

BSL TAX ALERT 2026 (No. 1)

CORPORATE INCOME TAX (CIT) REBATE AND CIT REBATE CASH GRANT (YA 2026)

BSL TAX SERVICES PTE LTD
www.bsl.sg | enquiries@bsl.sg | 6235 3388



As announced in Budget 2026, and subsequently enhanced on 7 April 2026, the Singapore Government has increased support measures for businesses through enhanced Corporate Income Tax (CIT) rebate and CIT Rebate Cash Grant for the Year of Assessment (YA) 2026.

These measures are intended to help businesses manage ongoing economic pressures and support near-term cash flow.

The revised support package is summarised below:

Feature	Original (Budget 2026)	Enhanced (7 April 2026)
CIT Rebate	40% of tax payable	50% of tax payable
CIT Rebate Cash Grant	S\$1,500	S\$2,000
Maximum Combined Cap	S\$30,000	S\$40,000

Eligibility Conditions

1. CIT Rebate Cash Grant (S\$2,000)

Companies, registered business trusts and variable capital companies may receive the cash grant, even if they have no tax payable, provided that:

Active Company

The entity must be carrying on a trade or business at the point of disbursement.

The following are not eligible:

- Companies not carrying on any trade or business
- Companies under liquidation or receivership
- Companies that have ceased to exist

Local Employee Condition

The entity must have CPF contributions in calendar year 2025 for at least one Singapore Citizen or Permanent Resident, excluding shareholders who are directors of the company.

Employees under centralised hiring or secondment arrangements may qualify, if:

- The arrangement is commercially justified
- Supporting documentation is maintained
- The employee is not double-counted within the group

The CIT Rebate Cash Grant is non-taxable and will be disbursed by second quarter of 2026.

2. CIT Rebate (50%)

Eligibility

- The entity must have corporate tax payable for YA 2026
- Applies to concessionary tax rates
- Excludes income subject to final withholding tax

The CIT Rebate, computed at 50% of tax payable, is subject to the following caps:

Eligible for CIT Rebate Cash Grant	Not eligible for CIT Rebate Cash Grant
If CIT Rebate \leq S\$2,000, no CIT Rebate to be given	If CIT Rebate $>$ S\$0, CIT Rebate (capped at S\$40,000) to be given
If CIT Rebate $>$ S\$2,000, CIT Rebate (capped at S\$40,000) less S\$2,000 to be given	

3. Administrative Process

Eligibility

- No application is required
- The IRAS will automatically compute and apply the rebate in the company's YA 2026 tax assessment based on Estimated Chargeable Income (ECI), Form C/ Form C-S, Form C-S (Lite) filings

4. Actions Required by Taxpayers

Businesses should take the following steps to ensure they fully benefit from the enhanced measures:

a. Confirm eligibility for the cash grant

- Review business activity status
- Verify CPF contributions for at least one qualifying local employee in 2025

b. Review employee arrangements

- Ensure proper documentation for secondment or centralised hiring structures
- Confirm no duplication of headcount within the group

BSL TAX ALERT 2026 (No. 1)

CORPORATE INCOME TAX (CIT) REBATE AND CIT REBATE CASH GRANT (YA 2026)

BSL TAX SERVICES PTE LTD
www.bsl.sg | enquiries@bsl.sg | 6235 3388

c. Assess expected tax position for YA 2026

- Estimate taxable income and tax payable to determine expected rebate benefit
- Consider impact on cash flow and tax provisioning

d. Ensure timely and accurate tax filings

- File ECI and income tax returns correctly and on time
- Verify that relevant claims and positions are properly reflected

e. Monitor receipt of cash grant

- Track disbursement in second quarter of 2026
- Follow up if not received, where eligibility conditions are met

Key Takeaway

The enhanced measures **provide increased cash support (S\$2,000)** and **greater tax savings (50% rebate), subject to an overall cap of S\$40,000**. Businesses should proactively review their eligibility and ensure compliance with the conditions to fully benefit from these incentives.

How We Can Support

We would be pleased to assist in reviewing your eligibility, assessing the expected benefits, and ensuring that your filings are properly prepared to maximise the available CIT rebate and cash grant.

Writers' Caveat

Please bear in mind that these articles provide a broad overview of the subject matter and are not intended to be comprehensive. It's crucial to consult your professional advisers before taking any specific action based on this information.



BSL TAX SERVICES PTE LTD CONTACT DETAILS

For further clarification, please reach out to your consultants below

N Vimala Devi

✉️ devi.vimala@bsl.sg

Wang Ren Hong

✉️ wang.renhong@bsl.sg

Lim Hsee Meang

✉️ lim.hseemeang@bsl.sg

Gary Tan

✉️ tan.gary@bsl.sg