

Corporate tax rates

Companies are taxed at a flat rate on chargeable income regardless of whether they are local or foreign. The current corporate tax rate is 17%.

Tax rebate

- a) 40% tax rebate subject to a cap of \$15,000 for Year of Assessment 2018.
- b) 20% tax rebate subject to a cap of \$10,000 for Year of Assessment 2019.

Tax exemption schemes

- 1) For new start-up companies:
 - Except – Investment holding
 - Developer of properties for sale, investment or both

A new start-up company can, subject to conditions, qualify for Start-Up Tax Exemption (SUTE) scheme in each of the first three Years of Assessment as follows :

Current rules	New rules (with effect from Year of Assessment 2020)
a. 100% exemption on the first \$100,000 of normal chargeable income*; and	a. 75% exemption on the first \$100,000 of normal chargeable income; and
b. 50% exemption on the next \$200,000 of normal chargeable income.	b. 50% exemption on the next \$100,000 of normal chargeable income.

* Normal chargeable income refers to chargeable income that is taxed at the prevailing corporate income tax rate.

To qualify, the company must meet the following conditions:

- i) incorporated in Singapore (including a company limited by guarantee);
 - ii) tax resident in Singapore for the Year of Assessment, ie, control and management in Singapore; and
 - iii) has no more than 20 shareholders throughout the basis period for that Year of Assessment where:
 - all of the shareholders are individuals beneficially and directly holding the shares in their own names; or
 - at least one shareholder is an individual beneficially and directly holding at least 10% of the issued ordinary shares of the company.
- 2) All companies (excluding those that qualify for the SUTE scheme) can qualify for the Partial Tax Exemption (PTE) scheme in each Year of Assessment, as follows :

Current rules	New rules (with effect from Year of Assessment 2020)
a. 75% exemption on the first \$10,000 of normal chargeable income; and	a. 75% exemption on the first \$10,000 of normal chargeable income; and
b. 50% exemption on the next \$290,000 of normal chargeable income.	b. 50% exemption on the next \$190,000 of normal chargeable income.

Effective corporate tax rate

Start-Up Tax Exemption (SUTE) scheme

	Chargeable income	YAs 2018 & 2019		
		Exempt	Taxable income	
	\$	Rate	\$	\$
First	100,000	100%	100,000	-
Next	200,000	50%	100,000	100,000
	<u>300,000</u>		<u>200,000</u>	<u>100,000</u>

[^] 50% exemption up to the next \$100,000 of chargeable income only.

Current corporate tax rate 17%
 Less: Tax rebate 40% and 20% for YAs 2018 & 2019 respectively
 Tax payable

Effective tax rate $\frac{10,200}{300,000}$ or $\frac{13,600}{300,000}$ or $\frac{29,750}{300,000}$

	YA 2020		
	Exempt	Taxable income	
	Rate	\$	\$
	75%	75,000	25,000
	50%	50,000 [^]	150,000
		<u>125,000</u>	<u>175,000</u>

YA2018	YA 2019	YA 2020
\$	\$	\$
17,000	17,000	29,750
6,800	3,400	-
<u>10,200</u>	<u>13,600</u>	<u>29,750</u>
3.40%	4.53%	9.92%

Partial Tax Exemption (PTE) scheme

	Chargeable income	YAs 2018 & 2019		
		Exempt	Taxable income	
	\$	Rate	\$	\$
First	10,000	75%	7,500	2,500
Next	290,000	50%	145,000	145,000
	<u>300,000</u>		<u>152,500</u>	<u>147,500</u>

⁺ 50% exemption up to the next \$190,000 of chargeable income only.

Current corporate tax rate 17%
 Less: Tax rebate 40% and 20% for YAs 2018 & 2019 respectively
 Tax payable

Effective tax rate $\frac{15,045}{300,000}$ or $\frac{20,060}{300,000}$ or $\frac{33,575}{300,000}$

	YA 2020		
	Exempt	Taxable income	
	Rate	\$	\$
	75%	7,500	2,500
	50%	95,000 ⁺	195,000
		<u>102,500</u>	<u>197,500</u>

YA2018	YA 2019	YA 2020
\$	\$	\$
25,075	25,075	33,575
10,030	5,015	-
<u>15,045</u>	<u>20,060</u>	<u>33,575</u>
5.02%	6.69%	11.19%

Personal tax rates

Income earned in Singapore is chargeable to income tax. Besides salaries and bonuses, perquisites such as housing and stock options will form part of your taxable employment income. However, overseas income derived outside Singapore, Singapore dividends and bank interests are tax exempt in Singapore.

How much income tax you need to pay depends on whether you are treated as a tax resident or tax non-resident. If you stay or work in Singapore for at least 183 days in a calendar year, you will be treated as tax resident. If your employment period of at least 183 days straddles two calendar years, you will be treated as tax resident for both Years of Assessment by administrative concession.

Non-residents are taxed at the flat rate of 15% or the resident rates whichever results in a higher tax amount on your employment income.

For residents, tax payable is calculated at progressive rates, reaching a top rate of 22% for taxable income over S\$320,000.

Tax rates for resident individuals from Year of Assessment 2017 onwards:

Chargeable income		Tax rate (%)	Tax payable (\$)
First	\$20,000	0	0
Next	\$10,000	2	200
First	\$30,000	-	200
Next	\$10,000	3.5	350
First	\$40,000	-	550
Next	\$40,000	7	2,800
First	\$80,000	-	3,350
Next	\$40,000	11.5	4,600
First	\$120,000	-	7,950
Next	\$40,000	15	6,000
First	\$160,000	-	13,950
Next	\$40,000	18	7,200
First	\$200,000	-	21,150
Next	\$40,000	19	7,600
First	\$240,000	-	28,750
Above	\$40,000	19.5	7,800
First	\$280,000	-	36,550
Above	\$40,000	20	8,000
First	\$320,000	-	44,550
Above	\$320,000	22	