

SALARIES TAX

Proposed Changes to Tax Bands

<i>Present</i>		<i>Proposed</i>	
Tax Band Chargeable income	Marginal Tax Rate (%)	Tax Band Chargeable income	Marginal Tax Rate (%)
First \$40,000	2	First \$45,000	2
Next \$40,000	7	Next \$45,000	7
Next \$40,000	12	Next \$45,000	12
Remainder	17	Remainder	17
	Standard Rate* (%) 15		Standard Rate* (%) 15

- * Salaries tax payable is calculated at progressive rates on a taxpayer's net chargeable income or at standard rate on his/her net income (before deduction of the allowances), whichever is lower.

Proposed Changes to Allowances and Deductions

	<i>Present</i> (\$)	<i>Proposed</i> (\$)	<i>Increase</i> (\$) (%)	
Personal Allowances:				
Basic	132,000	132,000	—	—
Married	264,000	264,000	—	—
Single Parent	132,000	132,000	—	—
Other Allowances:				
Child:				
1st to 9th child				
Year of birth	200,000	200,000	—	—
Other years	100,000	100,000	—	—
Dependent Parent/Grandparent:				
Aged 60 or above				
Basic	46,000	46,000	—	—
Additional allowance (for a dependant living with the taxpayer)	46,000	46,000	—	—
Aged 55 to 59				
Basic	23,000	23,000	—	—
Additional allowance (for a dependant living with the taxpayer)	23,000	23,000	—	—
Dependent Brother/Sister	33,000	37,500	4,500	14
Disabled Dependant	66,000	75,000	9,000	14
Deduction Ceiling:				
Self-Education Expenses	80,000	100,000	20,000	25
Home Loan Interest (Number of years of deduction)	100,000 (15 years of assessment)	100,000 (20 years of assessment)	—	— (Entitlement period extended by 5 years of assessment)
Approved Charitable Donations	35% of income	35% of income	—	—
Elderly Residential Care Expenses	92,000	92,000	—	—
Contributions to Recognised Retirement Schemes	18,000	18,000	—	—