

Tax Rates

Tax	Rate
Corporate Income Tax	17%
Individual Income Tax (residents)	0% - 20%
Individual Income Tax (non-residents)	15% or resident rate, whichever is higher
Goods and Services Tax	7%
Property Tax (non-owner occupied)	10% - 19% (w.e.f. 1 January 2014) 10% - 20% (w.e.f. 1 January 2015)
Property Tax (owner occupied)	10% - 15% (w.e.f. 1 January 2014) 10% - 16% (w.e.f. 1 January 2015)

Highlights

Singapore has a variety of taxes including income tax, property tax, motor vehicles tax, customs and excise duties, goods and services tax, betting tax, casino tax and stamp duties. Income tax is chargeable on the income of individuals and companies on income earned or accrued in Singapore.

Singapore's corporate tax rates are one of the lowest in the world as shown in the table below:

Corporate Tax Rates in selected countries (%)	
Ireland	4
Hong Kong	16.5
Singapore/Taiwan	17
Thailand	20
UK	23
China, Malaysia, Indonesia	25
India, Australia, Philippines	30
USA	35

Although there is only a single corporate tax rate of 17%, the effective tax rate is much lower for most companies once the reduced tax rates (on the first S\$300,000 of chargeable income) and tax rebate of 30% (capped at S\$30,000 rebate until Year of Assessment 2015) are taken into account.

Singapore has constantly topped the World Bank's "Ease of Doing Business" rankings.

Current Tax Reforms

Recent Budgets have emphasised productivity and generous tax reliefs are available for businesses which invest in expenditure in the following activities:

- IT and automation equipment
- training of employees
- acquisition and in-licensing of intellectual property rights
- registration of patents, trademarks, designs and plant varieties
- research and development activities
- approved design projects.

There are also incentives for businesses that adopt infocomm technology solutions including 70% subsidy of qualifying costs and subsidies for companies which subscribe to high speed broadband. In order to raise the quality of the foreign workforce, the government has tightened the foreign worker quota and raised the levies for unskilled and low-skilled workers.

Singapore has strengthened its framework for international cooperation to combat cross-border tax offences. New measures, including extending the Exchange of Information agreement to more jurisdictions and the removal of a court order requirement to obtain bank and trust information from financial institutions, have been implemented. These measures enhance the earlier measures so as to ensure Singapore remains a thriving financial centre while maintaining financial integrity.

Outlook

The Singapore economy is expected to grow between 2-4 percent in 2014. Much of the growth is expected to be fuelled by the services sector, as Singapore reinforces its status as a wealth management hub, and trade-related sectors, given the anticipated recovery in the global economy, particularly in US and Europe.

The Singapore government is also likely to continue to support expenditure that enhances productivity, while tightening foreign labour and maintaining the cooling measures for properties.

Disclaimer

Whilst every effort has been taken to ensure that the contents are factually correct at the time of printing, rules, regulations and tax laws do change. Readers are advised to seek professional advice before making any decision based on the information contained herein.