



Application Form & Guidelines

Tax Incentives Scheme for Noise Control



**MINISTRY OF
MANPOWER**

**ONE-YEAR ACCELERATED DEPRECIATION ALLOWANCE FOR NOISE CONTROL
PURCHASE OF SELECTED NEW MACHINE, EQUIPMENT OR SYSTEM**

PART I – PARTICULARS *(to be completed by applicant)*

(A) Applicant's Information

Name of applicant: _____

Address of applicant: _____

ROC/ROB No: _____ Factory Registration No: _____

Name of factory: _____

Address of factory: _____

Tel: _____ Fax: _____

Year of assessment claimed for: _____

Whether financial grants in respect of the above expenditure from other Government agencies are obtained: Yes / No

If Yes, state the amount of grant received: \$ _____

(B) Capital expenditure incurred/claimed *(attach relevant receipts)*

Cost of machine/equipment/system: \$ _____
*(The cost of new machine, equipment or system can only be included if it has **intrinsic** and **inherent** noise control feature.)*

Consultancy fee: \$ _____

Certification fee: \$ _____

Total expenditure: \$ _____

(C) Information on Control Measure

Type of new machine/equipment/system/device
(Tick [✓] in the appropriate box. Attach product brochure or illustrations)

- | | |
|---|------------------------------------|
| Concrete crusher or splitter | Acoustic enclosures |
| Plastic granulator or crusher | Silencer/muffler |
| Automated sawing machine | Vibration absorption, isolation or |
| Metal press or stamping machine | damping |
| Machine with active noise control feature | Active noise control device |

Date of acquisition/installation: _____

Brand/Manufacturer (where applicable) _____

Model/Serial No(s) (where applicable) _____

Vendor's Name _____

Vendor's Address _____

Process applied to: _____

Description of how control measure reduces noise exposure (*attach photographs or illustrations*)

I certify that all the information given in this form is true and correct

Date

Name, Designation. Signature of Applicant

PART II – CERTIFICATION (*to be completed by certifying agency*)

Declaration:

I hereby certify that I have carried out an evaluation of the above mentioned control measure and, to the best of my knowledge and ability, I find the control measure to have satisfied the qualifying criteria. A copy of the Evaluation Report is appended.

Date

Name, Designation. Name of Certifying Agency & Signature of Certifying Person

PART III- RECOMMENDATION (*to be completed by MOM officer*)

We support/do not support the above application/certification.

Date

for Director, Specialist Department,
Occupational Safety and Health Division,
Ministry of Manpower

NOTE:

In your submission to the Ministry of Manpower, please submit a copy of this Application Form in duplicate, and attach the following supporting documents:

- Evaluation report
- Layout plan indicating the locations of the measurement points
- Product brochures/illustrations, if available
- Relevant receipts and/or invoices

Incomplete application may result in processing delays.

Ministry of Manpower
Occupational Safety and Health (OSH) Division
OSH Specialist Department
May 2007

**ONE-YEAR ACCELERATED DEPRECIATION ALLOWANCE FOR NOISE CONTROL
INSTALLATION OF ENGINEERING CONTROL MEASURES FOR EXISTING
MACHINES, EQUIPMENT OR PROCESSES**

PART I – PARTICULARS (to be completed by applicant)

(A) Applicant's Information

Name of applicant: _____

Address of applicant: _____

ROC/ROB No: _____ Factory Registration No: _____

Name of factory: _____

Address of factory: _____

Tel: _____ Fax: _____

Year of assessment claimed for: _____

Whether financial grants in respect of the above expenditure from other Government agencies are obtained: Yes / No

If Yes, state the amount of grant received: \$ _____

(B) Capital expenditure incurred/claimed (attach relevant receipts)

Cost of machine/equipment/system: \$ _____

Consultancy fee: \$ _____

Certification fee: \$ _____

Total expenditure: \$ _____

(C) Information on Control Measure

Type of engineering control measures installed (Tick [✓] in boxes where applicable, and denote key control measure with an asterisk [*] if there are more than 1)

- Machine or process acoustic enclosure
- Detachable personnel acoustic enclosure
- Acoustic barrier or shield
- Vibration absorption, isolation or damping
- Acoustic absorption to reduce noise reverberation
- Acoustic silencer or muffler
- Active noise control device
- Modification to machine, equipment or process

Description of existing noisy machine, equipment or process including source(s) of noise

Description of how control measures are installed (*attach photographs or illustrations*)

Date of acquisition/installation: _____

Brand/Manufacturer (where applicable) _____

Model/Serial No(s) (where applicable) _____

Vendor's Name _____

Vendor's Address _____

I certify that all the information given in this form is true and correct

Date

Name, Designation. Signature of Applicant

PART II – CERTIFICATION (*to be completed by certifying agency*)

Declaration:

I hereby certify that I have carried out an evaluation of the above mentioned control measure and, to the best of my knowledge and ability, I find the control measure to have satisfied the qualifying criteria. A copy of the Evaluation Report is appended.

