Income from property rented out

Any rent payments you receive when you rent out your property are subject to income tax and must be declared in your Income Tax Return.

# Rental income

Rental income refers to the full amount of rent and related payments you receive when you rent out your property. This includes:

* Rent of the premises
* Maintenance
* Rent of the furniture and fittings
* Rental deposit – Generally, forfeiture of the rental deposit is considered as part of your gross rent and is taxable. Where the rental deposit is forfeited due to damages to property by tenant, you may claim expenses for costs incurred to rectify the damages.
* Subletting of property – Some property owners may choose to rent out a portion of their property (i.e. subletting). For example, they rent out a spare room while still dwelling in their home. The rental income from subletting is taxable. Property owners are required to apportion the allowable expenses incurred based on the number of rooms rented out (refer to Example 6 below).
* Recovery from insurance – If you have recovered any amount from insurance on the property that is rented out, the amount recovered is taxable and should be reported as part of your income.

The net rental income after deduction of any allowable expenses is subject to income tax.  It is taxable from the date it is **due and payable** to the property owner, and not the date of actual receipt.

# Difference between property tax and income tax

Property tax is a tax on property ownership. It applies whether the property is occupied by the owner, rented out or left vacant. It is different from Income Tax.

Income Tax is a tax on your earnings, including the rental income earned from renting out your property.

## Property tax is a tax on property ownership

* It applies whether the property is occupied by the owner (owner-occupied), rented out, or left vacant.

## It is different from Income Tax

* Income tax is a tax on your earnings, including the rental income earned from renting out the house.

### Example 1: Rental Income was due in 2023, but only paid in 2024

Sole ownership of property

* The rental income is taxed 100% on the sole owner of the property, even if a third party receives the rent.

Jointly owned property

* The rental income is taxed on all the joint owners based on their legal share in the property. It does not matter which party receives the rent or whether the owners paid for the property. The rental loss is also apportioned to joint owners, based on their legal share in the property.

# Rental expenses

Expenses incurred solely for producing the rental income and during the period of tenancy may be claimed as tax deduction.

Property owners who lease their residential properties can now enjoy the convenience of pre-filled rental expenses.

To simplify tax-filing and reduce the burden of record-keeping, an amount of deemed rental expenses calculated based on 15% of the gross rent will be pre-filled in the online tax form. In addition to the 15% deemed rental expenses, property owners may still claim mortgage interest on the loan taken to purchase the tenanted property. Please keep the supporting documents relating to the mortgage interest for at least 5 years for verification purposes. For deemed rental expenses claim, it is not necessary to keep records of the other rental expenses incurred.

Alternatively, property owners may opt to claim the amount of actual rental expenses incurred. Please retain all supporting documents such as tenancy agreements, bank mortgage statements, invoices and receipts for at least 5 years for verification purposes.

From Year of Assessment 2022, any expenditure incurred by a landlord for the repair, insurance, maintenance or upkeep of a property when it is vacant in any part of a basis period, and any property tax paid on that property for that vacancy period can be deducted against rental income. This is subject to the condition that reasonable efforts have been made to find a new tenant during the vacancy period(s) in between leases.

The table below lists allowable and non-allowable rental expenses:

**Housing Loans**

* **Allowable Expenses**
  + Interest (including late payment interest) paid on the loan or mortgage taken to purchase the rented-out property.
  + See Note 1 for additional details.
* **Non-Allowable Expenses**
  + Repayments of the principal loan or mortgage amount (monthly installments).
  + Late default charges or finance fees imposed by banks for late repayment of loans.

Note 1: Obtaining a housing loan to purchase property

* Loan obtained (by mortgaging Property A) to purchase Property B: The loan interest is deductible, provided the rental income is generated from Property B.
* Loan obtained (by mortgaging Property A) to be used for other purposes (e.g. to purchase another property for residential purpose or for business): The loan interest is not deductible against rental income of Property A as the loan is not incurred to purchase the said property.
* Overdraft obtained for financing the purchase of Property A and also for personal use: Only that portion of the loan interest applicable to the amount of loan to finance the purchase of Property A is deductible against its rental income.

**Property Tax**

* **Allowable Expenses**
  + Property tax incurred during the rental period (e.g., property tax paid for the year 2023 on the property rented out in 2023).
* **Non-Allowable Expenses**
  + Penalty imposed for late payment or non-payment of property tax.
  + Balance brought forward from the previous year's property tax.

