



In a Partnership? Partners, Avoid These Common Filing Mistakes

1. NOT DECLARING PARTNERSHIP INCOME



"I do not know my share of Partnership Income, so I did not declare it in my individual Income Tax Return (Form B)."



If your share of partnership income has not been pre-filled in your Form B, you should obtain your share of the partnership income from the Precedent Partner and declare it in your Form B.



2. DECLARING PARTNERSHIP SALARY INCORRECTLY



"I declare my partnership salary as 'Employment Income' or 'Sole-Proprietorship/ Self-Employed Income' in my individual Income Tax Return (Form B/B1)."



Partnership salary should be declared as partnership income. When e-Filing, you should declare it as 'Partner's Salary, Bonus & CPF' under item 2 'Trade, Business, Profession or Vocation' > 'Partnership'.



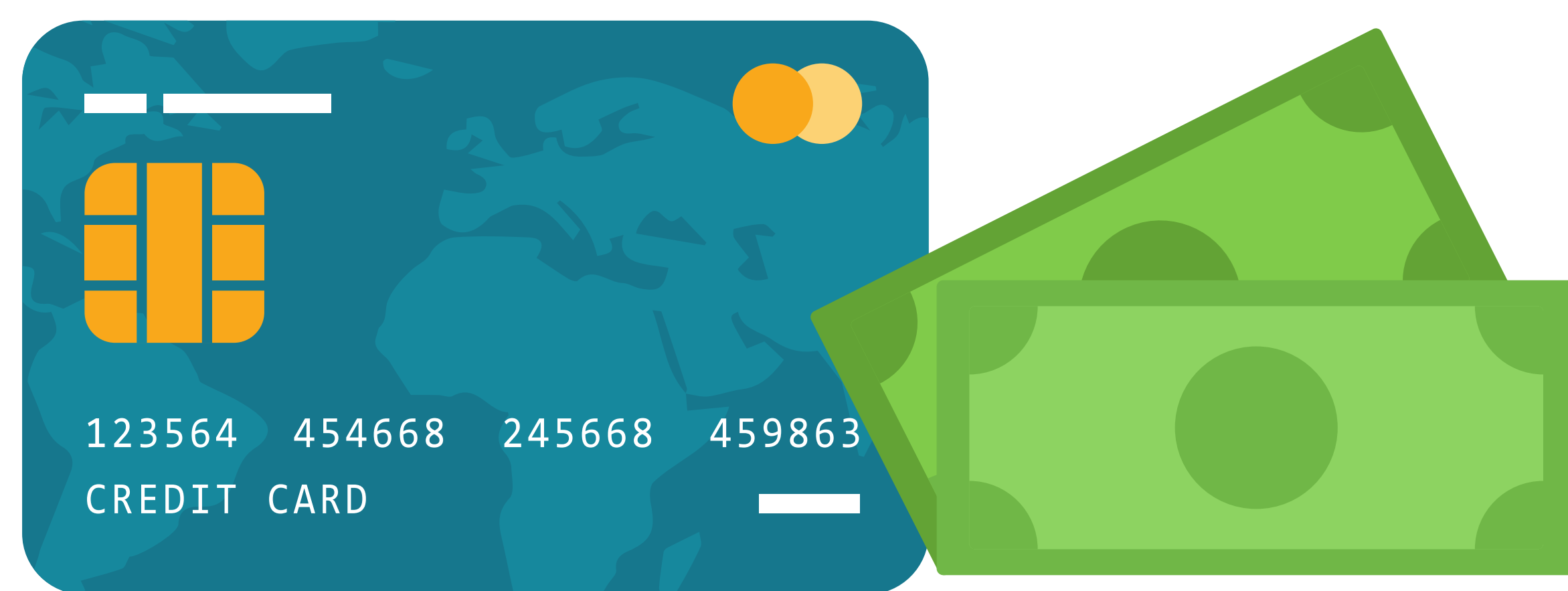
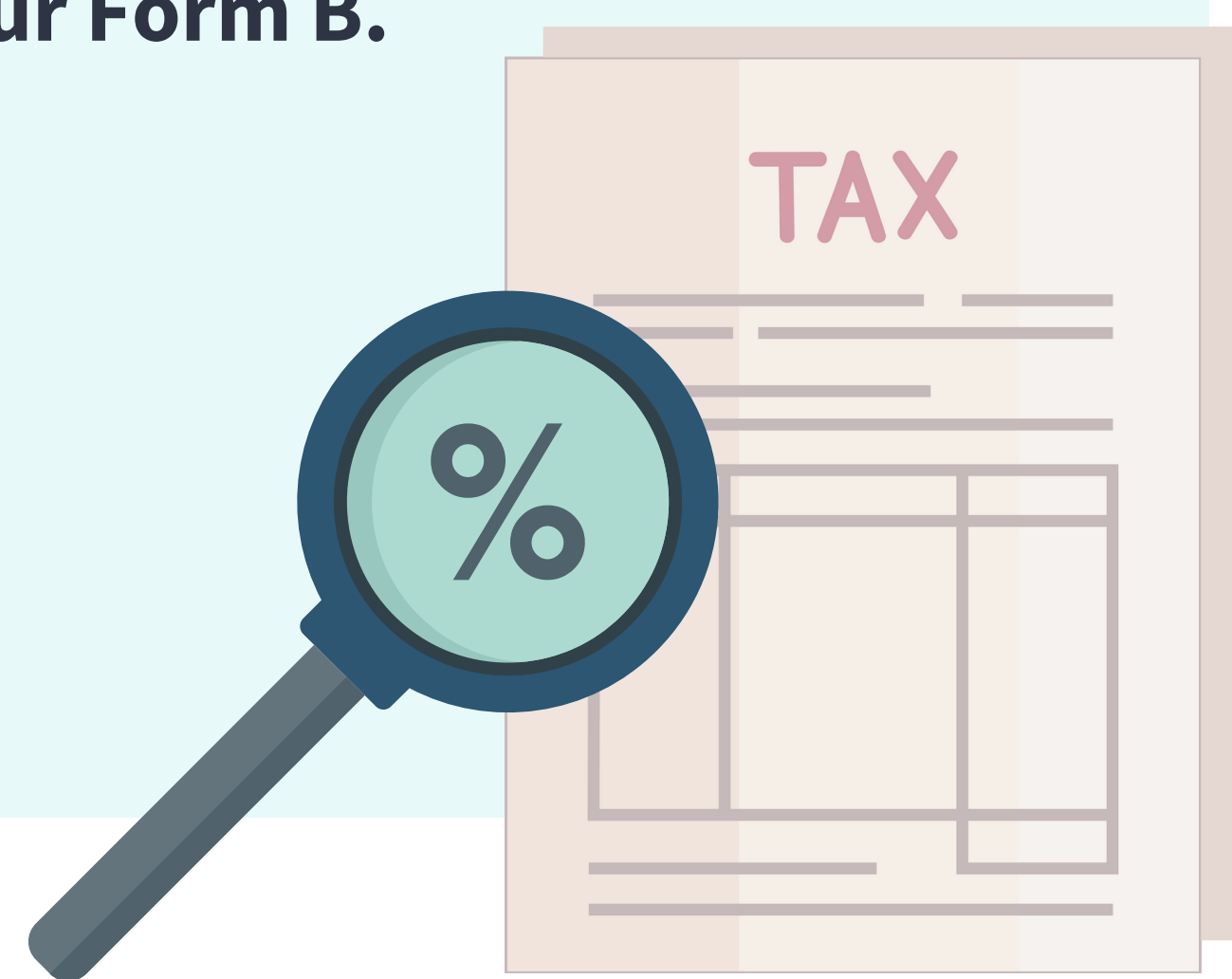
3. NOT FILING FORM B



