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## BILLS SUPPLEMENT

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**Notification No. B 31** — The Property Tax (Amendment) Bill is hereby published for general information. It was introduced in Parliament on the 1st day of October 2002.

# **Property Tax (Amendment) Bill**

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**Bill No. 31/2002.**

*Read the first time on 1st October 2002.*

A BILL

*i n t i t u l e d*

An Act to amend the Property Tax Act (Chapter 254 of the 1997 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. This Act may be cited as the Property Tax (Amendment) Act 2002 and shall come into operation on such date as the Minister may, by notification in the *Gazette*, appoint.

### **Amendment of section 2**

2. Section 2(1) of the Property Tax Act (referred to in this Act as the principal Act) is amended by deleting the words “and authenticated under section 15” in the definition of “Valuation List”.

### **Amendment of section 6**

3. Section 6 of the principal Act is amended —

- (a) by deleting the words “authenticated under section 15” in the penultimate line of subsection (1);
- (b) by deleting subsection (2) and substituting the following subsections:

“(2) The tax shall be payable by the owner of such property —

- (a) in the case of tax payable under subsection (1), yearly in advance without demand, in the month of January; and
- (b) without prejudice to paragraph (a), where the Comptroller has served a notice for payment of the tax under this Act, within one month of the service of that notice.

(2A) The Comptroller may, in his discretion, extend the period for payment referred to in subsection (2) within which payment of the tax is to be made.”;

- (c) by deleting subsection (7) and substituting the following subsection:

“(7) Notwithstanding any other provision in this Act, the Minister may, in respect of any public authority or body corporate constituted under any written law, order that in lieu of the tax payable under this Act, the public authority or body corporate shall —

(a) in a case equivalent to the payment of tax under subsection (1), yearly in advance without demand, in the month of January; and

(b) without prejudice to paragraph (a), where the Comptroller has served a notice for payment, within one month of the service of that notice,

pay to the Government the sum of which is to be calculated on such basis as may be deemed equitable by the Minister.”; and

(d) by deleting the words “or July, as the case may be, in each year,” in the 2nd and 3rd lines of subsection (7A) and substituting the words “in each year or from the end of one month from the date of the service of a notice for payment of the tax, as the case may be,”.

#### **Amendment of section 7**

4. Section 7(3) of the principal Act is amended by deleting the words “subsection (1)” in paragraph (a) and substituting the words “subsection (2)”.

#### **Repeal of sections 12 to 15**

5. Sections 12 to 15 of the principal Act are repealed.

#### **Amendment of section 19**

6. Section 19(8) of the principal Act is amended by deleting the words “and until any notice of demolition or removal is given” in the 4th line.

#### **Repeal and re-enactment of section 20 and new section 20A**

7. Section 20 of the principal Act is repealed and the following sections substituted therefor:

##### **“Amendment of Valuation List**

**20.—**(1) Where it appears that any Valuation List —

(a) is or has become inaccurate in any material particular in any year; or

(b) is likely to become inaccurate in any material particular in the ensuing year,

the Chief Assessor may, in the year referred to in paragraph (a), if he considers it desirable that an amendment should be made to the Valuation List, give notice thereof to the owner of the property concerned stating the amendment that is considered desirable and the date from which it is proposed the amendment shall take effect, and the amendment shall be made in the Valuation List from that date.

(2) For the purposes of this section, the Valuation List shall be deemed to be inaccurate in a material particular where —

(a) the Chief Assessor is of the opinion that the annual value of a property included in the Valuation List does not correctly represent the annual value evidenced by —

(i) the rental obtained from a tenant in respect of a property previously vacant or previously occupied by the owner;

(ii) the increased or decreased rental obtained in respect of the letting out of that or similar property; or

(iii) the consideration paid or value passing on the sale or transfer, directly or indirectly, of any estate or interest in that or similar property, including the sale or transfer of 75% or more of the issued ordinary shares of a land-owning company, whether or not the Chief Assessor exercises the option given in section 2(3);

(b) the Chief Assessor is of the opinion that the rental, if any, obtained from the tenant is lower than the gross amount at which the property could reasonably be expected to be let from year to year;

(c) any new building is erected or any building is rebuilt, enlarged, altered, improved or demolished;

(d) any property, not exempted from the provisions of this Act, has not been included in the Valuation List; or

(e) the Chief Assessor is of the opinion that the annual value of any property or part thereof in the Valuation List required to be assessed on the basis of gross receipts by any order made under section 6A does not correctly represent the annual value as evidenced by the gross receipts arising from the use

of that property for the purposes of any trade or business and determined in the manner specified in the order.

(3) The Chief Assessor may, in his discretion, cancel any notice given under subsection (1) which is inaccurate in any particular and may replace it with another notice.

(4) Any alteration to a Valuation List required for the purpose of correcting any of the matters referred to in section 10(2)(a), (b) and (d) or for the correction of any clerical or arithmetical error therein shall not in itself constitute an amendment and may be made at any time.

(5) In this section, “land-owning company” means a company the main object or one of the main objects of which is the development of property by the construction of houses or buildings thereon for the purpose of sale or rent.

### **Objection to Valuation List**

**20A.**—(1) Any owner aggrieved by the inclusion of any property in the Valuation List or by the annual value ascribed thereto in the Valuation List in any year may, at any time in that year, make an objection to the Chief Assessor by written notice in such form as the Chief Assessor may determine, stating precisely the grounds on which the objection is made and the desired amendments to the Valuation List.

(2) Notwithstanding subsection (1), any owner who desires to object to an amendment made to the Valuation List under section 20 shall do so within 21 days of the service of the notice referred to in section 20(1).

(3) The Chief Assessor shall consider an objection under subsection (1) or (2) and may —

- (a) disallow the objection;
- (b) allow the objection in whole;
- (c) allow the objection in part; or
- (d) allow the objection in a manner agreed between the Chief Assessor and the owner.

(4) The Chief Assessor shall serve the owner by post or otherwise with a written notice of his decision.

(5) Where the Chief Assessor allows an objection under subsection (3)(b), (c) or (d), the Chief Assessor may specify any date in the year in which the objection is made from which the amendment shall have effect, and the amendment shall be made in the Valuation List immediately.

(6) The Chief Assessor may, in his discretion, cancel any notice served under subsection (4) which is inaccurate in any particular and may replace it with another notice.

(7) Any owner dissatisfied with the decision made by the Chief Assessor under subsection (3)(a) or (c) may, within 21 days of the service of the notice under subsection (4), appeal to the Valuation Review Board in the manner provided in section 29.

(8) Where the Valuation Review Board varies any annual value in the Valuation List under an appeal to the Board, the Chief Assessor shall cause the Valuation List to be amended in accordance with the decision of the Board.

(9) Unless the Chief Assessor in his discretion determines otherwise —

(a) an objection under this section may only be made in respect of the annual value of any property in the Valuation List as from a date after —

(i) the date of notice of amendment under section 20(1), where no previous objection to that notice in respect of that property had been made in the year to which the Valuation List relates; or

(ii) the date of written notice under subsection (4), where a previous objection in respect of that property had been made in the year to which the Valuation List relates; and

(b) no objection under this section shall be made within the period during which the Chief Assessor's decision under subsection (3) regarding any previous objection in respect of the same property is pending.

(10) Any notice of objection which had been given under section 14(1) or 20(3) in force immediately before the date of commencement of the Property Tax (Amendment) Act 2002 and for which the objector has not received written notice of the Chief Assessor's decision on the objection by that date shall be deemed to be a notice of objection made under this section."

