

Income Tax (Amendment) Act 1988
(No. 1 of 1988)

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**REPUBLIC OF SINGAPORE
GOVERNMENT GAZETTE
ACTS SUPPLEMENT**

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The following Act was passed by Parliament on 13th January 1988 and assented to by the President on 21st January 1988:—

INCOME TAX (AMENDMENT) ACT 1988

(No. 1 of 1988)

I assent.

WEE KIM WEE
President.
21st January 1988.

Date of Commencement: 29th January 1988

An Act to amend the Income Tax Act (Chapter 134 of the 1985 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 1988.

(2) Sections 3, 5 and 9 shall have effect for the year of assessment 1987 and subsequent years of assessment.

(3) Section 8(a) shall have effect for the year of assessment 1989 and subsequent years of assessment.

(4) Sections 10 and 19 shall have effect for the year of assessment 1988 and subsequent years of assessment.

(5) Section 12 (except for subsections (10) and (12)(b) of that section) shall be deemed to have come into operation on 1st January 1987.

Amendment of section 6

2. Section 6(8) of the Income Tax Act (referred to in this Act as the principal Act) is amended —

- (a) by inserting, immediately after the words “Comptroller of Property Tax” in the second and third lines, the words “, the Chief Valuer or the Commissioner of Stamp Duties”; and
- (b) by inserting, immediately after the word “Comptroller” in the fourth line, the words “, Chief Valuer or Commissioner of Stamp Duties”.

Amendment of section 10

3. Section 10 of the principal Act is amended by deleting the full-stop at the end of subsection (9) and substituting a colon, and by inserting immediately thereafter the following proviso:

“Provided that this subsection shall not apply to royalties or payments received in respect of any work published in any newspaper or periodical.”.

Amendment of section 13

4. Section 13 of the principal Act is amended by inserting, immediately after the word “therefrom” in subsection (1) (j), the words “, except that any withdrawal from an

approved fund other than the Central Provident Fund would have been authorised under the Central Provident Fund Act or any regulations made thereunder if it had been a withdrawal from the Central Provident Fund”.

Amendment of section 16

5. Section 16 of the principal Act is amended by inserting, immediately after subsection (3B), the following subsections:

“3C. For the purposes of application to any industrial building or structure used for the purposes of a project for the promotion of the tourist industry (other than a hotel) in Singapore and approved by the Minister under section 18(1)(k) —

- (a) the reference to 25% in subsection (1) shall be read as a reference to 20%;
- (b) the reference to 3% in subsections (2) and (3) and in the sixteenth line of section 18(5) shall be read as a reference to 2%; and
- (c) the reference to capital expenditure in subsections (1) and (2) shall not include any capital expenditure incurred before 1st January 1986.

3D. Notwithstanding anything in sections 16 and 17, where a person carrying out a project for the promotion of the tourist industry approved by the Minister under section 18(1)(k) fails to comply with any condition imposed by the Minister, the Minister may revoke the approval and thereupon the Comptroller may at any time within 12 years from the date of the revocation make such assessment or additional assessment upon the person as may appear necessary in order to recover any tax which ought to have been paid by that person if any allowances under those sections had not been made to him.”.

Amendment of section 18

6. Section 18 (1) of the principal Act is amended —

- (a) by deleting the word “or” in paragraph (i); and
- (b) by deleting the comma at the end of paragraph (j) and substituting the word “; or”, and by inserting immediately thereafter the following paragraph:
 - “(k) for the purposes of a project for the promotion of the tourist industry (other than a hotel) in Singapore and approved by the Minister subject to such conditions as he may impose,”.

Repeal and re-enactment of section 33

7. Section 33 of the principal Act is repealed and the following section substituted therefor:

“Comptroller may disregard certain transactions and dispositions

33.—(1) Where the Comptroller is satisfied that the purpose or effect of any arrangement is directly or indirectly —

- (a) to alter the incidence of any tax which is payable by or which would otherwise have been payable by any person;
- (b) to relieve any person from any liability to pay tax or to make a return under this Act; or
- (c) to reduce or avoid any liability imposed or which would otherwise have been imposed on any person by this Act,

he may, without prejudice to such validity as it may have in any other respect or for any other purpose, disregard or vary the arrangement and make such adjustments as he considers appropriate, including the computation or recomputation of gains or profits, or the imposition of liability to tax, so as to counteract any tax advantage obtained or obtainable by that person from or under that arrangement.

(2) In this section, “arrangement” means any scheme, trust, grant, covenant, agreement, disposition, transaction and includes all steps by which it is carried into effect.

(3) This section shall not apply to —

- (a) any arrangement made or entered into before the commencement of the Income Tax (Amendment) Act 1988; or
- (b) any arrangement carried out for bona fide commercial reasons and had not as one of its main purposes the avoidance or reduction of tax.”.

Amendment of section 39

8. Section 39 of the principal Act is amended —

- (a) by inserting, immediately after paragraph (d) of subsection (2), the following paragraph:

“(da) incurred delivery and hospitalisation expenses in respect of a legitimate 4th child born to him on or after 1st January 1988 and maintained by him, there shall be allowed a deduction against his earned income of the amount of such expenses or \$3,000, whichever is the less: