

FREQUENTLY ASKED QUESTIONS (FAQ)

Q1 How will landowners/taxable persons benefit from this change?

A1 Under the LBC regime, landowners/taxable persons will only need to liaise with a single agency, SLA, on matters pertaining to the computation and payment of LBC. Development parameters declared to URA will be automatically conveyed backend to SLA for the computation of LBC. If LBC is payable, SLA will follow up directly with landowners/taxable persons on the payment of LBC by issuing a LO.

The treatment of leasehold properties will also be standardized under the LBC regime. The LBC payable for all State leases with a residual tenure of 99 years or less will be automatically adjusted by a leasehold factor to account for the remaining tenure of leasehold land.

Q2 Will developers be required to go through additional steps to obtain Written Permission from URA under the new LBC regime?

A2 No, agencies have worked out a streamlined workflow for processing development applications and issuing Liability Orders for the payment of LBC such that there should be no increase to the time taken by developers to obtain Written Permission.

Q3 Under what circumstances is LBC payable?

A3 LBC is a tax on the increase in land value resulting from a chargeable consent. Broadly, a chargeable consent may be given where: (a) URA grants planning permission and/or conservation permission for a development proposal; (b) URA accepts a lodgment of plans; and/or (c) SLA varies a restrictive covenant in a State title.

Q4 How much LBC is payable?

A4 The principles for computing LBC remain unchanged from the previous DP and DC systems. LBC will be computed by either the Table of Rates method or the Valuation method, where applicable. You may estimate the LBC payable by ascertaining the increase in land value, as a difference between the proposed use(s) and intensity and the pre-chargeable value, which takes into account the last authorised development of the land or any restrictive covenant expressed in a State title for the land. The use and intensity to determine development pre-chargeable value will be made progressively available for purchase via INLIS (<https://app1.sla.gov.sg/inlis>) from 1 August 2022.

Q5 Who is liable to pay LBC?

A5 Under the LBC regime, every person who is an owner of the land when a chargeable consent is given is liable to pay LBC. However, another party other than the owner of the land (e.g. prospective purchaser or tenant operator) can assume liability to pay the LBC if a valid assumption of liability notice is given to SLA, or if liability to pay LBC has been deferred and the deferred liability is transferred to that other party with SLA's approval.

Q6 I have submitted a development application to URA prior to 1 August 2022 but have not obtained PP; am I liable to pay LBC or DP/DC/TDL?

A6 If the chargeable consent (e.g. planning permission, conservation permission) is granted on or after 1 August 2022 such that there is an increase in land value, LBC will be payable.

Q7 I have obtained PP prior to 1 August 2022 but have yet to apply to SLA for the payment of DP; can I opt to pay LBC under the new workflow?

A7 You will automatically be charged LBC after you resubmit for PP based on the updated workflow in Appendix 4.

Q8 What happens if I have applied to SLA for the payment of DP prior to 1 August 2022, but I have not received the DP offer?

A8 Where applicable, DP offers will be issued for applications that are outstanding as of 31 July 2022.

Q9 How will outstanding DC cases be transitioned to the new LBC regime?

A9 If the submission is with URA and is in order for issuance of the DC/TDL order by 31 Jul 2022, URA will issue the DC/TDL orders. All outstanding DC/TDL orders pending payment as of 1 August 2022 will be treated as liability orders under the LBC Act. During the transition period, URA will collect payment for the outstanding DC/TDL orders on SLA's behalf to facilitate the release of planning permission. If the submission with URA is not in order for issuance of DC/TDL orders by 31 Jul 2022, the applicant will be informed to pay LBC to SLA.

Q10 How will outstanding DP cases be transitioned to the new LBC regime?

A10 All outstanding DP offers will continue to be valid until they lapse. Applicants can also opt to pay LBC under the new regime by submitting a fresh application after 1 August 2022.

However, any processing fee paid shall be non-refundable. In addition, the grant of WP may be delayed until LBC is paid, and it will take additional cost and time to re-submit your development application to URA, where applicable.

Q11 I have previously paid DP for a proposal. Can I request for a refund and apply to pay LBC in lieu of DP?

A11 No, the DP cannot be refunded.

Q12 I have paid DP previously and wish to apply for an amendment proposal now. Can I choose to pay DP and be exempted from paying LBC?

A12 No, all new development applications submitted on or after 1 August 2022 that result in increase in land value will require payment of LBC to SLA.

Q13 Will SLA continue to issue supplemental leases?

A13 Yes, supplemental leases will continue to be issued for lands held under State Titles with use and intensity restrictions stipulated, in line with the State Lands Rules.

Q14 Will DP/DC/TDL continue to be collected after 31 July 2022?

A14 No, except for outstanding DP offers and DC/TDL orders, which will continue to be valid till they lapse.

Q15 Are GST and stamp duty payable under the new LBC regime?

A15 LBC will not be subject to GST or stamp duty.

Q16 Are there any changes to the DC deferment or exemption criteria or procedures?

A16 No. Existing deferments of DC will be treated as deferments under the LBC Act. Any subsequent proposals which qualify for deferment will be administered by SLA under the new LBC regime.

Q17 How is LBC computed for change of use of a single unit?

A17 LBC is computed based on the floor area of the unit multiplied by the difference in value of the proposed use of the unit and that of its permanent approved use – please refer to Example 3 in Appendix 7.

Q18 How is LBC computed for temporary permissions granted to leasehold sites?

A18 LBC is computed by taking the difference between the post-chargeable value and the pre-chargeable value and multiplying it by the corresponding discount factor – please refer to Appendix 3 for the table showing the discount factor for temporary permissions and Example 3 in Appendix 7.