

[LEGAL NOTICE NO. 28]

INCOME TAX ACT 2015

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**Income Tax (Hotel Investment Incentives)  
(Amendment) Regulations 2020**

IN exercise of the powers conferred on me by section 142(1) 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 2020.

(2) These Regulations come into force on 1 April 2020.

(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 deleting the definition of “short life investment” and substituting the following—

““short life investment” means building of a new hotel or integrated tourism development with capital investment (including the cost of support infrastructure and overseas consultant fees but excluding the cost of land) over—

(a) \$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

- (b) \$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.”.

*Regulations 9(6), 11 and 12 deleted*

3. Regulations 9(6), 11 and 12 of the Principal Regulations are deleted.

*Regulation 13 amended*

4. The Principal Regulations are amended by deleting regulation 13 and substituting the following—

*“Power to grant short life investment package*

13. The Minister or CEO, as applicable, may grant or refuse to grant a short life investment package to a company, which has completed a short life investment and has complied with this Part.”.

*Regulation 17 amended*

5. Regulation 17 of the Principal Regulations is amended by deleting “project” wherever it appears and substituting “short life investment”.

*Regulation 19 amended*

6. Regulation 19(b) of the Principal Regulations is amended by deleting “hotel” and substituting “short life investment”.

*Regulation 21 amended*

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

- (a) renumbering the provision as regulation 21(1); and  
 (b) after subregulation (1), inserting the following new subregulation—

“(2) If final approval is granted under this Part to a company, 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—

- (a) from \$250,000 to \$1,000,000, in the case of a company that applies on or after 1 April 2020, for a period of 5 consecutive fiscal years;  
 (b) from \$1,000,000 to \$2,000,000, in the case of a company that applies on or after 1 April 2020, for a period of 7 consecutive fiscal years; and  
 (c) more than \$2,000,000, in the case of a company that applies on or after 1 April 2020, for a period of 13 consecutive fiscal years.”.

Made this 30th day of March 2020.

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