

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

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Bill No: 32/1996

Read the first time: 1st October 1996

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Expenditure of Public Money

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

Bill No. 32/1996

Read the first time on 1st October 1996.

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 1996.

(2) Sections 2, 4 and 5 shall have effect for the year of assessment 1997 and subsequent years of assessment.

New Part IIIB

2. The Economic Expansion Incentives (Relief from Income Tax) Act (referred to in this Act as the principal Act) is amended by inserting, immediately after section 19H, the following Part:

“PART IIIB

DEVELOPMENT AND EXPANSION INCENTIVE

Interpretation of this Part

19I. For the purposes of this Part, unless the context otherwise requires —

“commencement day”, in relation to a development and expansion company, means the date specified under section 19J(3) in the certificate issued to the company under that section;

“development and expansion company” means a company which has been issued with a certificate under section 19J(2);

“qualifying activity” means any of the following:

- (a) the manufacturing or increased manufacturing of any product from any industry that would be of economic benefit to Singapore;
- (b) any qualifying activity as defined in section 16; and
- (c) such other services or activities as may be prescribed.

Application for and issue of certificate to development and expansion

company

19J.—(1) Any company engaged in any qualifying activity may apply in the prescribed form to the Minister for approval as a development and expansion company.

(2) The Minister may, if he considers it expedient in the public interest to do so, approve the application and issue the company with a certificate subject to such terms and conditions as he may impose.

(3) Every certificate issued to a development and expansion company under this section shall specify —

- (a) a date as the commencement day from which the company shall be entitled to tax relief under this Part;
- (b) its qualifying activities; and
- (c) the concessionary rate of tax to be levied for the purposes of this Part.

(4) The Minister may, in his discretion, upon an application of a development and expansion company, amend its certificate by substituting for the commencement day specified therein such other date as he thinks fit and thereupon the provisions of this Part shall have effect as if that date were the commencement day in relation to that certificate.

(5) Notwithstanding section 43 of the Income Tax Act [Cap. 134], tax at such concessionary rate, not being less than 10% as the Minister may specify, shall be levied and paid for each year of assessment upon the expansion income derived by a development and expansion company during its tax relief period from its qualifying activities.

(6) The expansion income shall be the income from such qualifying activities to which the certificate issued under this section relates that exceeds the average corresponding income.

(7) The average corresponding income referred to in subsection (6) shall be determined by taking one-third of the total of the corresponding income from such qualifying activities for the 3 years immediately preceding the commencement day specified in the certificate issued under this section.

(8) Notwithstanding subsection (7), the Minister may, if he thinks fit, specify any amount to be the average corresponding income in substitution of the amount determined under that subsection.