



# GMS Flash Alert



2017-040 | February 28, 2017

## Singapore - Budget Provides for Rebate of 20-Percent of Tax Payable

In his 2017 Budget Statement<sup>1</sup> delivered on 20 February 2017, the Finance Minister for Singapore announced that a personal income tax rebate of 20 percent of tax payable, capped at S\$500, will be granted to all resident individuals for the Year of Assessment (“YA”) 2017 (i.e., for income earned in the year 2016).

For a complete analysis of the Budget, see “[Singapore Budget 2017 Moving Forward Together](#),” a publication of the KPMG International member firm in Singapore.

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### WHY THIS MATTERS

Non-Singapore citizens who have ceased Singapore employment, and who are eligible for the 20-percent rebate, should make sure the Inland Revenue Authority of Singapore (“IRAS”) has a current mailing address on file in order to receive the amended Notice of Assessment (“NOA”) and refund cheque. Otherwise, the IRAS will send the amended NOA and refund cheque to the individual’s last known address.

Where a tax equalization policy is applied, employers will have to take certain steps if they are requesting a refund on behalf of their employees eligible for the 20-percent rebate.

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### Tax Rebate: Further Details

Based on the progressive tax rates, resident taxpayers will receive the maximum rebate of S\$500 if their chargeable income is at least S\$67,858.

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## KPMG NOTE

Where an employer is responsible for the foreign employee's Singapore tax under a corporate tax equalization policy, the employer will have to provide required documents (e.g., an authorisation letter from the employee) to IRAS to request the refund cheque to be issued in the name of the employer. Otherwise, the employer would need to recover the funds from the tax refund directly from the employee.

Employers should clearly communicate to affected employees, in general terms, the steps being taken and why the refund is being appropriated by the employer (if such is the case).

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## FOOTNOTE:

1 See the Singapore Ministry of Finance [website](#) for the budget speech and related documentation.

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S\$1 = US\$0.7141

S\$1 = £0.575

S\$1 = €0.67

S\$ = ¥80.02

S\$ = A\$0.93

### **[New Article in KPMG's \*The Expatriate Administrator!\*](#)**

**["Tax Reform Is on the Agenda: What It May Mean for International Assignees"](#)**

This recently-published article addresses the significant possibility of tax reform under the new U.S. administration and considers the potential impact on international assignees and their employers.

## Contact us

For additional information or assistance, please contact your local GMS or People Services professional or one of the following professionals with the KPMG International member firm in the Singapore:



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**The information contained in this newsletter was submitted by the KPMG International member firm in Singapore.**

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