## **Amendment of section 22**

8. Section 22 of the principal Act is amended —

- (a) by deleting the words "in the prescribed form" in subsection (2) and substituting the words "in such form as the Comptroller may determine";
- (b) by deleting subsections (3) and (3A) and substituting the following subsections:
  - "(3) The Comptroller shall consider the objection and may —
    - (a) disallow the objection;
    - (b) allow the objection in whole;
    - (c) allow the objection in part; or
    - (d) allow the objection in a manner agreed between the Chief Assessor and the owner,
- and shall serve the owner by post or otherwise with a written notice of his decision.
- (3A) The Comptroller may, in his discretion, cancel any notice given under subsection (1) or (3) and replace it with another notice.";
- (c) by deleting the words "this section" in subsection (4) and substituting the words "subsection (3)(a) or (c)"; and
- (d) by deleting subsection (5).

## **Amendment of section 23**

9. Section 23(1) of the principal Act is amended —

- (a) by deleting the words "section 14 or 20" in the 2nd and 3rd lines and substituting the words "section 20A"; and



- (b) by deleting the word “Part” in the 5th line and substituting the word “Act”.

### **Amendment of section 29**

**10.** Section 29 of the principal Act is amended —

- 5 (a) by deleting the words “section 14, 20 or 22” in subsection (1) and substituting the words “section 20A or 22”; and
- (b) by inserting, immediately after subsection (3), the following subsection:

10 “(4) The Chairman may, in his discretion and on such terms as he thinks fit, permit any person to proceed with an appeal notwithstanding that the notice of appeal was not lodged within the time allowed therefor, if it is proved to the satisfaction of the Chairman that the person was prevented from lodging the notice in due time owing to absence from Singapore, sickness

15 or other reasonable cause, and that there has been no unreasonable delay on his part.”.

### **Repeal and re-enactment of section 30**

**11.** Section 30 of the principal Act is repealed and the following section substituted therefor:

20 “**Copy of notice to be sent to Chief Assessor, etc.**

**30.**—(1) On receipt of a notice of appeal, the clerk shall immediately forward one copy thereof to the Chief Assessor or the Comptroller, as the case may be.

25 (2) On receipt of the copy of the notice of appeal, the Chief Assessor or the Comptroller may require the owner giving the notice of appeal to furnish such particulars in respect of the property concerned as the Chief Assessor or the Comptroller, as the case may be, may consider necessary.”.

### **Repeal of section 31**

30 **12.** Section 31 of the principal Act is repealed.

### **Amendment of section 32**

13. Section 32(1) of the principal Act is amended by deleting the words “report submitted by the Chief Assessor or the Comptroller pursuant to section 31” in the 1st and 2nd lines and substituting the words “notice of appeal”.

### **Amendment of section 33**

14. Section 33(1) of the principal Act is amended by deleting the words “section 14 or 20” in the 1st line of paragraph (a) and substituting the words “section 20A”.

### **Amendment of section 35**

15. Section 35 of the principal Act is amended by deleting subsection (6).

### **New section 35A and repeal and re-enactment of section 36**

16. Section 36 of the principal Act is repealed and the following sections substituted therefor:

#### **“Tax to be paid notwithstanding objection, etc.**

35A.—(1) There shall be payable to account of tax in respect of a property a sum of money calculated at the prescribed rate of tax on the basis of the annual value in the Valuation List proposed or amended under the provisions of this Act notwithstanding that —

- (a) an application for remission or exemption has been made under section 6(5A) or (5B);
- (b) a claim has been submitted under section 7(2);
- (c) a claim for reduction has been made under section 9; or
- (d) an objection or appeal has been made under section 20A or 22.

(2) The sum under subsection (1) shall be payable and recoverable in the same manner in which taxes are payable and recoverable under this Act.

### **Penalty for non-payment of tax and enforcement of payment**

36.—(1) If any tax, whether in whole or in part, remains unpaid at the expiration of the prescribed time, a sum not exceeding 5% of the amount of outstanding tax shall be added thereto, and the provisions of this Act relating to the collection and recovery of tax shall apply to the collection and recovery of such sum.

(2) Subsection (1) shall also apply to any tax in respect of any period before 1st January 2003, whether in whole or in part, which remains due and unpaid as at that date.

(3) The Comptroller may, where good cause is shown, remit the whole or any part of the penalty due under subsection (1).”.

