

[LEGAL NOTICE NO. 82]

## INCOME TAX ACT 2015

## Income Tax (Hotel Investment Incentives) (Amendment) Regulations 2021

IN exercise of the powers conferred on me by section 25A of the Income Tax Act 2015, I hereby make these Regulations—

*Short title and commencement*

1.—(1) These Regulations may be cited as the Income Tax (Hotel Investment Incentives) (Amendment) Regulations 2021.

(2) These Regulations are deemed to have come into force on 1 August 2021.

(3) In these Regulations, the Income Tax (Hotel Investment Incentives) Regulations 2016 is referred to as the “Principal Regulations”.

*Regulation 2 amended*

2. Regulation 2 of the Principal Regulations is amended by—

- (a) in the definition of “provisional approval” after “Part 2”, inserting “or Part 3”; and
- (b) deleting the definition of “short life investment” and substituting the following—

““short life investment” means—

- (a) building of a new hotel or integrated tourism development with capital investment, (including the cost of support infrastructure and consultant fees but excluding the cost of land) over—
  - (i) \$7,000,000, where the construction commences on or after 1 January 2009 and the construction is completed within 24 months from the date the provisional approval was granted; and
  - (ii) \$250,000, where the construction commences on or after 1 April 2020 and the construction is completed within 24 months from the date the provisional approval was granted; or
- (b) the refurbishment and renovation of an existing hotel with capital investment (including the cost of support infrastructure and consultant fees but excluding the cost of land) over \$2,000,000, where provisional approval is granted on or after 1 August 2021; and”.

*Regulation 5 amended*

3. Regulation 5 of the Principal Regulations is amended by deleting subregulations (4) and (5) and inserting the following new subregulation—

“(4) An applicant whose application has been rejected, including a partially rejected application, may—

- (a) make a new application to the CEO;
- (b) amend and resubmit the original application to the CEO; or
- (c) appeal the decision of the CEO to the Minister.”.

*Regulation 7 amended*

4. Regulation 7(1) of the Principal Regulations is amended by deleting “commence” and substituting “complete”.

*Regulation 9 amended*

5. Regulation 9(1)(a) of the Principal Regulations is amended by deleting “25%” and substituting “50%”.

*Regulation 14 amended*

6. Regulation 14 of the Principal Regulations is amended by deleting subregulations (4) and (5) and inserting the following new subregulation—

“(4) An applicant whose application has been rejected, including a partially rejected application, may—

- (a) make a new application to the CEO;
- (b) amend and resubmit the original application to the CEO; or
- (c) appeal the decision of the CEO to the Minister.”.

*Regulation 16 amended*

7. Regulation 16(1) of the Principal Regulations is amended by deleting “code” and substituting “codes 235, 235A and”.

*Regulation 17 amended*

8. Regulation 17(1) of the Principal Regulations is amended by deleting “commence” and substituting “complete”.

*Regulation 18 amended*

9. Regulation 18 of the Principal Regulations is amended by—

- (a) in the heading, deleting “commencement” and substituting “completion”; and
- (b) in subregulation (1)—
  - (i) after “unable to”, deleting “commence” and substituting “complete”; and
  - (ii) after “must”, deleting “commence” and substituting “be completed”.

*Regulation 21 amended*

10. Regulation 21 of the Principal Regulations is amended by—

(a) in subregulation (2)—

- (i) in paragraph (b), deleting “and”;
- (ii) in paragraph (c), deleting “.” and substituting “;”; and
- (iii) after paragraph (c), inserting the following new paragraphs—
  - “(d) from \$2,000,001 to \$40,000,000, in the case of a company that applies on or after 1 August 2021, for a period of 13 consecutive fiscal years; and
  - (e) more than \$40,000,000, in the case of a company that applies on or after 1 August 2021, for a period of 20 consecutive fiscal years.”; and

(b) after subregulation (2), inserting the following new subregulation—

“(3) If final approval is granted under this Part to a company that applies on or after 1 August 2021 for refurbishment and renovation, the income of the company is exempt from tax on profits derived from the operation of the hotel if the capital investment in the hotel is more than \$2,000,000 for a period of 5 consecutive fiscal years.”.

Made this 3rd day of August 2021.

A. SAYED-KHAIYUM  
Attorney-General and Minister for Economy