"My Precedent Partner has submitted partnership Income Tax Return (Form P), so I do not need to file or declare my share of partnership income in my individual Income Tax Return (Form B)."



You are still required to file your Form B to declare your share of the partnership income and your income from other sources, if any. If the Precedent Partner e-filed Form P by 29 Feb 2024, your share of the partnership allocation will be pre-filled in your Form B.



4. CLAIM FOR PARTNER'S EXPENSES



"I am a partner and I claim expenses in my individual Income Tax Return (Form B) when expenses are already charged to the partnership's Profit and Loss Account."



You cannot claim in your Form B when the expenses are already charged to the partnership's Profit and Loss Account. The expenses would be claimable as deductions in the partnership Income Tax Return (Form P) if they were incurred wholly and exclusively in the production of the income.

5. CLAIM FOR PARTNER'S SALARY, BONUS & CPF



"I am a Precedent Partner and I claim salary, bonus and CPF paid to partner under 'Allowable Business Expenses' in the partnership Income Tax Return (Form P)."



Partners' salary, bonus and CPF are not to be included under 'Allowable Business Expenses' in Form P. You should declare it as 'Partners' Salary, Bonus & CPF' in Form P.



6. DECLARING CONTRIBUTED CAPITAL



"The partners did not contribute additional capital or make any capital withdrawal, so I declare '0' under Contributed Capital (Accumulated) in the partnership Income Tax Return (Form P) for my Limited Liability Partnership or Limited Partnership."



Contributed Capital is the capital amount as at the end of the preceding calendar year relating to the Year of Assessment. You should declare the same amount as last year in Form P if there is no change to the Contributed Capital.



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This information guide aims to provide a better general understanding of taxpayer's tax obligations and is not intended to comprehensively address all possible tax issues that may arise.

This information is correct as at 29 Feb 2024. While every effort has been made to ensure that this information is consistent with existing law and practice, should there be any changes, IRAS reserves the right to vary our position accordingly.