

PROPERTY TAX ORDINANCE, 1960

This Ordinance, which came into force on 1st January, 1961, seeks to impose a levy of tax on immovable properties in lieu of the rates leviable by the local authorities under the Municipal Ordinance¹ and under the Local Government Ordinance.² The Ordinance has been made necessary as a result of the proposed integration of the City Council into the Central Government, when it will no longer be proper to levy local government rates on lands and buildings, since these are made on the basis of services and utilities of equivalent value being provided from the revenue so obtained. Accordingly, sections 59-81A of the Municipal Ordinance and sections 100-152 of the Local Government Ordinance, which deal with assessments on property, have been repealed.³

The Ordinance is divided into seven parts. Part I, as is usual with all legislation, deals with the date of commencement and with interpretation. Part II relates to administration and provides for the appointment of a Comptroller of Property Tax and Deputy and Assistant Comptrollers.

Part III is by far the most important part, for it is in this Part that power is given for the imposition of this tax. Section 6 provides that a property tax shall be payable at the specified rates for each year upon the annual value of any house, building, land and tenement included in the Valuation List. The Ordinance makes it mandatory for the owner of any property whose annual value exceeds \$18 to give notice to the Comptroller of his ownership of the property.⁴ The owner is also obliged to pay the tax without any demand from the Comptroller for the payment of such. Where the owner fails to do so, however, power is given to the Comptroller to recover the tax, and even if the property were to become the subject matter of some other proceedings, *e.g.* bankruptcy, the Comptroller still has priority over all other claims, since the tax is made a first charge on the property.

Buildings used exclusively for worship, for schools, for charitable purposes and for purposes conducive to social development are exempted from such tax. Lands and buildings used as burial and burning grounds and by certain institutions fostering the arts and sciences are not exempted from this tax, although they were exempted under the Municipal Ordinance or Local Government Ordinance.

In the case of property owned by statutory bodies, power is given to the Minister to make an order for them to pay to the Government, in lieu of property tax, such sums as he deems equitable.

A new provision is that enabling an owner to claim any amount paid in excess of the amount properly chargeable.

Unlike the Local Government Ordinance, this Ordinance fixes the rate of tax payable at 36 per centum upon the annual value of every property in the State but power is given to the Minister to reduce the rate of tax payable in any area or areas by making an order to that effect. The Minister is similarly empowered to reduce the rate of tax payable on owner occupied on industrial premises.

1. Cap. 133 Laws of the Straits Settlements. 1936 edition.

2. No. 24 of 1957.

3. Sections 150-152 of the Local Government Ordinance, which deal with street names and house numbers have also been repealed; similar provisions have, however, been enacted in ss.45-47 of the Property Tax Ordinance. 1960.

4. This provision is similar to s.63(2) of the Income Tax Ordinance (cap. 166), which makes it mandatory for every person chargeable to tax to give notice to the Comptroller that he is so chargeable.

Special provisions have been made for assessment of taxes on new buildings, buildings which have been rebuilt or enlarged, properties assessed for the first time, and properties which should have been assessed for rates under the Municipal Ordinance or the Local Government Ordinance prior to the commencement of this Ordinance (*i.e.* 1st January, 1961) but have not been so assessed. In all these cases section 18 provides that the tax shall be payable from the date of completion of the building or in the case of land from such as the Comptroller may determine, not being more than six years prior to the date on which the property is first assessed.

Where a building ceases to be occupied by the owner and is let or where the rent is increased, the tax payable from the date of such letting or increase of rent is calculated on the basis of any raised value which may be ascribed to such premises.

Part IV deals with objections and appeals, and provides for the creation of a Valuation Board to hear objections. An appeal from the Board lies to the High Court. Tax payable, however, shall not be held in abeyance by reason of an appeal but shall remain payable, and may be recovered as in cases where there is no appeal.⁵

Part V relates to the collection and recovery of taxes, and the procedure adopted is the same as that provided in sections 121-130 of the Local Government Ordinance.

Power is given to the Comptroller in Part VI to determine the names of streets and to allot numbers to buildings.

General powers, including the power to make regulations, are included in Part VII.

A notable omission in this Ordinance is the provision for a refund to be made on unoccupied buildings provided for in section 110 of the Local Government Ordinance. Under the Local Government Ordinance where a building is unoccupied and no rent is payable for a period of not less than one month, then the owner can claim to have a proportionate part of the assessment rate paid refunded to him. Under the present law, however, the owner of a building in the same circumstances cannot claim any such refund. The reason for this has been stated by the Minister of Finance in the Legislative Assembly thus: ⁶ "Because the tax is a tax on the ownership of property irrespective of whether it is occupied or not, refunds of tax for 'letted' buildings which have become unoccupied during the tax year will cease."

The most striking feature of the Ordinance, as will be apparent from this note, is the very wide powers conferred on the Minister. Under the Municipal Ordinance and the Local Government Ordinance, the City Council had not such wide powers. It is, however, a highly debatable point whether the vesting of such powers in a Minister is desirable or not.

LEE MIN SEN.

5. This provision is adopted from the Income Tax Ordinance, s.86 of which provides that tax shall be payable within a stipulated time, notwithstanding that there is an objection or appeal against the assessment.

6. Col. 896 — (1960) Vol. 14 Official Reports of the Legislative Assembly Debates, State of Singapore.