**Fire Insurance**

* **Allowable Expenses**
  + Premiums paid on fire insurance.
* **Non-Allowable Expenses**
  + Capital sum assured on the property.

**Repairs**

* **Allowable Expenses**
  + Repairs done during the rental period to restore the property to its original state.
* **Non-Allowable Expenses**
  + Initial repair costs.
  + Repairs resulting in improvements, additions, or alterations.

**Maintenance**

* **Allowable Expenses**
  + Maintenance costs such as painting, pest control, and monthly maintenance charges to management corporations.
* **Non-Allowable Expenses**
  + Renovation, additions, or alterations to the property (e.g., extension of a car porch, construction of drains, cementing walls and floors, installation of window grilles).

**Costs of Securing Tenant**

* **Allowable Expenses (From Year of Assessment 2022)**
  + Agent's commission, advertising, legal expenses, and stamp duties for obtaining, granting, renewing, or extending a lease for first and subsequent tenants.
* **Non-Allowable Expenses**
  + No deductions for leases longer than 3 years or under certain business-related arrangements (e.g., sale and leaseback).

**Costs of Supervision or Management Fees**

* **Allowable Expenses**
  + Engaging a third party (e.g., property agent/company) for activities like ensuring prompt rent payment, maintenance, and attending to tenant queries and complaints.
* **Non-Allowable Expenses**
  + Fees paid to related parties (e.g., relatives or own company) unless justified as market rate and commensurate with the services provided.

**Furniture and Fittings**

* **Allowable Expenses**
  + Replacement of furnishings (e.g., furniture, fixtures, electrical appliances) to their original state.
  + Hiring of furniture.
* **Non-Allowable Expenses**
  + Depreciation of new improvements/additions to furnishings.
  + Costs of new improvements/additions to furnishings.

**Internet Charges/Expenses**

* **Allowable Expenses**
  + Paid on behalf of the tenant (i.e., not reimbursed by the tenant).
* **Non-Allowable Expenses**
  + Paid on behalf of the tenant but subsequently reimbursed.

**Utility Expenses**

* **Allowable Expenses**
  + Paid on behalf of the tenant (i.e., not reimbursed by the tenant).
* **Non-Allowable Expenses**
  + Paid on behalf of the tenant but subsequently reimbursed.

**Expenses Incurred on Properties Not Generating Rental Income**

* **Non-Allowable Expenses**
  + Any expenses incurred on properties not generating rental income (e.g., rent, utilities, or maintenance for own accommodation or a vacant property) cannot be claimed against rental income from other properties as these are considered capital and private in nature.
  + See Note 2 for additional details.

Note 2; Expenses incurred on properties not generating rental income of securing tenant

* You bought Property X in 2021 for your own stay. In 2023, you decided to rent out Property X and rented a house (i.e. Property Y) near your office for the convenience of travelling to and from work. The rent paid on Property Y is considered as a private expense and is not a deductible expense against the rent received from Property X.

### Example 2: Individuals who receive rental income from 1 property

**Calendar Year: 2022**

* **Year of Assessment**: 2023
* **Description of Use of Property**:
  + Taxpayer bought the property in May 2022.
  + Property was under renovation for 3 months before it was rented out.
  + In September 2022, the property was rented out for a period of 2 years (Sep 2022 to Aug 2024) to its first tenant, John.
  + Commission was paid to an agent to secure a tenant.
* **Allowable Expenses**:
  + - Interest on housing loan paid for the acquisition of the property during the period of tenancy (Sep 2022 to Dec 2022).
    - Property tax paid during the period of tenancy (Sep 2022 to Dec 2022).
    - Costs of securing the first tenant (e.g., agent's commission, advertising, legal expenses, and stamp duties) paid prior to the commencement of tenancy.
* **Disallowable Expenses**:
  + - Cost of renovation incurred prior to the commencement of tenancy.

