



INLAND REVENUE
AUTHORITY
OF SINGAPORE

What you need to know for Corporate Tax Filing Season 2020

By: Inland Revenue Authority of Singapore



Corporate Tax filing season has begun and all companies, including those that did not carry on business or have incurred a loss, must e-File their Year of Assessment (YA) 2020 Income Tax Returns (Form C-S/ C) at mytax.iras.gov.sg by **15 Dec 2020**. e-File your taxes early to avoid any last-minute rush.

With compulsory e-Filing, paper submission of Form C-S/ C will not be accepted.

In this article, the Inland Revenue Authority of Singapore (IRAS) brings you the latest developments in Corporate Tax filing and some useful filing tips for companies.

1. Filing made easy for small companies with a suite of new filing initiatives

From YA 2020, small and medium enterprises can enjoy an easier tax filing experience with the following new initiatives:

- **e-Filing of Form C-S (Lite)**

Companies who qualify to e-File Form C-S and have an annual revenue of \$200,000 or below now have the option to e-File Form C-S (Lite), a simplified version of Form C-S. For companies with straight-forward tax matters, Form C-S (Lite) requires only six essential fields to be completed, which is a two-third reduction in the number of fields as compared to Form C-S.

Visit go.gov.sg/formcs-lite to find out more about Form C-S (Lite).

- **Using Accounting Software to Prepare and e-File Form C-S Seamlessly**

To help smaller companies with simpler tax affairs reduce their regulatory burden, IRAS and ACRA have partnered accounting software providers¹ to co-create a new digital solution that allows qualifying companies to automate the preparation and filing of Form C-S and annual returns to IRAS and ACRA respectively via accounting software. The digital solution leverages API (Application Programming Interface) technology to simplify the tax filing process for companies and reduces their risk of making errors.

Aside from simplifying the filing process, companies will also enjoy the following benefits when using the enhanced accounting software:

- ① It serves as your primary record-keeping tool as all your business transaction records including invoices and receipts will be digitised.
- ② Tax returns and tax computations are auto-generated through the software that automates the conversion of financial and accounting data.
- ③ Users will take less than 30 minutes to prepare and e-File their Form C-S as compared to 9 hours of manual preparation and filing.

Visit go.gov.sg/citseamlessfiling for more information on the qualifying conditions for using this digital solution.



Did you know?

Government grants are available for qualifying companies who wish to buy the software solutions:

- a. **Start Digital Pack:** Offered by the Infocomm Media Development Authority (IMDA), this helps companies take the first step in going digital. SMEs can sign up for the accounting software at no cost for the first six months, with a minimum 18-month contract period.
- b. **Digital Resilience Bonus:** Offered by IMDA, this allows SMEs in the Food Services and Retail sectors to receive payouts of up to \$10,000. Apart from purchasing the accounting software, SMEs in these sectors also need to meet other conditions such as adopting PayNow Corporate, e-Invoicing and HR/payroll software in order to qualify for the bonus.
- c. **Productivity Solutions Grant:** Offered by the Enterprise Singapore (ESG), maximum funding support of up to 80% (from 1 April 2020 to 31 December 2020) will be made available on the purchase of pre-approved IT solutions.

Find out more details when you visit the respective websites of [IMDA](https://www.imda.gov.sg) and [ESG](https://www.esg.gov.sg).

2. Key Tax Changes for YA 2020

To help companies with their cash flow:

¹ This solution is now available through Netiquette Software Pte Ltd and SMECEN Pte Ltd. Other accounting software providers that are currently working with IRAS to develop the solution include Autocount Pte. Ltd., Deskera (S) Pte. Ltd. and Realtime IT Consultancy Pte. Ltd.

- A [Corporate Income Tax Rebate](#) of 25% of tax payable, capped at \$15,000, will be granted for YA 2020; and
- The [Loss Carry-Back Relief](#) has been enhanced for YA 2020. Companies can choose to opt for the current carry-back relief system or enhanced carry-back relief system for YA 2020.

