

Media Release

COVID-19 Relief Measures: Upcoming legislative provisions to impose obligation on property owners to pass on the property tax rebate in full to tenants

The Government will introduce new legislation at the next sitting of Parliament (on or about 7 April 2020), to place an obligation on property owners to pass on to their tenants the property tax rebate attributable to the rented property (“proposed provisions”).

2. In the FY2020 Budget and the FY2020 Supplementary Budget announced on 18 February and 26 March 2020 respectively, the Deputy Prime Minister and Minister for Finance Mr Heng Swee Keat announced a property tax rebate of up to 100% for non-residential properties, for the tax payable in 2020. The rebate is intended to help businesses deal with the impact from COVID-19. For most properties, the 100% property tax rebate works out to more than one month of rent. The rebate is granted to the owner of the property, who is liable for the property tax, in respect to each property tax account. Details of the rebate are in the Annex. In his Statements, the Deputy Prime Minister strongly urged property owners to pass on the property tax rebate to their tenants by reducing rentals.

3. We are appreciative of those property owners who are fully passing on the rebate to their tenants. In some instances, property owners have gone further, to reduce rentals by an amount that is greater than their quantum of the rebate. In so doing, they have taken a step further to help their tenants and share the burden during this time of uncertainty.

4. However, the Government has also received feedback that other property owners have not yet passed on the rebate to their tenants. The proposed provisions ensure that property owners who have not passed on the rebate will do so.

5. Subject to Parliament’s approval, the proposed provisions and subsequent subsidiary legislation will:

- a) Impose an obligation on property owners to pass on to their tenants the full amount of property tax rebate received for each property tax account that is attributable to the tenanted property. Owners receive property tax rebate for each of their qualifying property tax accounts, just as they pay property tax for each account. For instance, under the proposed provisions, if a property tax account is for premises wholly rented out to a tenant, the owner is required to pass the rebate received, if any, to the tenant fully;
- b) Ensure that the rebate is passed on in a timely manner according to prescribed timeline;
- c) Prohibit property owners from imposing conditions when passing on the property tax rebate; and
- d) Allow a Valuation Review Panel (comprising members from the Valuation Review Board constituted under the Property Tax Act), to adjudicate disputes between the property owner and the tenant, in relation to the property tax rebate to be passed

on to the tenant. Property owners who fail to fully pass on the property tax rebate attributable to the rented property unconditionally to the tenant concerned, without reasonable excuse, will be guilty of an offence.

6. Further details on the conditions for pass-through of the property tax rebate to tenants will be made known via the subsidiary legislation and IRAS' website.

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Annex A: Property tax rebate for non-residential properties

Non-residential properties will be granted an enhanced rebate for property tax payable for the period 1 January 2020 to 31 December 2020.

Property tax payable for	Property tax rebate as announced at the FY 2020 Budget	Enhanced property tax rebate as announced at the FY 2020 Supplementary Budget
A) Hotel room or function room of a hotel registered under the Hotels Act	30%	100%
B) Serviced apartment or serviced apartment function room		
C) Premises of the following that are used or intended to be used for Meetings, Incentive Travel, Conventions and Exhibitions (MICE): <ul style="list-style-type: none"> • Suntec Singapore Convention and Exhibition Centre; • Singapore EXPO; and • Changi Exhibition Centre. 		
D) All the premises of the following: <ul style="list-style-type: none"> • Changi Airport; • Singapore Cruise Centre; • Marina Bay Cruise Centre Singapore; and • Tanah Merah Ferry Terminal. 	15%	
E) Premises that are used or intended to be used as: <ul style="list-style-type: none"> • Backpackers' hostel, boarding house, guest house or students' hostel that is not a hotel; • Hotel that is not a registered hotel; • Shop or warehouse retail building; • Restaurant; • Sports and recreation building; • Amusement centre; • Cinema or theatre; • Medical clinic, hospital, nursing home, hospice, place of rehabilitation or convalescent home; • Childcare centre or kindergarten; • School; • Driving school; • Purpose-built workers' dormitory; or • Tourist attraction. 		
The above rates in (A) – (E) do not apply to Marina Bay Sands and Resorts World Sentosa.	10%	60%
F) All the premises of the following: <ul style="list-style-type: none"> • Marina Bay Sands; and • Resorts World Sentosa. 		

<p>G) Other non-residential properties. Some examples are:</p> <ul style="list-style-type: none"> • Premises used for an industrial or agricultural purpose • Offices • Business or science park • Petrol station • Warehouse 	0%	30%
<p>The above property tax rebate does not apply to any other premises or part of any premises used or intended to be used for any residential purpose.</p>		

For more information, please visit the IRAS website at www.iras.gov.sg.