is also the owner of the replacement house or houses that are being constructed; and
 - (iv) no other property of such owner is taxed at the owner-occupier's tax rates, unless that property is taxed at such rate pursuant to paragraph 4(6) or (7) of the Property Tax (Rates for Residential Premises) Order 2013 (G.N. No. S 691/2013);
- (b) that such owner notifies the Comptroller of the construction of the replacement house or houses on the land at any time —

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- (i) on or after the date of submission of building plans for the replacement house or houses to the Commissioner of Building Control; but
 - (ii) no later than 30 days from and including the date of issue of the applicable TOP or CSC for the replacement house or houses referred to in paragraph 4(b), or such further time as the Comptroller may allow;
- (c) that, after construction of the replacement house or houses is completed, the replacement house or at least one of the replacement houses, as the case may be, is owner-occupied by such owner for a period of at least one year from and including the date of issue of the TOP or CSC (whichever is the earlier) applicable to the house.
- (2) Where any condition in sub-paragraph (1) is not satisfied, the tax referred to in paragraph 3 (which would otherwise be remitted) shall be payable and section 36 of the Act shall apply accordingly.

Notification

6. The notification referred to in paragraph 5(1)(b) shall be in such form as the Comptroller may determine, and shall be accompanied by —

- (a) a declaration by the owner of the demolished house or houses to the Comptroller that the requirements in paragraph 5(1)(a) are satisfied, or, in respect of any of those requirements as are not satisfied at that time, an undertaking to ensure that they will be complied with; and
- (b) an undertaking to comply with the requirement referred to in paragraph 5(1)(c).

Revocation, saving and transitional

7.—(1) The Property Tax (Residential Premises under Construction) (Remission) Order (O 17) is revoked, and the period of any remission of tax granted under the revoked Property Tax (Residential Premises under Construction) (Remission) Order that is

on or after 1st January 2014 is further revoked with effect from 1st January 2014.

(2) For the avoidance of doubt, notwithstanding sub-paragraph (1), the revoked Property Tax (Residential Premises under Construction) (Remission) Order shall continue to apply in respect of any period of a remission of tax referred to in that Order, or part thereof, that is before 1st January 2014 as if the Order had not been revoked.

(3) In the application of this Order to any land in respect of which there is, on 31st December 2013, a remission of tax under the revoked Property Tax (Residential Premises under Construction) (Remission) Order for a period which expires on or after 1st January 2014, the application for that remission under paragraph 6 of the revoked Order shall be treated as a notice under paragraph 5(1)(b) of this Order.

Made this 28th day of November 2013.

LIM SOO HOON
Permanent Secretary
(Finance) (Performance),
Ministry of Finance,
Singapore.

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