

SALARIES TAX

Proposed Changes to Tax Bands

<i>Present</i>		<i>Proposed</i>	
Tax Band	Marginal Tax Rate (%)	Tax Band	Marginal Tax Rate (%)
Net chargeable income		Net chargeable income	
First \$45,000	2	First \$50,000	2
Next \$45,000	7	Next \$50,000	6
Next \$45,000	12	Next \$50,000	10
Remainder	17	Next \$50,000	14
		Remainder	17
	Standard Rate* (%)		Standard Rate* (%)
	15		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	—	—
Disabled	—	75,000	New allowance	
Other Allowances:				
Child:				
1st to 9th child				
Year of birth	200,000	240,000	40,000	20
Other years	100,000	120,000	20,000	20
Dependent Parent/Grandparent:				
Aged 60 or above				
Basic	46,000	50,000	4,000	9
Additional allowance (for a dependant living with the taxpayer)	46,000	50,000	4,000	9
Aged 55 to 59				
Basic	23,000	25,000	2,000	9
Additional allowance (for a dependant living with the taxpayer)	23,000	25,000	2,000	9
Dependent Brother/Sister	37,500	37,500	—	—
Disabled Dependant	75,000	75,000	—	—
Deduction Ceiling:				
Self-Education Expenses	100,000	100,000	—	—
Home Loan Interest (Number of years of deduction)	100,000 (20 years of assessment)	100,000 (20 years of assessment)	—	—
Approved Charitable Donations	35% of income	35% of income	—	—
Elderly Residential Care Expenses	92,000	100,000	8,000	9
Contributions to Recognised Retirement Schemes	18,000	18,000	—	—