Date

Name, Designation. Name of Certifying Agency & Signature of Certifying Person

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Occupational Safety and Health (OSH) Division
OSH Specialist Department
May 2007

GUIDELINES, QUALIFYING CRITERIA AND APPLICATION PROCEDURES

The purpose of this tax incentive scheme is to encourage workplaces to implement effective engineering measures to control noise.

Guidelines

1. Accelerated depreciation allowance will be granted to any person carrying on a trade, business or profession for capital expenditure incurred on the provision of the following certified items:
 - a. Low-decibel machine, equipment or system;
 - b. Effective noise control device which is a distinct entity or an accessory of any new or existing machine, equipment or system; or
 - c. Effective engineering noise control measure for any existing machine, equipment or process
2. Only machines, equipment, systems, control devices or measures installed in factories registered with the Ministry of Manpower can qualify for this accelerated depreciation allowance. Non-factory establishments may apply and the applications will be considered on a case by case basis.
3. Under this scheme, the accelerated depreciation allowance will be for a period of one year, which means capital expenditure on the specified measures can be expensed off in one year.
4. The accelerated depreciation allowance will not be granted to measures for which the applicant has obtained financial grants from other Government agencies.

Criteria for Granting Accelerated Depreciation Allowance

1. Details of the qualifying criteria for granting the accelerated depreciation allowance are given in the table attached.
2. Only new items of machines, equipment, devices, measures or systems qualify under the scheme. Second-hand or reconditioned items will not be eligible for the allowance.
3. The titles of such machines, equipment, devices, measures or systems have to be transferred to the applicant by purchase. Leasehold or rented items will not be eligible for the allowance.
4. The implementation of the control measure(s) must not give rise to other health risks, for example, excessive chemical exposure. To avoid this and to ensure the effectiveness of the control measure(s), the applicant should engage a competent consultant or agency. A list of companies that may be able to assist is attached.
5. Where control devices or measure(s), such as enclosures and sound barriers, are used, workers who are required to enter the vicinity of noise sources must be adequately protected against such noise. To ensure the effectiveness of the control devices or measure(s) and the adequate protection of workers, the applicant should engage a competent consultant or agency. A list of companies that may be able to assist is attached.
6. All noise measurements must be made and certified by either TUV SUD PSB Corporation Pte Ltd, or the Centre for Environmental and Occupational Health (CEOH) of the National University of Singapore. Details on the fees chargeable are in Annex B.

7. Equivalent sound pressure levels must be measured at the actual work location and during a representative workday. Measurements must be conducted as follows:

- a. For new machines, equipment or systems, measurements must be made at 1 m periphery of the machines, equipment or systems, or at the operator's hearing zone, whichever is nearer.
- b. In the case of installation of engineering control devices or measures for existing noisy machines, equipment or processes, measurements must be made at 1 m periphery of the machines, equipment or systems, or at the operator's hearing zone, whichever is nearer, both before and after the installation, while other acoustic conditions remain the same. Where enclosures and sound barriers are installed, measurements must be made at the boundary of such enclosures or barriers.

8. The noise exposure is affected by a combination of several factors, such as the noise generated by all other machines, equipment or processes within the workplace and the acoustic condition of the workplace. A single machine, equipment or process would cause a higher noise exposure when operated in an enclosed environment compared to it being operated in an open environment. Therefore, a machine, equipment or process causing a noise exposure level of 82 dBA or below, when operated in isolation and in an open environment, may not necessarily result in the same noise exposure level when operated in an enclosed workroom together with other operating machines, equipment or processes. Applicants may wish to seek advice from a competent consultant or agency to ensure that machines, equipment or systems purchased will eventually result in a noise exposure level of 82 dBA or below when finally installed in the factory.

Application Procedure

1. The applicant shall:

- a. Engage any of the two Certifying Agencies mentioned below to:
 - i. Conduct noise assessment (*Note: for **existing** noisy machines, equipment or processes, measurements must be conducted **before** and **after** implementation of control measures*);
 - ii. Put up the Evaluation Report showing that the qualifying criteria are met.

The two agencies are:

- i. TUV SUD PSB Coporation Pte Ltd
1 Science Park Drive
Singapore 118221
Tel: 6778 7777/ 6885 1214
Fax: 6779 7088
Email : enquiries@psbcorp.com
- ii. Centre for Environmental and Occupational Health (CEOH)
Department of Community, Occupational and Family Medicine
National University of Singapore
Lower Kent Ridge Road, MD3
Singapore 119260
Tel: 6516 4999

- b. Complete the Applicant's Particulars Form.
- c. Certify particulars in Part I of the Application/Certification Form and obtain the Certifying Agency's Evaluation Report and certification in Part II of the Application/Certification

Form. Form A (1) is to be used for **new** machines, equipment or systems, while Form A (2) is for control measures in respect of **existing** machines, equipment or processes.

