

IRAS e-Tax Guide

One Year Write-Off for New Diesel-Driven Goods Vehicles and Buses



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One year write-off for new diesel goods vehicles and buses

1 Aim

- 1.1 This e-Tax Guide sets out the conditions for claiming one year write-off of the cost of new diesel-driven goods vehicles and buses ("diesel vehicles") to replace existing diesel vehicles. This e-Tax Guide consolidates the two e-Tax Guides issued previously for such claims¹.
- 1.2 It applies to any person who wishes to claim one year write-off of the cost of new diesel vehicles (registered on or before 14 February 2012) to replace existing diesel vehicles (registered before 1 October 2006).

2 Background

- 2.1 In 1999, the Government introduced an accelerated allowance scheme which allows a one year write-off of the cost of new diesel vehicles to replace old diesel vehicles. The old vehicles are those registered prior to 1 January 1991 and deregistered on or after 27 February 1999. The objective of the scheme is to reduce the number of old diesel driven vehicles in our roads and ensure the air quality does not deteriorate.
- 2.2 From 1 October 2006, all new diesel vehicles are required to comply with the Euro IV emission standard. Hence, the Government extended the one year write-off scheme to encourage taxpayers to replace their pre-Euro IV diesel vehicles registered from 1 January 1991 to 30 September 2006.
- 2.3 The above scheme is provided under sections 19A(9) and 19A(9A) of the Income Tax Act.

¹ This e-Tax guide is a consolidation of two previous e-Tax guides on one year write-off for diesel vehicles:

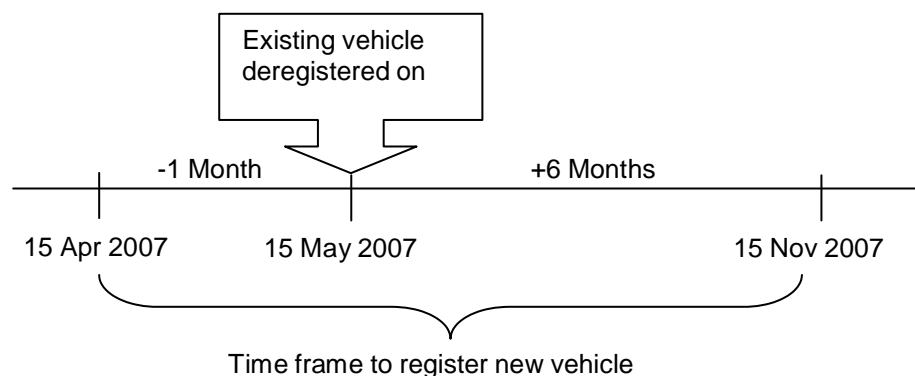
- a) "Claim for one-year write-off for new goods vehicles and buses" published on 1 June 1999; and
- b) "Claim for one-year write-off for new diesel-driven goods vehicles and buses registered on or after 15 Feb 2007" published on 1 June 2007.

3 Qualifying conditions

- 3.1 You can claim one-year write-off of the cost of a new diesel vehicle to replace an existing diesel vehicle if all the conditions below are satisfied. Conditions (c), (d), (e) and (f) apply to both sections 19A(9) and 19A(9A).

	Section 19A(9)	Section 19A(9A)
a.	The existing diesel vehicle is registered before 1 Jan 1991 and deregistered on or after 27 Feb 1999;	The existing diesel vehicle is registered from 1 Jan 1991 to 30 Sep 2006;
b.	The new diesel vehicle is registered on or after 27 Feb 1999;	The new vehicle is registered from 15 Feb 2007 to 14 Feb 2012;
c.	The new diesel vehicle is registered within one month before, or within six months after, the deregistration of the existing vehicle;	
d.	The existing diesel vehicle at the date of deregistration has: i. at least one year of statutory lifespan left; and ii. at least one year remaining in its certificate of entitlement (COE) or a COE which can be renewed after its expiration;	
e.	The new diesel vehicle is of the same index series as the existing diesel vehicle; and	
f.	The existing diesel vehicle is not a vehicle bearing the index mark "RU" for use within certain restricted areas.	

- 3.2 Condition (c) specifies the time frame within which the new diesel vehicle must be registered. For example, if the existing vehicle is deregistered on 15 May 2007, the new vehicle must be registered on or after 15 Apr 2007 but not later than 15 Nov 2007.



- 3.3 Condition (d)(i) requires the existing diesel vehicle to have at least one year of statutory lifespan left when it is deregistered. The statutory lifespan of a vehicle is the period during which a vehicle licence can be taken out on the vehicle and commences from the registration date of the vehicle. For example, a goods vehicle registered on 8 April 1991 would reach the end of its 20 years statutory lifespan on 7 April 2011. Currently, the statutory life span of goods vehicle and buses are as follows:-

Types of vehicles	Statutory lifespan
Goods vehicles and buses (other than omnibuses)	20 years
Omnibuses registered before 1 Sep 2003	15 years
Omnibuses registered on or after 1 Sep 2003	17 years

- 3.4 A vehicle can only ply on the road until the end of its statutory lifespan. However, it is possible for a vehicle to have a COE which is valid for a period extending beyond its statutory lifespan. Hence, condition (d)(i) is imposed in addition to condition (d)(ii) to ensure that an existing diesel vehicle taken off the road, is one which still has at least one year left to ply on the road and not one which would be scrapped shortly. However, condition (d)(ii) is not applicable to vehicles which are exempted from obtaining a COE such as omnibuses and school buses.
- 3.5 Condition (e) requires both the new diesel vehicle and the existing diesel vehicle to have the same index series as classified under the rule made under the Road Traffic Act. The following index series are used currently:

Goods vehicles

Index series	Alphabet(s) before the registration number
G	GBA to GZZ etc.
Y	Y, YA, YB, YC, etc.
X	X, XA, XB, XC, etc.

Buses

Index series	Types of buses
CB	School buses
TIB, CSS, SBS	Omnibuses operated by the 3 public bus operators
SH	Omnibuses operated by Singapore-Johore Express Pte Ltd and for tourist related buses, e.g. Singapore trolley buses.
PA, PB, PH, PZ ²	General purpose buses

² For general purpose buses, the index series is currently PA. Previously such buses were classified using the "PB PH PZ" index series. Therefore, the condition would be satisfied if a new bus registered under the "PA" index series were to replace an existing bus under the "PB PH PZ" index series.

4 Administrative procedure

- 4.1 You do not need to obtain prior approval to claim the one year write-off. However, you have to ensure all the conditions set out in paragraph 3 are met. It is an offence under the Income Tax Act to make a claim if any of the conditions is not satisfied.
- 4.2 You are not required to submit supporting documents to substantiate the claim in your income tax return. However, the documents should be retained³ and produced to the Comptroller of Income Tax if requested.
- 4.3 The documents to be retained include:
- a) Vehicle registration books or cards of the existing and new vehicles;
 - b) COE of the existing vehicle; and
 - c) Approved De-registration Application Form for the deregistration of the existing vehicle.

5 Contact information

- 5.1 If you have any enquiries or need clarification on this Guide, please call
- (a) National Environment Agency (which is administering the scheme) at 1800-2255632; or
 - (b) Inland Revenue Authority of Singapore at
 - (i) 1800-3568622 (Corporate); or
 - (ii) 1800-3568300 (Individual).

³ For supporting documents relating to Year of Assessment (YA) 2007 and earlier YAs, you must retain the records for a period of seven years from the relevant YA. For YA 2008 and each subsequent YA, the record-keeping period has been reduced from seven to five years.