

[LEGAL NOTICE NO. 69]

INCOME TAX ACT 2015

**Income Tax (Medical Investment Incentives)
(Amendment) Regulations 2020**

IN exercise of the powers conferred on me by section 25A of the Income Tax Act 2015, I hereby make these Regulations—

Short title and commencement

1.—(1) These Regulations may be cited as the Income Tax (Medical Investment Incentives) (Amendment) Regulations 2020.

(2) These Regulations come into force on 1 August 2020.

(3) In these Regulations, the Income Tax (Medical Investment Incentives) Regulations 2016 is referred to as the “Principal Regulations”.

Regulation 2 amended

2. Regulation 2 of the Principal Regulations is amended by—

(a) deleting the definition of “ancillary medical services investment” and substituting the following—

““ancillary medical services investment” means a project with capital investment (including the cost of support infrastructure and overseas consultant fees but excluding the cost of land) over—

(a) \$2,000,000 where the project commences on or after 1 January 2016; and

(b) \$500,000 where the project commences on or after 1 August 2020;”;

(b) deleting the definition of “ancillary medical services investment allowance” and substituting the following—

““ancillary medical services investment allowance” means the allowance of an amount of taxable income equal to—

(a) 30% of the total expenditure incurred in the project with capital investment (including the cost of support infrastructure and overseas consultant fees but excluding the cost of land) from \$500,000 to \$1,000,000; and

(b) 60% of the total expenditure incurred in the project with capital investment (including the cost of support infrastructure and overseas consultant fees but excluding the cost of land) over \$1,000,000;”;

(c) in the definition of “existing hospital”, deleting “1 January 2016” and substituting “1 August 2020”;

(d) deleting the definition of “medical investment” and substituting the following—

““medical investment” means a project with capital investment (including the cost of support infrastructure and overseas consultant fees but excluding the cost of land) over—

(a) \$7,000,000 where the project commences on or after 1 January 2016; and

(b) \$2,500,000 where the project commences on or after 1 August 2020;”;

- (e) deleting the definition of “medical investment allowance” and substituting the following—
- ““medical investment allowance” means the allowance of an amount of taxable income equal to—
- (a) 30% of the total expenditure incurred in the project with capital investment (including the cost of support infrastructure and overseas consultant fees but excluding the cost of land) from \$500,000 to \$1,000,000; and
 - (b) 60% of the total expenditure incurred in the project with capital investment (including the cost of support infrastructure and overseas consultant fees but excluding the cost of land) over \$1,000,000;”;
- (f) in the definition of “project”, deleting “building” wherever it appears and substituting “establishment”.

Regulation 7 amended

3. Regulation 7(1) of the Principal Regulations is amended by deleting “on or after 1 January 2016”.

Regulation 9 amended

4. Regulation 9(1) of the Principal Regulations is amended by—

- (a) in paragraph (a), deleting “an amount of taxable income equal to 60%” and substituting “for a capital investment from \$500,000 to \$1,000,000, an amount of taxable income equal to 30%”;
- (b) deleting paragraph (b) and substituting the following new paragraph—

“(b) for a capital investment more than \$1,000,000, an amount of taxable income equal to 60% of the total capital expenditure incurred in the project including the provision of amenities approved by the Minister, but not including the cost of any land acquired for the project or refurbishment and renovation, is not chargeable to tax; and”;
- (c) after paragraph (b), inserting the following new paragraph—

“(c) so much of the amount not charged to tax under paragraphs (a) and (b) and which cannot be set off against the taxable income of the hospital owner for the first year of income after the commencement of operation or after the completion of the extension must be carried forward and be set off against the taxable income of the next successive fiscal years of income of the hospital owner until the amount is wholly set off.”.

Regulation 19 amended

5. The Principal Regulations are amended by deleting regulation 19 and substituting the following new regulation—

“Exemption from tax

19. If final approval is granted under this Part to a company, the income of the company is exempt from tax on profits derived from the operation of the private hospital if the capital investment in the private hospital is—

- (a) from \$2,500,000 to \$5,000,000, in the case of a company that applies on or after 1 August 2020, for a period of 7 consecutive fiscal years;
- (b) from \$5,000,001 to \$10,000,000, in the case of a company that applies on or after 1 August 2020, for a period of 13 consecutive fiscal years; and
- (c) more than \$10,000,000, in the case of a company that applies on or after 1 August 2020, for a period of 20 consecutive fiscal years.”.

Regulation 30 amended

6. Regulation 30(1) of the Principal Regulations is amended by deleting “on or after 1 January 2016”.

Regulation 32 amended

7. Regulation 32(1) of the Principal Regulations is amended by—

- (a) in paragraph (a), deleting “an amount of taxable income equal to 60%” and substituting “for a capital investment from \$500,000 to \$1,000,000, an amount of taxable income equal to 30%”;
- (b) deleting paragraph (b) and substituting the following new paragraph—
 - “(b) for a capital investment more than \$1,000,000, an amount of taxable income equal to 60% of the total capital expenditure incurred in the project including the provision of amenities approved by the Minister, but not including the cost of any land acquired for the project or refurbishment and renovation, is not chargeable to tax;”;
- (c) after paragraph (b), inserting the following new paragraph—
 - “(c) so much of the amount not charged to tax under paragraphs (a) and (b) and which cannot be set off against the taxable income of the hospital owner for the first year of income after the commencement of operation or after the completion of the extension must be carried forward and be set off against the taxable income of the next successive fiscal years of income of the hospital owner until the amount is wholly set off.”.

Regulation 42 amended

8. The Principal Regulations are amended by deleting regulation 42 and substituting the following new regulation—

“Exemption from tax

42. If final approval is granted under this Part to a company, the income of the company is exempt from tax on profits derived from the operation of the ancillary medical centre if the capital investment in the ancillary medical centre is—

- (a) from \$500,000 to \$3,000,000, in the case of a company that applies on or after 1 August 2020, for a period of 7 consecutive fiscal years;
- (b) from \$3,000,001 to \$10,000,000, in the case of a company that applies on or after 1 August 2020, for a period of 13 consecutive fiscal years; and
- (c) more than \$10,000,000, in the case of a company that applies on or after 1 August 2020, for a period of 20 consecutive fiscal years.”.

Made this 31st day of July 2020.

A. SAYED-KHAIYUM
Attorney-General and Minister for Economy