**Calendar Year: 2023**

* **Year of Assessment**: 2024
* **Description of Use of Property**:
  + In June 2023, the tenant terminated the lease agreement.
  + Property was vacant for 3 months before a new tenant was secured in October 2023.
  + Taxpayer has taken reasonable efforts (e.g., evidence of advertisements, engagement of an agent) to look for a tenant during the vacant period, but the property was vacant due to unforeseen circumstances (e.g., poor market sentiment or oversupply of housing in the property market).
  + Commission was paid to an agent to secure the new tenant (subsequent tenant).
  + During the vacant period, minor repairs were carried out on the property.
* **Allowable Expenses**:
  + - Interest on housing loan paid for the acquisition of the property (including the vacant period) (Jan 2023 to Dec 2023).
    - Property tax paid (including the vacant period) (Jan 2023 to Dec 2023).
    - Costs of securing the subsequent tenant (e.g., agent's commission, advertising, legal expenses, and stamp duties paid).
    - Cost of repairs incurred during the vacant period.
* **Disallowable Expenses**:
  + NIL

### Example 3: Individuals who receive rental income from more than 1 property concurrently

* Calendar year: 2023
* Year of Assessment: 2024
* Number of properties owned: 2
* First property (Property A):
  + Description: Rented out since May 2022
* Second property (Property B):
  + Description: In Feb 2023, taxpayer bought Property B and made some minor repairs before it was rented out
  + Taxpayer rented out Property B (subsequent property) from May 2023 to its first tenant
  + Commission was paid to agent to secure the tenant
* Allowable expenses:
  + - Interest on housing loan paid during the period of tenancy for the acquisition of:
      * Property A (Jan 2023 to Dec 2023)
      * Property B (May 2023 to Dec 2023)
    - Property tax paid during the period of tenancy:
      * Property A (Jan 2023 to Dec 2023)
      * Property B (May 2023 to Dec 2023)
    - Costs of securing first tenant on Property B (e.g. agent's commission, advertising, legal expenses and stamp duty paid)
* Disallowable expenses:
  + Cost of repairs incurred on Property B prior to the commencement of tenancy

### Example 4: Apportionment of rental expenses for property that was not rented out for the full year

You have rented out your non-residential property at a gross rent of $5,000 per month for 10 months (Jan to Oct). Thereafter, you allowed your relative to occupy your property rent free. Besides the interest of $12,000 paid on the loan taken to purchase the property, you have incurred other expenses, namely property tax of $2,400, fire insurance of $180 and maintenance of $3,600. Your actual rental expenses are to be apportioned as follows:

* Gross rent: $5,000 x 10 = $50,000
* Mortgage interest: $12,000 x 10/12 = $10,000
* Property tax: $2,400 x 10/12 = $2,000
* Fire insurance: $180 x 10/12 = $150
* Maintenance: $3,600 x 10/12 = $3,000

**Net rent**  
= $50,000 - $10,000 - $2,000 - $150 - $3,000  
= $34,850

Note: the expenses incurred in Nov and Dec are not deductible.

# Simplified claim for rental expenses for tenanted residential property

If you have more than one tenanted residential property and opt to claim actual rental expenses on any one tenanted residential property, you will need to apply this treatment consistently to all your tenanted residential properties. You cannot claim 15% deemed rental expenses on one tenanted residential property and claim actual rental expenses on another tenanted residential property.

If your residential property has been approved for non-residential use (e.g. child care centre or workers' dormitory), it is not considered as a residential property for tax purposes.

The deemed expenses option is not applicable under the following circumstances:

1. You did not incur any deductible expense (apart from mortgage interest) in respect of the rental income derived; or
2. You derived the rental income through a partnership in Singapore; or
3. You derived the rental income from a property held under a trust.

Find out more about [**Simplification of Claim of Rental Expenses for Individuals**](https://www.iras.gov.sg/media/docs/default-source/e-tax/e-tax-guide_iit_simplification_of_claim_of_rental_expenses_for_individuals.pdf?sfvrsn=5c9d3143_7)

# Claim for rental expenses for tenanted non-residential property

For tenanted non-residential property, you would only be able to claim the actual rental expenses incurred. You are required to keep the supporting documents for at least 5 years for verification purposes.

### Example 5: how to claim the 15% deemed rental expenses

You have rented out your residential property at a gross rent of $5,000 per month for the full year. Besides the interest of $12,000 paid on the loan taken to purchase the property, you have incurred a total amount of $7,500 on other deductible expenses, namely property tax, fire insurance and maintenance. You may claim the deemed rental expenses as follows:

* Gross rent: $5,000 x 12 = $60,000
* Mortgage interest: $12,000
* Other expenses: $60,000 x 15% = $9,000

**Net rent**  
= $60,000 - $12,000 - $9,000  
= $39,000

### Example 6: You are subletting in a room in your home

You are living in a 4-room flat with 3 bedrooms. You sublet one of the rooms for the full year. Your tenant pays you $600 per month as rent. The total amount of deductible expenses incurred for the whole flat is $3,000. You must apportion the allowable expenses incurred based only on the number of rooms rented out. Alternatively, you may opt to claim the rental expenses based on 15% of the gross rental income.  
  
