

ANNEX B:
SUMMARY TABLE ON PROPOSED NON-BUDGET CHANGES TO THE INCOME TAX ACT 1947 (“ITA”)

S/N	Tax Change	Brief Description of Tax Change	Proposed Amendment to ITA [Clause in Proposed Finance (Income Taxes) Bill 2026]
Supporting Taxpayers			
1	Introduce a broad-based Fixed Expense Deduction Ratio for self-employed persons and individual sole proprietors	<p>To simplify tax filing and ease compliance, the Government will introduce a 20% broad-based Fixed Expense Deduction Ratio for self-employed persons and individual sole proprietors with revenue of up to \$50,000 for income not already covered by the existing industry-specific Fixed Expense Deduction Ratios (i.e., income earned as private hire car/taxi drivers, commission agents, and delivery workers). Eligible taxpayers may opt to claim expenses based on the prescribed Fixed Expense Deduction Ratio instead of their actual expenses.</p> <p>The legislative amendments will take effect from year of assessment 2027.</p>	<p>Sections 14ZH and 14ZL</p> <p>[Clauses 12 and 13(2)]</p>
2	Expand the tax exemption for employer-subsidised childcare benefits to include MOE Kindergartens	<p>To continue to promote pro-family practices in the workplace, the income tax exemption for employer-subsidised childcare benefits for attendance at childcare centres licensed under the Early Childhood Development Centres Act 2017 will be expanded to include MOE Kindergartens.</p> <p>The legislative amendments will take effect from year of assessment 2027.</p>	<p>Section 13</p> <p>[Clauses 4(1)(a), 4(1)(e)-(f) and 4(2)]</p>

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3	Grant tax exemption for payments provided under the ComLink+ Package for Employment	<p>To achieve the objective of the ComLink+ Package for Employment (i.e., to help lower-income households and encourage these households to sustain stable employment, to achieve stability, self-reliance and social mobility) and allow the beneficiaries to receive the full amount of financial support, the payments provided under the ComLink+ Package for Employment will be exempted from income tax.</p> <p>The legislative amendments will apply to payments made on or after 1 May 2025 (covering the first payout).</p>	<p>Section 13</p> <p>[Clause 4(1)(d)]</p>
4	Expand the Maritime Sector Incentive – Approved International Shipping Enterprise award to include Singapore-flagged ships	<p>To streamline the tax incentives for the shipping sector, the Maritime Sector Incentive – Approved International Shipping Enterprise award will be expanded to cover Singapore-flagged ships. Following the change, shipping groups with this incentive will only need to tap on one incentive for all their ships. The legislative amendments will take effect from year of assessment 2027.</p> <p>Amendments will also be made to simplify the legislation by removing obsolete provisions. The legislative amendments will take effect from the gazette date.</p>	<p>Sections 10, 13A and 13E</p> <p>[Clauses 3, 5 and 6]</p>
Other Administrative Measures			
5	Require companies to use IRAS' e-service to file objections and	Since 2020, companies have been required to use IRAS' e-service to file their corporate income tax returns. In line with IRAS' ongoing efforts to digitalise its interactions with taxpayers and improve the	Sections 50, 76 and 93A, and Third Schedule

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	revisions to their tax assessments	<p>efficiency of tax administration, companies will be required to use IRAS' e-service to file their (i) objections to Notice of Assessment, and (ii) revisions to submitted Corporate Income Tax Returns. The requirement will take effect from 1 July 2027.</p> <p>Through the e-service, companies and their tax agents can conveniently submit all necessary information to IRAS at once, which reduces follow-up exchanges and supports faster processing of objections and revisions. With full digitalisation, companies can expect faster finalisation of their tax matters.</p>	[Clauses 26, 27, 31 and 33]
6	Extend to bodies of persons the existing requirement for companies to apportion tax deductions for certain qualifying donations among different income tax rates	To ensure consistency in tax treatment across different types of business entities, the existing requirement for companies to apportion tax deductions for certain qualifying donations among different income tax rates will be extended to bodies of persons ¹ . The legislative amendments will take effect from year of assessment 2027.	Section 37 [Clause 17(a)]

¹ Definition in section 2 of the ITA: “*Any body politic, corporate, or collegiate, any corporation sole and any fraternity, fellowship or society of persons whether corporate or unincorporate but does not include a company or partnership*”. Examples include clubs, management corporations, trade associations, and town councils.

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7	Extend to bodies of persons the existing requirement for companies to adjust unabsorbed allowances, losses or donations relating to income taxed at a lower rate before deducting it against income taxed at a higher rate	To ensure consistency in tax treatment across different types of business entities, the existing requirement for companies to adjust unabsorbed allowances, losses or donations relating to income taxed at a lower rate before deducting it against income taxed at a higher rate, will be extended to bodies of persons. The legislative amendments will take effect from year of assessment 2027.	Section 37A [Clause 18(a)]
8	Provide powers to revoke tax incentives provided to sovereign fund entities, foreign government-owned entities and international organisations	To address a legislative gap, the Minister or an authorised body will be given the power to revoke such tax incentive awards if an incentive recipient fails to meet the conditions of the tax incentive. Such revocation powers are currently present for other tax incentives but absent for the said incentives. The legislative amendment will take effect from the gazette date.	Fourth Schedule [Clause 34]
9	Standardise and extend the timeline for appeals against Board of Review decisions to the General Division of the High Court	To standardise and extend the appeal timelines across the Income Tax Board of Review, Goods and Services Tax Board of Review, and the Valuation Review Board, and allow parties sufficient time to assess whether to appeal to the General Division of the High Court and to prepare the appeal papers, an extended, uniform appeal timeline of 28 days after the decision of each respective Board will be introduced. The timelines for appeal were previously 14 days for the Income Tax	Section 81 [Clauses 29 and 46(2)] Goods and Services Tax Act 1993 Section 54 [Clauses 43 and 46(4)]

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		Board of Review and Goods and Services Tax Board of Review, and 21 days for the Valuation Review Board. The legislative amendment will take effect from the gazette date.	Property Tax Act 1960 Section 35 [Clauses 45 and 46(6)]
10	Extend the timeline for parties to be given notice of Board of Review hearings	To allow parties sufficient time to comply with timelines for service of order to attend court under the Rules of Court 2021, the timelines for parties to be given notice of a hearing before the Income Tax Board of Review, Goods and Services Tax Board of Review, and the Valuation Review Board will be extended from 14 days to 35 days. The legislative amendment will take effect from the gazette date.	Section 80 [Clauses 28 and 46(1)] Goods and Services Tax Act 1993 Section 52 [Clauses 42 and 46(3)] Property Tax Act 1960 Section 32 [Clauses 44 and 46(5)]