

# FILING MISTAKES TO AVOID FOR SELF-EMPLOYED PERSONS



INLAND REVENUE  
AUTHORITY  
OF SINGAPORE

## SELF-EMPLOYED



### INCOME

#### DECLARATION OF TRADE INCOME

- ✗ I am a commission agent/hawker/private tutor/freelancer. I declare my income as Employment or Other Income in Form B/B1.
- ✓ As a self-employed person, you should declare your income as trade income under the item "Trade, Business, Profession or Vocation".

#### DECLARATION OF ESTIMATED INCOME/EXPENSES

- ✗ I do not have the exact amount of my trade income and expenses on hand, so an estimate will do.
- ✓ Self-employed persons are required to keep proper records and accounts of their business transactions. Estimates and improper records are not acceptable.

#### DECLARATION OF INCOME BY PROPERTY/INSURANCE AGENTS

- ✗ I am a commission agent. My agency participates in the e-Submission of my commission. I therefore do not need to file Form B to declare my income as my agency will submit it for me.
- ✓ If your agency is participating in the e-Submission of Commission Scheme, you have to verify the pre-filled commission income transmitted by your agency in Form B. You may amend the 4-line statement under "Trade, Business, Profession or Vocation" to claim business expenses. You are still required to file Form B.

#### DECLARATION OF REVENUE ONLY

- ✗ I suffered a loss in my business, therefore I left the "Adjusted Profit" as "0" and entered only the "Revenue" amount at the 4-line statement.
- ✓ You should complete all items of the 4-line statement and indicate the actual loss incurred instead of "0" under the item "Adjusted Profit".

### EXPENSES & RELIEFS

#### CLAIM FOR PRIVATE HIRE CAR EXPENSES INCURRED PRIOR TO 2018

- ✗ I am a private hire car driver and incurred car expenses in 2017. I have added these expenses to those incurred in 2018 when computing the 2-line/4-line statement.
- ✓ Only private hire car expenses incurred from 2018 onwards are deductible. You will automatically be allowed 60% of your gross driving income as deemed expenses.

#### CLAIM FOR SELF-EMPLOYED CPF RELIEF

- ✗ I contributed to my CPF as a self-employed person last year. I should therefore indicate the amount contributed in Form B so as to qualify for CPF relief.
- ✓ CPF relief for self-employed persons is automatically allowed based on information received from CPF Board. You need not enter your claim in Form B.

## PARTNERS IN A PARTNERSHIP



### INCOME

#### DECLARATION OF PARTNERSHIP INCOME

- ✗ I do not know my share of Partnership Income so I do not declare/declare the full Partnership Income in Form B.
- ✓ You should obtain your share of the Partnership Income from the precedent partner to declare in Form B.

#### DECLARATION OF PARTNERSHIP SALARY

- ✗ I declare my partnership salary as Employment/Sole-Proprietorship Income in Form B.
- ✓ Partnership salary should be declared as Partnership Income under the item "Your Salary/Bonus/CPF/Benefits from Partnership".

#### NOT FILING FORM B

- ✗ My Precedent Partner has submitted Form P, so I do not need to file or declare my share of Partnership Income in Form B.
- ✓ You are still required to file Form B. If your Precedent Partner filed Form P by 28 Feb, you will be able to view your share of partnership allocation and enjoy the convenience of having your Partnership Income pre-filled in your individual Form B.

### EXPENSES & CONTRIBUTED CAPITAL

#### CLAIM FOR PARTNER'S EXPENSES

- ✗ As a partner, I make claims for expenses in Form B even though the expenses are already charged to the partnership's Profit and Loss Account.
- ✓ You should only claim the partner's expenses incurred solely in the production of your partnership income, provided you have not claimed against the partnership's income in Form P.

#### DECLARING CONTRIBUTED CAPITAL

- ✗ I declare "0" under Contributed Capital in Form P for my Limited Liability Partnership as the partners did not contribute additional capital to or withdraw from the Contributed Capital of the business last year.
- ✓ Contributed Capital is the capital amount as at the end of the basis period relating to the Year of Assessment. As there was no addition to or withdrawal from the Contributed Capital in the past year, you should declare the same amount of Contributed Capital that was declared in Form P last year.

