

MORE MORE MORE Deductions! In the following issues, I will be exploring some more deductions you can make use of. Please send in your request for topics you will be interested in to support@accountingbpo.com

Tax deductions available to your Company

– Bob Oh (All issues are posted here <http://profit-times.blogspot.com>)

Renovations

IRAS used to **disallow renovations**, but has now made some changes to help SMEs.

IRAS has now **allowed** deductions for the following:

- General electrical installation and wiring to supply electricity;
- General lighting;
- Hot/cold water system (pipes, water tanks etc);
- Gas system;
- Kitchen fittings (sinks, pipes etc);
- Sanitary fittings (toilet bowls, urinals, plumbing, toilet cubicles, vanity tops, wash basins etc.);
- Doors, gates and roller shutters (manual or automated);
- Fixed partitions (glass or otherwise);
- Wall coverings (such as paint, wall-paper etc.);
- Floorings (marble, tiles, laminated wood, parquet etc.);
- False ceilings and cornices;
- Ornamental features or decorations that are not fine art (mirrors, drawings, pictures, decorative columns etc.);
- Canopies or awnings (retractable or non-retractable);
- Windows (including the grilles etc.);
- Fitting rooms in retail outlets.

NOT deductible

Any designer fees or professional fees;
Any antique; or
Any type of fine art including painting, drawing, print, calligraphy, mosaic, sculpture, pottery or art installation.

Any catch?

Must be incurred during the period **16 Feb 2008 to 15 Feb 2013** under Section 14Q of the Income Tax Act.

Must be claimed over three consecutive Years of Assessment.

If your company is in a loss position or the Section 14Q deduction is higher than the adjusted profit, the amount of unutilised Section 14Q deduction can be:

- deducted against the company's other sources of income;
- carried forward to offset against the company's assessable income for future YAs if there is no substantial change in the shareholders and their shareholdings and no change in the principal activities;
- or
- carried back to the immediate preceding YA to be offset against the assessable income under the loss carry-back relief.

Restricted to S\$150,000 cap for every 3 relevant period.

Life insurance

If it is your company policy to buy insurance policies for the employees and the **beneficiaries of the policy are the employees**, the life insurance premiums paid are tax-deductible expenses as it constitutes as staff cost. ***(Please note that the life insurance premiums are taxable as employment benefits of the employees and these benefits must be declared in their Form IR8A)***

If your company is the beneficiary, the insurance premiums are not deductible unless they satisfy the conditions of a "keyman" insurance.