Your net rent is calculated as follows:

* Rental Period: Full calendar year
* Gross rent: $600 x 12 = $7,200
* Computing net rent based on actual expenses incurred:
  + Deductible expenses: (1 bedroom / 3 bedrooms) x $3,000 = $1,000
  + Net rent: $7,200 - $1,000 = $6,200
* Computing net rent based on simplified claim for rental expenses:
  + Deductible expenses: $7,200 x 15% = $1,080
  + Net rent: $7,200 - $1,080 = $6,120

# Reporting rental income

You have to declare the gross rent of your property in the previous year and details of deductible expenses of each property under **'Other Income: Rent from property'** in your Income Tax Return.

The required details include the following:

1. total annual rent collected;
2. total deductible expenses; and
3. share of the rent (for jointly-owned property)

You may use our [**Rental Calculator**](https://www.iras.gov.sg/quick-links/calculators) (<https://www.iras.gov.sg/quick-links/calculators>) to compute your rental income if you opt to claim actual expenses incurred.

[Rental income from partnership property](https://www.iras.gov.sg/taxes/individual-income-tax/self-employed-and-partnerships/tax-obligations-of-partnerships/basic-guide-for-partnerships#title8)  
If rental income is derived by a partnership from its partnership property, the rental income is to be reported in the partnership Income Tax Return (Form P).

Where rental income is received by the partnership in the business of investment holding or operating coffeeshops/eating houses/food courts, the rental income is to be reported as business income of the partnership in the partnership Income Tax Return (Form P).

* Reporting rental income:
  + Precedent partners: Form P
  + Individual partners: Form B/B1
* Rental income from partnership property:
  + Precedent partners: • File Form P • Include rental income/loss under "Other income - Rent" • Include details of gross rent (inclusive of rental of furniture and fittings, service charges) and expenses for each property • Enter each individual partner's share of rental income/loss as Partnership Allocation under "Other income from Partnership - Rent"
  + Individual partners: • Enter their share of rental income/loss under "Partnership - Rent" • Rental deficits cannot be offset against other income sources • If precedent partner files Form P by 28 Feb, partnership allocation will be pre-filled in partners' Form B/B1
* Rental income from partnership business (investment holding or operating coffeshops/eating houses/food courts):
  + Precedent partners: • File Form P • Include rental income/loss as business income in 4-line statement under "Trade, Business, Profession or Vocation" • Enter each individual partner's share of Divisible Profit/Loss at Partnership Allocation
  + Individual partners: • Enter their share of business rental income/loss under "Partnership - Your Share of Divisible Profit/Loss" • If precedent partner files Form P by 28 Feb, partnership allocation will be pre-filled in partners' Form B/B1

## Reporting late or not reporting rental income

You may incur penalties for submission of incorrect returns (e.g. failing to report any rental income) to IRAS.  
However, IRAS may waive the penalty if voluntary disclosure is made within the 'grace period' of 1 year from the statutory filing date.

## Rental losses

Losses from renting out your property cannot be carried forward and used to offset against any other income (e.g. employment income) that you may have in the same year or in the future.  
  
However, as an administrative concession, you may use the rental loss of one property to offset against the taxable rental income of another property in the same year provided all the rented out properties have been rented out at market rates

### Example 7: Using the rental loss from one property to offset rental gain from another property

* Property A: Rental gains of $30,000
* Property B: Rental loss of $10,000
* Taxable net rent: $20,000 (calculated as $30,000 - $10,000)

You will be taxed on the net gain of $20,000 from these 2 properties.

# FAQs

## Pre-filling of rental income from Year of Assessment 2015 onwards

### Why has IRAS pre-filled these details?

To further simplify the filing obligations for taxpayers, we have pre-filled the rental details. Taxpayers only need to verify the pre-filled rental information and make amendments if necessary.

### I am doing my e-Filing and I noted that in the rental income section, the information has been pre-filled. Where did IRAS obtain the information on my rental income?

IRAS has pre-filled these details based on the rental information reported by you in the previous year and/or from our e-Stamping records.

