

AFFORDABLE HOUSING TAX INCENTIVES

	TAX INCENTIVE	DESCRIPTION
1	Value Added Tax	<ul style="list-style-type: none"> Exemption of VAT on importation and local purchase of goods for the construction of houses under the affordable housing scheme upon recommendation by the CS responsible for Housing.
2	Corporate Tax	<ul style="list-style-type: none"> Lower corporate tax rate to 15% for developers of over 100 units which would allow for lower unit prices without sacrificing developer target net profit.
3	Import Levies	<ul style="list-style-type: none"> Import Declaration Fee (IDF) for goods imported for construction of houses under the affordable housing scheme to remain at 2%. (IDF has increased to 3.5% for other imports.) Railway Development Levy (RDL) remains at 1.5% for affordable housing imports while for other imports it increases to 2%
4	Affordable Housing Tax Relief	<ul style="list-style-type: none"> Tax relief of 15% of savings/contribution to drive savings towards home ownership
5	Stamp duty exemption	<ul style="list-style-type: none"> Exemption from 4% (urban areas) and 2% (rural areas) stamp duty for first time buyers of houses under the affordable housing scheme.
6.	Thin capitalization (Interest expenses deduction restriction)	<ul style="list-style-type: none"> Restriction of interest expense deduction when computing taxable income where a foreign controlled company has a debt to equity ratio exceeding 3:1 No interest restriction for companies undertaking projects under the affordable housing program.