- d. Send the completed Application/Certification Form, together with one copy of the Evaluation Report, with attached layout plan and/or product brochures/illustrations, to the Occupational Safety & Health Division for appraisal and recommendation. Applications with incomplete information will not be processed.

2. If the application is supported, the applicant shall submit the completed Application/Certification Form and the Evaluation Report, together with relevant supporting documents, including receipts, direct to the Inland Revenue Authority of Singapore (IRAS) when submitting the tax returns.

3. A flow chart showing the application/certification process is in Annex C.

For enquiries:

Occupational Safety and Health Specialist Department, Occupational Safety and Health Division, Ministry of Manpower.

Email: mom_oshd@mom.gov.sg Tel: 6438 5122

Annexes:

- A. Qualifying Criteria for Accelerated Depreciation Allowance for Noise Control
- B. Fees Chargeable by Certifying Agencies
- C. Flow chart showing application/certification process
- D. Frequently Answered Questions and Example of Tax Computation

Qualifying Criteria for Accelerated Depreciation Allowance for Noise Control Measures

Category*	Qualifying Criteria
<p>A. The following low-decibel machines, equipment or systems in which the noise hazard control feature is an intrinsic and inherent part of the operation:</p> <ol style="list-style-type: none"> 1. Concrete crusher or splitter 2. Plastic granulator or crusher 3. Automatic sawing machine 4. Metal press or stamping machine 5. Machine with active noise control feature 6. Laser cutting machine 7. Pressure blast machine 8. Remote controlled demolition machine 9. Any other machine, equipment or system certified by PSB or NUS 	<p>Operator's noise exposure must be 82 dB(A) or below</p>
<p>B. The following noise control devices which are distinct entities or accessories and not an intrinsic part of the operation of the machine, equipment or system:</p> <ol style="list-style-type: none"> 1. Acoustic enclosure for machine, equipment or process 2. Acoustic silencer or muffler 3. Vibration absorption, isolation or damping device 4. Active noise control device 	<p>For installation of the noise control device on a new machine, equipment or system, the operator's noise exposure must be 82 dB(A) or below</p> <p>For installation of the noise control device on an existing machine, equipment or system, the device must reduce the operator's noise exposure from above 85 dB(A) to 82 dB(A) or below</p>
<p>C. The following engineering noise control measures for any existing machine, equipment or process:</p> <ol style="list-style-type: none"> 1. Detachable personnel acoustic enclosure 2. Acoustic barrier or shield 3. Acoustic absorption device to reduce noise reverberation 4. Modification to machine, equipment or processes to minimise noise emission 	<p>Measures must reduce the operator's noise exposure from above 85 dB(A) to 82 dB(A) or below</p>