### The gross rent is pre-filled as $23,500. But I have collected actual gross rent of $26,000. Do I have to change the details?

Yes. The onus is on the taxpayer to ensure that the correct amount is reported in his income tax filing.

The information was pre-filled based on the rental information reported by you in the previous year or from our e-Stamping records. If the actual rent received by you was different, you must report the correct amount. Please note that there are penalties for filing an incorrect Income Tax Return.

### Why are the details pre-filled when I have not rented out his property?

The details were pre-filled based on the filing you have done in the previous year or from our e-Stamping records. If you have not rented out the property in the preceding year, please update the status of the property as 'Not Rented Out'. If you have rented out the property for part of the year, please report the rental income received for that period.

### If my co-owner has already declared the rental income for our jointly owned property, am I still required to declare the rental income in my Income Tax Return?

Each co-owner should declare the full rental income and related expenses in their individual Income Tax Return. The co-owners should also indicate their percentage share of the net rent based on their legal share of the property.

### My tenancy was only for the period Mar to Dec. However, the pre-filled rental income is for the whole year. What should I do?

The rental income details were pre-filled based on the filing you had done in the previous year or our e-Stamping records. If you have rented out the property for only part of the year, please adjust the rental period accordingly and report the rental income received for that period.

### I have rented property that was not pre-filled. I tried to enter the postal code at the rental income page to retrieve the property address. However, the system prompted “invalid postal code’. What should I do?

Please provide us with the address of the property and details of the rental income and expenses via [**email**](https://mytax.iras.gov.sg/portal/correspondence/mytax-mail)(<https://mytax.iras.gov.sg/portal/correspondence/mytax-mail>).

### I have rental income from more than 8 properties. How will then rental income details be pre-filled in the Income, Deductions and Reliefs Statement (IDRS)?

The rental income details for the first 7 properties will be pre-filled based on your filing in the previous year and/or our e-Stamping records. A consolidated amount will be shown for the eighth and subsequent properties based on your filing in the previous year and/or our e-Stamping records.

## Pre-filling of deemed expenses for residential properties from Year of Assessment 2016 onwards

### I noted that IRAS has pre-filled deemed rental expenses of 15% of the gross annual rent for my residential property. However, I want to claim the actual amount of rental expenses I have incurred.

IRAS has pre-filled the rental expenses for your tenanted residential properties based on 15% of the gross annual rent.

If you wish to claim the actual expenses, please:

1. Uncheck the box for deemed expenses at the 'Rental from Property' page, and
2. Fill in the actual deductible expenses in the respective fields provided.

### The approved use for my tenanted property was pre-filled as “Commercial”. However, the property was tenanted out for residential purposes. How do I amend the field for “Approved User of Property”?

The approved use for your tenanted property was pre-filled based on the permitted use under the Planning Act.

As your property was permitted under the Planning Act to be used for non-residential purposes, you will have to claim actual amount of deductible expenses incurred even if you may have let out the property for residential use.

### My tenanted property was permitted under the Planning Act to be used for residential purpose from Jan to Jul and it was changed to non-residential use from Aug onwards. Can I opt to claim for the 15% deemed expenses against the rental income for the whole year?

No, as your property was permitted for non-residential use for part of the basis period, you will have to claim the actual amount of deductible expenses against your rental income.

### I have checked the box to opt for claiming deemed expenses. Why did it become unchecked?

The amount of 15% deemed expenses is only applicable for tenanted residential properties. If you only derived rental income from tenanted properties permitted for non-residential use under the Planning Act, this option is not applicable to you.

### My tenanted property was permitted under Planning Act to be used for non-residential purpose. However, it was used for both residential and commercial purposes. Can I opt to claim for the 15% deemed expenses?

No, as long as your property was permitted under the Planning Act to be used for non-residential purpose, you will have to claim the actual expenses.

### I noticed that IRAS has:

### Auto-computed and pre-filled the deemed rental expenses based on the 15% of the gross rent of my property;

### Check the box on claiming the deemed rental expenses in the “Rent from Property” page.

### Can I claim both the deemed rental expenses at 15% of the gross rent and actual rental expenses which I have incurred for my property?

No, you will have to either:

1. uncheck the box on claiming the deemed rental expenses in the 'Rent from Property' page and claim the actual expenses; or
2. claim the deemed rental expenses and mortgage interest.