INCOME TAX (INDUSTRIAL BUILDING ALLOWANCE) (CHILD CARE CENTRE) RULES 2013

PU (A) 2
28 December 2012

IN exercise of the powers conferred by paragraph 154(1)(b) and paragraph 80 of Schedule 3 to the Income Tax Act 1967 [Act 53], the Minister makes the following rules:

CITATION AND COMMENCEMENT

1(1) These rules may be cited as the **Income Tax (Industrial Building Allowance) (Child Care Centre) Rules 2013**.

1(2) These Rules have effect from the year of assessment 2013 and subsequent years of assessment.

INTERPRETATION

2 In this Order—

"incurred" has the same meaning assigned to it in paragraph 55 of Schedule 3 to the Act;

"disposed of" means the disposal of the industrial building or the occurrence of any of the following events:

(a) the sale, transfer or assignment of the building;

(b) the demolition or destruction of the building; or

(c) the building ceases to be used for the purposes prescribed in rule 3;

"person" means an individual or a company carrying on the business of a child care centre registered with the Department of Social Welfare under the Child Care Centre Act 1984 [*Act 308*];

"qualifying building expenditure" means the capital expenditure incurred by a person for the purpose of a child care centre business on the construction or purchase of an industrial building.

INDUSTRIAL BUILDING FOR THE PURPOSE OF SCHEDULE 3 TO THE ACT

3 In these Rules, a building which is constructed or purchased by a person where—

(a) that person is the owner of that building; and

(b) that building is used by that person for the purpose of a business of a child care centre registered with the Department of Social Welfare,

shall be treated as an industrial building for the purposes of Schedule 3 to the Act.

APPLICATION

4 These Rules shall apply to a person in respect of the qualifying building expenditure incurred by the person for the purpose of his business relating to the construction or purchase of a building referred to in rule 3.

INDUSTRIAL BUILDING ALLOWANCE

5(1) An amount of allowance under paragraph 80 of Schedule 3 to the Act shall be allowed to a person referred to in rule 4 equal to one-tenth of the qualifying building expenditure for a year of assessment and for each of the following nine years of assessment.

5(2) Where part of the building is used as an industrial building and the other part of the building is not so used, then, if the capital expenditure incurred on the construction of the part which is not so used is not more than one tenth of the capital expenditure incurred on the construction of the whole building, the building shall be treated as an industrial building for the purpose of Schedule 3 to the Act.

5(3) Where the whole or some of the capital expenditure incurred on the construction of the part not so used is not identifiable as the capital expenditure incurred on the whole building, the capital expenditure incurred on the whole building or part thereof not identifiable as incurred on the respective part of the building shall be apportioned by reference to the respective floor areas of those respective parts or in such other manner as the Director General may direct.

5(4) Where the industrial building which is used for the purpose of a business or activity of a child care centre referred to in paragraph (3)(b) is also used for the purpose of a business or an activity other than that business or activity, then the allowances which fall to be made under Schedule 3 to the Act shall be deducted as is reasonable having regard to the extent to which the industrial building is used for the purpose of the business or activity of a child care centre referred to in paragraph (3)(b).

5(5) Where a person has incurred qualifying building expenditure in relation to an industrial building and the building is disposed of within two years from the date the qualifying building expenditure was incurred—

(a) any allowance which falls to be made but for this subrule shall not be made; and

(b) where any such allowance has been made,

a balancing charge in an amount equal to such allowance shall be made on the person for the year of assessment in the basis period for which the building was disposed of.