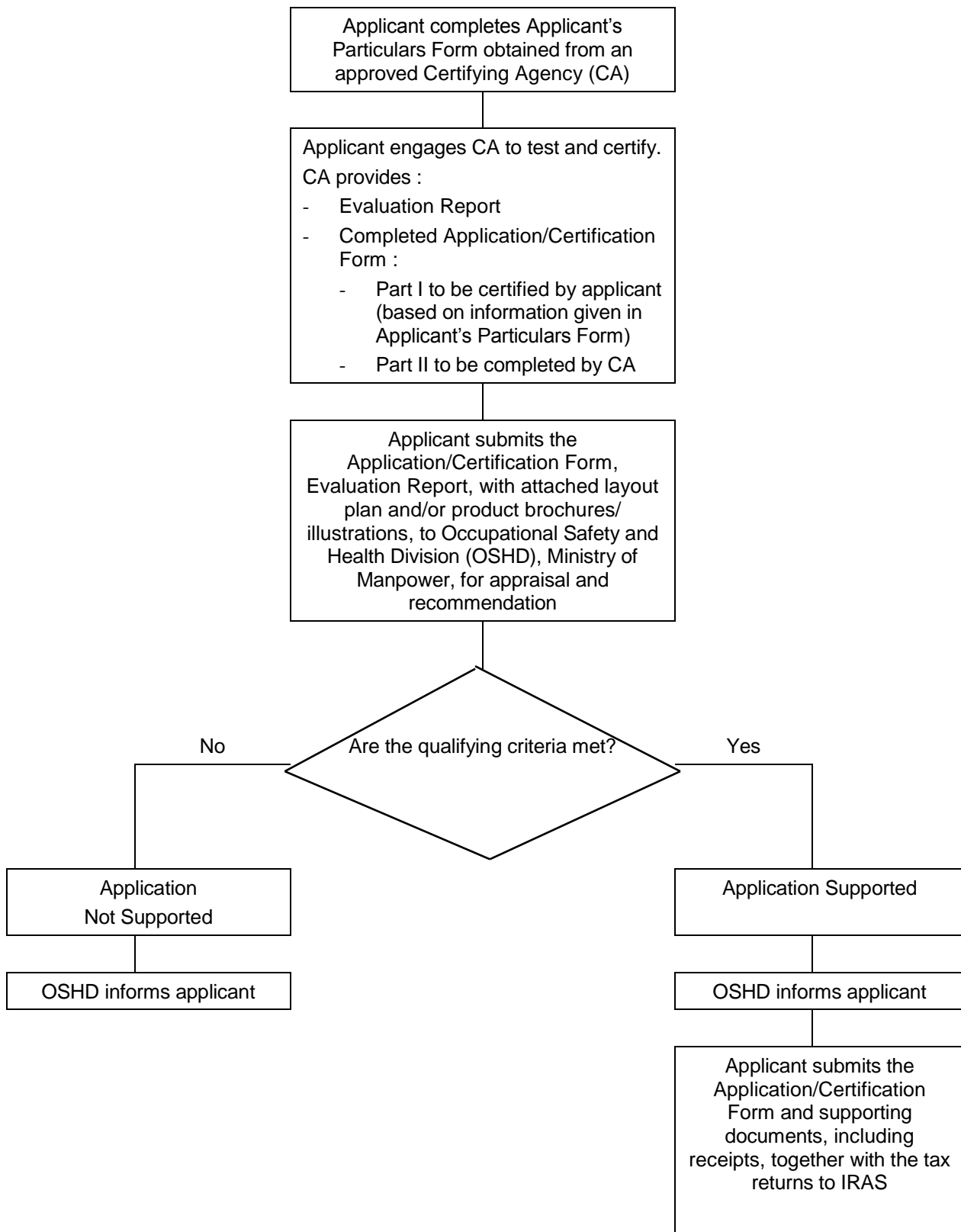
* This list of machines, equipment and systems is not exhaustive and may be modified or updated from time to time.

Fees for Noise Assessment

Total assessment duration	Fee
0.5 day	\$650
1 day	\$1100
1.5 day	\$1550
2 days	\$1950
2.5 days	\$2350
3 days	\$2750

Where a noise assessment is not required, an administrative fee of **\$200** will be charged for the certification process.

Application/Certification Process for Accelerated Depreciation Allowance for Noise Control



Frequently Answered Questions

Q: Is there a qualifying period for purchase or installation of noise or chemical hazard control measures?

A: Yes. Only equipment purchased or installed after 1 Jan 1998 can qualify for the tax incentive.

Q: How do I know that the qualifying criteria are met?

A: You have to engage a Certifying Agency to check and if necessary assess the effectiveness of the control measures, and to determine whether the qualifying criteria are met.

Q: What is the fee chargeable by the Certifying Agency?

A: Where no assessment of exposure levels is required, the administration fee is \$200. Where assessments are required, the fees would depend on the number of samples (for chemical hazard evaluation) and duration of measurements (for noise assessment).

Q: Can a taxpayer defer his claims (100% write off in one year) for the accelerated allowances? If so, how long can he defer?

A: Yes. A taxpayer can defer his claims if his company does not make any profit within an assessment year. There is no time restriction on deferment.

Q: Sometimes, factories may have to make several attempts to reduce the exposure levels to meet the qualifying criteria and this may take a few years to achieve. In such cases, can factories claim the accelerated allowances based on the total expenditure incurred over the years?

A: In principle, claims can only be made for the expenditure incurred in the final attempt that meets the qualifying criteria. However, if the final measure taken is part of the whole control system (e.g. modifying the exhaust fan of a local exhaust system), the claims may be based on the total expenditure incurred in implementing the whole control system. Such cases will be considered on a case by case basis.

Q: Tax assessment period varies. Must the control measure be done during the tax assessment period? What happens if the control measures take longer than a tax year?

A: Generally there is no time restriction on this. However, control measures should be implemented as soon as possible to safeguard the health of exposed personnel. Assessment of exposure levels, if applicable should be conducted within one year.

Q: What are the components of the capital expenditure incurred for the hazards control?

A: This includes cost of machine/equipment/system, the consultancy fee as well as the certification fee paid to the Certifying Agency.

Example of Tax Computation

	Without Tax Incentive Scheme	Tax Incentive Scheme
(1) Original chargeable income	\$100,000	\$100,000
(2) Capital expenditure incurred for control	-	\$40,000
(3) New chargeable income = (1) – (2)	\$100,000	\$60,000
Tax @ 20%*	\$20,000	\$12,000
Savings		20,000-12,000 = 8,000 (i.e. 20% of \$40,000)

* dependent on prevailing figures given by Inland Revenue Authority of Singapore.