

ANNEX A:
SUMMARY TABLE ON PROPOSED CHANGES TO THE INCOME TAX ACT 1947 (“ITA”)
AS ANNOUNCED AT BUDGET 2026

S/N	Tax Change	Brief Description of Tax Change	Proposed Amendment to ITA [Clause in Proposed Finance (Income Taxes) Bill 2026]
Supporting Businesses			
1	Enhance the Enterprise Innovation Scheme	<p>To support businesses in adopting Artificial Intelligence (“AI”), the scheme will be enhanced for years of assessment 2027 and 2028:</p> <p>a. Currently, businesses can claim 400% tax deductions on qualifying expenditure incurred on innovation projects carried out with polytechnics, the Institute of Technical Education, or other qualified partners (collectively known as partner institutions). The list of partner institutions will be expanded to include the Sectoral AI Centre of Excellence for Manufacturing.</p> <p>b. An additional qualifying activity will be introduced for qualifying AI expenditures. Businesses will be able to claim 400% tax deductions on up to \$50,000 of qualifying AI expenditures incurred for each year of assessment. The option to convert qualifying expenditure into a cash payout will not be available for this new qualifying activity.</p>	<p>Sections 14X, 14ZK, 15, 34G, 37Q and 107</p> <p>[Clauses 10, 13(1), 14(1)(b), 15, 22 and 32(a)]</p> <p>For item 1a, no legislative amendments are needed as the Sectoral AI Centre of Excellence for Manufacturing meets the definition of an “approved educational or research institution” under section 14EA(9) of the ITA.</p>
2	Provide 50% Corporate Income Tax Rebate in year of assessment 2026, with a minimum benefit of \$2,000 for eligible companies	To help companies manage cost pressures, a Corporate Income Tax Rebate of 50% of tax payable will be provided in year of assessment 2026. Active companies that have employed at least one local employee in calendar year 2025 (referred to as the “local employee condition”) will receive a minimum benefit of \$2,000 in the form of a Corporate Income Tax Rebate Cash Grant.	<p>Sections 2A, 36B, 92M and 107</p> <p>[Clauses 2, 16, 30 and 32(b)-(e)]</p>

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		<p>The total maximum benefit (i.e., sum of Corporate Income Tax Rebate and Corporate Income Tax Rebate Cash Grant) that a company can receive is \$40,000.</p> <p>A company is considered to have met the local employee condition if it has made CPF contributions to at least one local (i.e., Singapore Citizen or Permanent Resident) employee, excluding shareholders who are also directors of the company, in calendar year 2025.</p>	
3	Enhance the Double Tax Deduction for Internationalisation scheme	<p>To further support businesses in their internationalisation efforts, the expenditure cap for claims that may be filed without prior approval from Enterprise Singapore or Singapore Tourism Board will be raised from \$150,000 to \$400,000 per year of assessment.</p> <p>The scope of claims which do not require prior approval will also be expanded to cover all eligible expenses incurred on overseas market development trips and overseas investment study trips, and the following qualifying activities:</p> <ol style="list-style-type: none"> a. Investment feasibility/due diligence studies; b. Master licensing and franchising; c. Market surveys/feasibility studies; d. Overseas business development; and e. Production of corporate brochures for overseas distribution. 	Sections 14B and 14H [Clauses 8 and 9]

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		The changes will apply to expenses incurred from year of assessment 2027.	
Strengthening Singapore as a Business and Philanthropy Hub			
4	Extend and enhance the Global Trader Programme	To further strengthen Singapore's position as a global trading hub, the scheme will be extended till 31 December 2031. The list of qualifying commodities will be expanded to include Environmental Attribute Certificates from 13 February 2026.	Section 43I [Clause 24]
5	Extend and enhance the Finance and Treasury Centre incentive	To encourage companies to continue conducting treasury management activities in Singapore, the incentive will be extended till 31 December 2031. In addition, the scope of the withholding tax exemption for approved Finance and Treasury Centres will be expanded to include interest-like borrowing costs that are subject to withholding tax, for loans used for qualifying activities or services. The expanded scope of exemption applies to payments made on or after 13 February 2026.	Section 43E [Clause 23]
6	Extend the withholding tax exemptions for the financial sector	To maintain the competitiveness of our financial sector, the following concessions will be extended till 31 December 2031: a. Withholding tax exemption for payments on structured products offered by financial institutions in Singapore made to non-individual non-resident persons; and	Sections 13 and 45I [Clauses 4(1)(b)-(c) and 25]

