

Tax

On **16 February 2021**, the Budget Statement was delivered in Parliament

A key focus of the Budget was the theme of **Emerging Stronger, Together**

The goal is to build **new capabilities** in people and businesses in this next phase of transformation



The below is a summary of **tax considerations** which may impact businesses in Singapore due to the Singapore Budget announced on 16 February 2021.

Extensions and Changes

- Carry-back relief scheme extended to YA2021.
- Extension of the option to accelerate the write-off of cost for acquiring plant and machinery.
- Extension of the option to accelerate the deduction of expenses incurred on renovation and refurbishment.
- Enhancement of the Double Tax Deduction for Internationalizations Scheme (DTD).
- Business and IPC Partnership Scheme extended till December 2023.
- NPO tax incentive extended till 31 December 2027.
- Investment Allowance (Energy Efficiency) ("IA-EE") scheme renamed as Investment Allowance for Emissions Reduction" scheme. Projects involving the reduction of greenhouse gas emissions will now qualify.
- Accelerated Depreciation Allowances for Highly Efficient Pollution Control Equipment ("ADA-PCE") scheme withdrawn from 17 Feb 2021.

- Tote Board's Enhanced Fund-Raising Programme will also be extended by one year. Charities can apply to receive dollar-for-dollar matching on eligible donations, which are raised from projects in FY2021, up to a cap of S\$250,000 per applicant.
- ComChest's SHARE as One scheme dollar-for-dollar matching extended to FY2023.
- 250% tax deduction for donations extended to 31 December 2023.

Goods and Services Tax (GST)

- GST will be imposed on low value goods imported via air or post.
- GST will also be applicable for imported non-digital services such as live interaction with overseas providers of education, fitness training, counselling, and telemedicine. Such services have been subject to GST since 2020 at the business-to-business level and will be **subject to GST at the business-to-consumer (B2C) level from 2023**.
- The changes will take effect from 1 January 2023 even though the plans were announced in Budget 2018.
- Changes made for determining whether zero-rating applies to a supply of media sales. This will be based on the place where the customer and direct beneficiary of the service belong. This change will take effect from 1 January 2022.
 - Media sales will be zero-rated if the customer belongs outside of Singapore and the direct beneficiary belongs outside Singapore or is GST registered in Singapore.
 - Media sales will be standard-rated if the customer belongs in Singapore.