

Income Tax (Remission of Tax for Companies) Rules

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INCOME TAX ACT (CHAPTER 134, SECTIONS 7 AND 92(4))

INCOME TAX (REMISSION OF TAX FOR COMPANIES) RULES

R 14

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Citation

1. These Rules may be cited as the Income Tax (Remission of Tax for Companies) Rules.

Definitions

2. In these Rules —

“chargeable concessionary income” means chargeable income subject to tax at the

concessionary rate of 10% or such other concessionary rate as may be prescribed under section 13H, 43A, 43C (excluding such part of the income ascertained under section 26(3A) of the Act as is apportioned to the policyholders of an insurance company subject to the concessionary rate of tax prescribed by regulations made under section 43C), 43D, 43E, 43F, 43G, 43H, 43I, 43J, 43K, 43L, 43M, 43N or 43O of the Act or section 19B or 19J of the Economic Expansion Incentives (Relief from Income Tax) Act (Cap. 86);

“chargeable normal income” means chargeable income subject to tax at the rate of 26%;

“Singapore dividend” means any dividend derived from Singapore from which tax has been deducted under section 44 of the Act.

Computation of tax payable on Singapore dividend

3. In determining the amount of tax payable by a company on any Singapore dividend for the year of assessment 1999, the following provisions shall apply:

- (a) the Comptroller shall determine the manner and extent to which any allowances (including investment allowances given under Part X of the Economic Expansion Incentives (Relief from Income Tax) Act (Cap. 86)), expenses, losses and donations allowable under the Act are to be deducted;
- (b) where the Singapore dividend is assessed to tax under section 10(1)(d) of the Act, the tax payable on the Singapore dividend shall be computed in accordance with the formula —

$$\frac{A}{B} \times C \times 26\%,$$

where A is the statutory income of the company from Singapore dividend for that year of assessment;

B is the aggregate of the statutory income of the company from each source of income subject to tax at the rate of 26% for that year of assessment:

Provided that in computing the statutory income of the company from any trade, business, profession or vocation, there shall be deducted from such income —

- (i) any loss deducted under section 37 of the Act in ascertaining the chargeable normal income of the company for that year of assessment;