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		b. Waiver of the requirement for specified entities to withhold tax on their payments under section 12(6) (e.g., interest payments and other payments in connection with any loan or indebtedness).	
7	Extend the Not-for-Profit Organisation Tax Incentive	To ensure that Singapore remains an attractive location for not-for-profit organisations, the incentive will be extended till 31 December 2032.	Section 13R [Clause 7]
Supporting Workers			
8	Allow tax deduction for CPF cash top-ups made by platform operators on behalf of their platform workers under the Voluntary Contributions to MediSave Account scheme	<p>To encourage platform operators to make CPF cash top-ups on behalf of their platform workers (who are eligible for the Matched MediSave Scheme), platform operators will be allowed to claim tax deduction for such top-ups under the Voluntary Contributions to MediSave Account scheme. Under the Matched MediSave Scheme, the Government will match every dollar of voluntary cash top-ups to the MediSave Account of eligible CPF members, up to an annual cap of \$1,000, to boost MediSave adequacy for seniors with lower balances.</p> <p>The change achieves parity with the tax treatment accorded to employers who make top-ups on behalf of their employees under the Voluntary Contributions to MediSave Account scheme.</p> <p>The change will apply from year of assessment 2027 for CPF cash top-ups made on or after 1 January 2026.</p>	Section 15 [Clauses 14(1)(a) and 14(2)]

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Encouraging Giving and Volunteerism															
9	Extend the 250% tax deduction for qualifying donations	<p>To continue encouraging giving, the tax deduction will be extended to qualifying donations made from 1 January 2027 to 31 December 2029 (see eligibility criteria below).</p> <table border="1" data-bbox="622 587 1503 1189"> <thead> <tr> <th data-bbox="622 587 1064 628">Eligible Donations</th> <th data-bbox="1064 587 1503 628">Eligible Recipients</th> </tr> </thead> <tbody> <tr> <td data-bbox="622 628 1064 810">Gifts of shares listed on the Singapore Exchange (“SGX”) or gifts of units in unit trusts traded in Singapore or listed on the SGX^(a)</td> <td data-bbox="1064 628 1503 810">Institutions of a Public Character (“IPCs”)</td> </tr> <tr> <td data-bbox="622 810 1064 887">Cash donations^(b)</td> <td data-bbox="1064 810 1503 887">IPCs and the Singapore Government</td> </tr> <tr> <td data-bbox="622 887 1064 1002">Gifts of artefacts^(b)</td> <td data-bbox="1064 887 1503 1002">Approved museums (approval by the National Heritage Board (“NHB”))</td> </tr> <tr> <td data-bbox="622 1002 1064 1078">Gifts of parcels of land or buildings^(b)</td> <td data-bbox="1064 1002 1503 1078">IPCs</td> </tr> <tr> <td data-bbox="622 1078 1064 1189">Donation, installation, and maintenance of sculptures and works of art for public display^(b)</td> <td data-bbox="1064 1078 1503 1189">NHB and approved recipients (approval by NHB)</td> </tr> </tbody> </table> <p><u>Table Notes:</u> a. Applicable to donations from individual donors only. b. Applicable to donations from individual and corporate donors.</p>	Eligible Donations	Eligible Recipients	Gifts of shares listed on the Singapore Exchange (“SGX”) or gifts of units in unit trusts traded in Singapore or listed on the SGX ^(a)	Institutions of a Public Character (“IPCs”)	Cash donations ^(b)	IPCs and the Singapore Government	Gifts of artefacts ^(b)	Approved museums (approval by the National Heritage Board (“NHB”))	Gifts of parcels of land or buildings ^(b)	IPCs	Donation, installation, and maintenance of sculptures and works of art for public display ^(b)	NHB and approved recipients (approval by NHB)	<p>Sections 37, 37A, 37AA, 37AB and 37B</p> <p>[Clauses 17(b)-(j), 18(b), 19, 20 and 21]</p>
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		Amendments will also be made to remove obsolete provisions.	
10	Extend the Corporate Volunteer Scheme	<p>To continue supporting corporate volunteering, the tax deduction under the scheme will be extended to qualifying expenditure incurred from 1 January 2027 to 31 December 2029.</p> <p>Under the scheme, all businesses carrying on a trade or business in Singapore can claim 250% tax deductions on qualifying expenditure (such as wages) incurred in respect of:</p> <ol style="list-style-type: none"> a. Sending their qualifying employees to volunteer at or to provide services to IPCs; or b. Seconding their qualifying employees to IPCs. <p>The qualifying expenditure is subject to an annual cap of \$250,000 per business per year of assessment and \$100,000 per IPC per calendar year.</p>	<p>Section 14Z</p> <p>[Clause 11]</p>