### **Amendment of section 38**

17. Section 38 of the principal Act is amended —

- (a) by inserting, immediately after the word “declaration” in subsection (6), the words “, and notify the objector accordingly”;
- (b) by inserting, immediately after the words “Valuation Review Board” in subsection (7), the words “within 21 days of the Comptroller notifying him of the decision under subsection (6)”;
- and
- (c) by inserting, immediately after the words “Valuation Review Board” in the 3rd line of subsection (8)(f), the words “within 21 days of such decision”.

### **Repeal and re-enactment of section 49 and new section 49A**

18. Section 49 of the principal Act is repealed and the following sections substituted therefor:

#### **“Street and Building Names Board**

49.—(1) There shall be established a Street and Building Names Board (referred to in this Part as the SBNB) consisting of a Chairman and not less than 2 other members all of whom shall be appointed by the Minister.

(2) It shall be the function and duty of the SBNB to determine the name by which any building, estate or street shall be known, or to alter the name of any building, estate or street.

(3) The Chairman and the other members of the SBNB shall hold office for such period as may be determined by the Minister and shall be eligible for re-appointment.

(4) The Minister may, without assigning any reason, remove from office any member of the SBNB.

(5) All matters coming before the SBNB at any meeting shall be decided by a majority of votes of the members present, and in the event of an equality of votes, the Chairman shall have a casting vote.

(6) Any person aggrieved by any decision of the SBNB may, within 21 days of the date of the written notice of the decision, apply in writing to the SBNB to review the decision, stating the grounds on which his application is based.

(7) Any person who is dissatisfied with the decision of the SBNB after a review under subsection (6) may, within 21 days of the date of the written notice of the decision, appeal in writing to the Minister stating the grounds on which his appeal is based.

(8) The Minister may confirm, vary or rescind the decision referred to him under subsection (7) and the Minister's decision shall be final.

### **Name of building, estate or street**

**49A.** The Comptroller may cause the name of any building, estate or street to be painted, or otherwise marked, in a conspicuous position on any house, building or erection in or near that building, estate or street, and from time to time alter or renew the name.”.

### **Amendment of section 67**

**19.** Section 67(1) of the principal Act is amended by inserting, immediately after paragraph (f), the following paragraph:

“(fa) providing for the procedure of, and other matter relating to, the Street and Building Names Board constituted under section 49;”.

## EXPLANATORY STATEMENT

This Bill seeks to amend the Property Tax Act (Cap. 254) for the following main purposes:

- (a) to change the payment of property tax from twice a year to once a year in January;
- (b) to abolish the public inspection of and objection to the Valuation List for the following year in the month of August;
- (c) to allow taxpayers to lodge objections to the annual values of their properties at any time during the current year;
- (d) to allow the Comptroller to impose a penalty not exceeding 5% of the unpaid tax immediately upon the expiration of the time period stipulated for payment and to dispense with the need to issue a notice of demand before the penalty can be imposed; and
- (e) to establish a Street and Building Names Board to determine or alter the name of any building, estate or street.

Clause 1 relates to the short title and commencement.

Clause 2 amends section 2(1) by deleting the reference to authentication of the Valuation List in the definition of “Valuation List” consequential to the repeal of section 15 by clause 5.

Clause 3 amends section 6 —

- (a) to delete the reference to authentication of the Valuation List in subsection (1) consequential to the repeal of section 15 by clause 5;
- (b) to provide that tax payable under section 6(1) should be payable yearly in advance without demand in the month of January and without prejudice to that general principle, where a notice has been served by the Comptroller for any payment of tax, the tax should be payable within one month of the service of that notice; and
- (c) to enable the Comptroller to extend the period within which the payment of tax is to be made.

Clause 4 makes a technical amendment to section 7(3).

Clause 5 repeals sections 12 to 15 relating to the publication of the Valuation List, the notification of objection in respect of the Valuation List and the authentication of the Valuation List.

Clause 6 amends section 19(8) to provide that where any building is demolished or removed, the owner must pay the tax on the basis of the existing annual value before the building was demolished or removed or on the basis of any revised subsequent annual value notwithstanding that a notice of demolition or removal of the building has been given.

