

## TAX RATES AND ALLOWANCES

The following tax rates and allowances are to be used in answering the questions.

Corporate income tax	
Rate of tax	
For the years of assessment 2008 and 2009	18%
For the year of assessment 2010	17%

Partial corporate tax regime	
First \$10,000 of chargeable income is 75% exempt	\$7,500
Next \$290,000 of chargeable income is 50% exempt	<u>\$145,000</u>
	<u>\$152,500</u>
Full tax exemption for new start-up companies	
First \$100,000 of chargeable income is 100% exempt	\$100,000
Next \$200,000 of chargeable income is 50% exempt	<u>\$100,000</u>
	<u>\$200,000</u>

**Voluntary Central Provident Fund (CPF) contributions of the self employed**

**Years of assessment 2009 and 2010**

**Capped at \$26,393 or 34.5% of s10 (1) (a) assessable income whichever is lower**

Central Provident Fund (CPF) contributions for individuals below the age of 50 years and earning more than \$1,500 per month		
	Employee	Employer
Rates of CPF contributions	20.0%	14.5%
Maximum annual ordinary wages (OW) attracting CPF	\$54,000	
Maximum annual additional wages (AW) attracting CPF	\$76,500 less OW subject to CPF	

<b>Personal income tax rates for resident individuals for the years of assessment 2009 and 2010</b>			
	<b>Chargeable income</b>	<b>Tax rate</b>	<b>Tax</b>
	<b>\$</b>	<b>%</b>	<b>\$</b>
<b>On the first</b>	<b>20,000</b>	<b>0</b>	<b>0</b>
<b>On the next</b>	<b><u>10,000</u></b>	<b>3.5</b>	<b><u>350</u></b>
<b>On the first</b>	<b>30,000</b>		<b>350</b>
<b>On the next</b>	<b><u>10,000</u></b>	<b>5.5</b>	<b><u>550</u></b>
<b>On the first</b>	<b>40,000</b>		<b>900</b>
<b>On the next</b>	<b><u>40,000</u></b>	<b>8.5</b>	<b><u>3,400</u></b>
<b>On the first</b>	<b>80,000</b>		<b>4,300</b>
<b>On the next</b>	<b><u>80,000</u></b>	<b>14.0</b>	<b><u>11,200</u></b>
<b>On the first</b>	<b>160,000</b>		<b>15,500</b>
<b>On the next</b>	<b><u>160,000</u></b>	<b>17.0</b>	<b><u>27,200</u></b>
<b>On the first</b>	<b>320,000</b>		<b>42,700</b>
<b>Above</b>	<b>320,000</b>	<b>20.0</b>	

Resident individuals are entitled to an income tax rebate of 20%, capped at \$2,000 for the year of assessment 2009

<b>Personal income tax reliefs for the years of assessment 2009 and 2010</b>		
<b>Earned income</b>	<b>Normal (max)</b>	<b>Handicapped (max)</b>
<b>Age</b>		
Below 55 years	\$1,000	\$2,000
55 to 59 years	\$3,000	\$5,000

60 years and above	\$4,000	\$6,000
<b>Wife relief</b>	\$2,000 (max)	
<b>Qualifying child relief (per child)</b>	\$4,000	
<b>Handicapped child relief</b>	\$5,500	
<b>Working mother's child relief</b>		
	(% of mother's earned income)	
1 <sup>st</sup> child	15%	
2 <sup>nd</sup> child	20%	
3 <sup>rd</sup> child	25%	
4 <sup>th</sup> child and subsequent child	25%	
Maximum relief per child	\$50,000	
Cumulative % for working mother's child relief	100%	
<b>Life assurance relief</b>	\$5,000 (max)	
<b>Nsman relief</b>		
Active Nsman	\$3,000	
Non-active Nsman	\$1,500	
Wife/widow	\$750	
<b>Course fees</b>	\$3,500 (max)	

<b>Foreign maid levy</b>	\$6,360 (max)

<b>Goods and services tax (GST)</b>	
<b>Standard rate</b>	7%

<b>Stamp duty</b>	
<b>Purchase or transfer of immovable property</b>	<b>Duty payable</b>
Purchase price or market value	
Every \$100 or part thereof of the first \$180,000	\$1
Every \$100 or part thereof of the next \$180,000	\$2
Thereafter, every \$100 or part thereof	\$3
<b>Transfer of shares</b>	
Purchase price or net asset value	
Every \$100 or part thereof	\$0.20