Companies may also visit go.gov.sg/commontaxreliefs for more information on how to lower their tax burdens by claiming the various tax reliefs.

3. Helpful tips when filing your Corporate Income Tax Return

When submitting your YA 2020 Corporate Income Tax Return, it is important to ensure that the information is complete and accurate. A penalty of up to 200 per cent of the amount of tax undercharged may be imposed for the incorrect Tax Return filed.

Refer to the table below for some tips to ensure that your submission is error-free.

	Common Mistakes	What to Do
Donations	<ul style="list-style-type: none"> • Not adding back donations in the tax computation • Making donations for the company through a related or 3rd party 	<ul style="list-style-type: none"> • Ensure that the necessary tax adjustments are made for a donation to an approved Institution of Public Character (IPC) when computing the adjusted profit • Ensure that the company's identification number is provided to the IPC and a receipt is issued to the name of the company making the donation • To claim a tax deduction on donations not reflected in myTax Portal, check with the respective IPCs to rectify the issue
Motor Vehicle Expenses	Claiming tax deductions on private car (i.e. S-plated cars) expenses such as petrol, insurance, road tax, parking and ERP charges	<ul style="list-style-type: none"> • Make tax adjustments to exclude all private car expenses regardless of whether the car was used for business purposes
Provisions	<ul style="list-style-type: none"> • Claiming deductions on provisions for expenses such as foreseeable losses and unutilised leave 	<ul style="list-style-type: none"> • Add back all the provisions made and have supporting documents to substantiate the claim for the amount of provisions being utilised

Renovation & Refurbishment (R&R) Expenditure (Section 14Q Deductions)	<ul style="list-style-type: none"> • Claiming Section 14Q deductions on non-qualifying items such as designer fees, professional fees as well as R&R works where approval of the Commissioner of Building Control is required • Claiming deductions that exceed the cap of \$300,000 for every relevant three-year period 	<ul style="list-style-type: none"> • Ensure that the R&R works are incurred on qualifying items before making the claim • Ensure that the claim does not exceed the cap of \$300,000 for every relevant three-year period
Other Non-deductible expenses	Claiming non-deductible expenses such as personal travel or entertainment expenses that are not related to the running of the business	<ul style="list-style-type: none"> • Segregate personal and non-deductible expenses and ensure that such amounts are disallowed in the tax returns

To learn about other common filing mistakes and tax treatments for various business expenses, visit go.gov.sg/irascompliance and go.gov.sg/businessexpenses.

Voluntary disclosures can also be made under IRAS' Voluntary Disclosure Programme when mistakes are discovered. No penalties will be imposed if the voluntary disclosure is made within 1 year from the statutory filing date. A reduced penalty will apply for disclosures made after the grace period of one year. Find out more at go.gov.sg/irasvoluntarydisclosure.



Did you know?

A dormant company must e-File its Income Tax Return unless it has been granted a waiver of Income Tax Return Submission.

Visit go.gov.sg/irasdormantcompanies for more details.

4. Single Filing Deadline from YA 2021

Lastly, all companies will be required to e-File their Corporate Tax Returns by 30 Nov from YA 2021 onwards. The extended deadline of 15 Dec will no longer apply. IRAS will be sending out reminders nearing the due date.

Still have Corporate Tax enquiries or need filing assistance? Check out go.gov.sg/CIT2020 for information on YA 2020 Corporate Income Tax filing. You can also get in touch with IRAS officers via myTax Mail or call the helpline at 1800 356 8622.

Note: The information presented in the article aims to provide a better general understanding of taxpayers' tax obligations and is not intended to comprehensively address all possible tax issues that may arise. This information is correct as at 21/09/2020. While every effort has been

made to ensure that this information is consistent with existing law and practice, should there be any changes, IRAS reserves the right to vary its position accordingly.