Clause 7 repeals and re-enacts section 20 and inserts a new section 20A.

The new section 20 —

- (a) allows the Chief Assessor to determine whether an amendment should be made to the Valuation List for the current year where it appears that the Valuation List is or has become inaccurate or to the Valuation List for the ensuing year where it appears that the Valuation List is likely to become inaccurate;
- (b) allows the Chief Assessor to cancel any notice of amendment which is inaccurate in any particular and replace it with another notice; and
- (c) re-enacts the existing section 20(9), (10) and (11).

The new section 20A provides for the manner in which an owner aggrieved by the inclusion in the Valuation List of any property or by the annual value ascribed to any property or by any other statement made in the Valuation List may make an objection to the Chief Assessor and appeal to the Valuation Review Board thereafter if he is dissatisfied with the decision of the Chief Assessor.

Clause 8 amends section 22 to bring the procedure for the notification of an objection made in respect of collection of taxes on new buildings in line with the procedure for the notification of an objection under new section 20A (to be inserted by clause 7). Section 22(5) is deleted in light of the new section 35A (to be inserted by clause 16).

Clause 9 amends section 23(1) —

- (a) to replace the reference to sections 14 and 20 with a reference to section 20A consequential to the repeal of section 14 by clause 5 and the re-enactment of section 20 by clause 7; and
- (b) to clarify that the references to “Board” in the Act means the Valuation Review Board.

Clause 10 amends section 29 —

- (a) to replace the reference to sections 14 and 20 with a reference to section 20A consequential to the repeal of section 14 by clause 5 and the re-enactment of section 20 by clause 7; and
- (b) to allow the Chairman of the Valuation Review Board to proceed with an appeal under certain circumstances notwithstanding that a notice of appeal was not lodged in time.

Clause 11 repeals and re-enacts section 30 in respect of the notice of appeal to be sent to the Chief Assessor or the Comptroller, in light of the changes made to the procedure for lodging objections.

Clause 12 repeals section 31 to dispense with the need for the Chief Assessor or the Comptroller to submit a report to the Valuation Review Board upon the receipt of a copy of a notice of appeal.

Clause 13 amends section 32(1) consequential to the repeal of section 31 by clause 12.

Clause 14 amends section 33 to replace the reference in subsection (1) to sections 14 and 20 with a reference to section 20A consequential to the repeal of section 14 by clause 5 and the re-enactment of section 20 by clause 7.

Clause 15 deletes section 35(6) to dispense with the requirement for authentication of an amendment to the Valuation List directed by the High Court.

Clause 16 inserts a new section 35A and repeals and re-enacts section 36.

The new section 35A provides that tax will be payable notwithstanding any application for remission, exemption or reduction under section 6(5A) or (5B), any claim under section 7(2) or 9, or any objection or appeal under section 20A or 22.

The new section 36 allows the Comptroller to impose a penalty not exceeding 5% of the amount of outstanding tax that remains unpaid upon expiration of the time specified for payment.

Clause 17 amends section 38 to provide that an appointed agent who is aggrieved by the Comptroller's decision in respect of his objection to the declaration of that person as appointed agent should appeal to the Valuation Review Board within 21 days of receipt of notice of the Comptroller's decision, and to provide that a person aggrieved by the Comptroller's decision in respect of an objection to the share of moneys owned by the person from whom tax is due should appeal to the Valuation Review Board within 21 days of receipt of notice of the Comptroller's decision.

Clause 18 repeals and re-enacts section 49 and inserts a new section 49A.

The new section 49 establishes a Street and Building Names Board for the purposes of determining the name by which any building, estate or street is to be known, or altering the name of any building, estate or street.

The new section 49A is a re-enactment of the existing section 49(2).

Clause 19 amends section 67(1) to empower the Minister to make regulations in respect of the procedure of, and other matter relating to, the Street and Building Names Board.

## EXPENDITURE OF PUBLIC MONEY

This Bill will not involve the Government in any extra financial expenditure.

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