

Economic Expansion Incentives (Relief from Income Tax) (Amendment) Bill

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Bill No: 7/1998

Read the first time: 14th January 1998

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Expenditure of Public Money

Economic Expansion Incentives (Relief from Income Tax) (Amendment) Bill

Bill No. 7/1998

Read the first time on 14th January 1998.

An Act to amend the Economic Expansion Incentives (Relief from Income Tax) Act
(Chapter 86 of the 1996 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 Economic Expansion Incentives (Relief from Income Tax) (Amendment) Act 1998.

(2) Section 2(*a*) shall have effect for the year of assessment 1998 and subsequent years of assessment.

(3) Sections 2(*b*), (*c*), (*d*) and (*e*), 3 and 4 shall be deemed to have come into operation on 11th July 1997.

Amendment of section 66

2. Section 66 of the Economic Expansion Incentives (Relief from Income Tax) Act (referred to in this Act as the principal Act) is amended —

- (*a*) by deleting the words “or 43L” in the definition of “concessionary income” in subsection (1) and substituting the words “, 43L or 43M”;
- (*b*) by deleting the definition of “fixed capital expenditure” in subsection (1) and substituting the following definition:

“ “fixed capital expenditure” means capital expenditure to be incurred on an approved project by a company on the following items that are used for carrying out the project —

- (*a*) factory building (excluding land) in Singapore and, in relation to any project under section 67(1)(*b*), (*c*), (*d*), (*f*) or (*g*), includes a building or structure specially designed for carrying out the project;
 - (*b*) the acquisition of any know-how or patent rights; and
 - (*c*) any new productive equipment (and, subject to the approval of the Minister, any secondhand productive equipment) to be used in Singapore and, in relation to any project under section 67(1)(*h*), includes any productive equipment to be used outside Singapore as approved under section 67(2A);”;
- (*c*) by deleting the full-stop at the end of the definition of “research and development” in subsection (1) and substituting a semi-colon, and by

inserting immediately thereafter the following definition:

““space satellite” means an apparatus placed in orbit relative to the earth for any economic, scientific or technological purpose.”;

- (d) by deleting the words “to be constructed or installed on site” in subsection (2)(b) and substituting the words “to which paragraph (a) or (c) applies”; and
- (e) by deleting the full-stop at the end of subsection (2)(b) and substituting a semi-colon, and by inserting immediately thereafter the following paragraph:

“(c) in the case of any productive equipment to be used in relation to a project under section 67(1)(h), the company has received delivery of the equipment.”.

Amendment of section 67

3. Section 67 of the principal Act is amended —

- (a) by deleting the comma at the end of paragraph (g) of subsection (1) and substituting a semi-colon, and by inserting immediately thereafter the following paragraph:

“(h) for the operation of any space satellite,”; and

- (b) by inserting, immediately after subsection (2), the following subsection:

“(2A) For the purposes of subsection (2), the Minister may approve any investment allowance in respect of the fixed capital expenditure to be incurred on any productive equipment to be used outside Singapore for any project under subsection (1)(h).”.

Amendment of section 97Q

4. Section 97Q of the principal Act is amended —

- (a) by deleting subsections (4) and (5) and substituting the following subsections:

“(4) Where an amount of dividends exempt from tax under subsection (3) has been received by a shareholder which is a holding company, the amount shall be credited to a designated account to be kept by the holding company for the purposes of this section.