

Calculating Tax Deduction ^

The tax deduction on donation is deducted against your statutory income (which includes your employment, trade income, etc.) before arriving at your assessable income.

Total Income/Statutory Income	----->> Less expenses & donations	Assessable income	----->> Less personal reliefs	Chargeable Income
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Example: Donation of \$10,000 to an approved IPC

If your total statutory income for YA 2018 is \$100,000 (i.e. you earned \$100,000 in 2017) and you donated \$10,000 to an IPC in 2017, your assessable income would be calculated as follows:

Total Statutory Income	\$100,000
Amount of Donation	\$10,000
Amount of Deductible Donations	\$25,000 (\$10,000 x 2.5)
Assessable Income for YA 2018	= \$75,000 (\$100,000 - \$25,000)

Ref: IRAS website - Amount of Tax Deduction

1 January 2016 to 31 December 2021

<https://www.iras.gov.sg/irashome/Other-Taxes/Charities/Donations-and-Tax-Deductions/>