



Malta Budget 2024

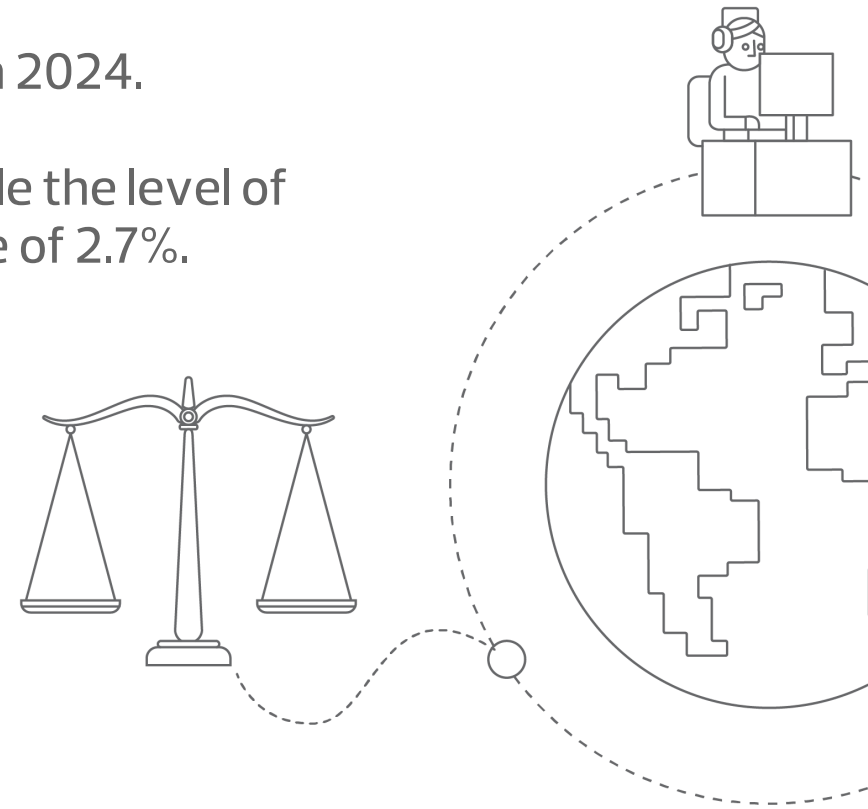
The Malta Budget for 2024 was presented by the Minister for Finance & Employment on Monday, 30 October 2023.

Economic Overview 2023

- In the first half of this year, Malta's Real Gross Domestic Product (GDP) grew by 4.4%, while nominal GDP grew by 10.3%. The Maltese economy is expected to grow by 4.1% in real terms until the end of year.
- Inflation is expected to reach 5.7%, primarily due to the increase in the prices of food and services.
- The deficit for 2023 is expected to further decrease to 5.0%.
- The Maltese economy is expected to register growth in employment of 4.7%, while the level of unemployment is expected to reach a rate of 2.7%.

Economic Outlook 2024

- The Maltese economy is predicted to grow by 4.2% in real terms, and by 7.4% in nominal terms in 2024.
- Inflation is expected to subside to 3.7%.
- Deficit is expected to continue to decrease to 4.5% in 2024.
- A 4.4% increase in employment is also expected, while the level of unemployment is expected to remain low, with a rate of 2.7%.



Incentives for Businesses

- Startups offering technologically innovative products will be able to apply for bank loans through the Venture Capital Fund.
- The Seed Investment scheme will be offered in the form of tax credits to Maltese Companies which would have invested in startups.
- Malta Enterprise will be extending the following schemes:
 - Innovate;
 - ESG Grant;
 - Startup Finance;
 - Rent Subsidy Scheme;
 - Skills Development Scheme;
 - Smart & Sustainable Scheme; and
 - Investment Aid for Energy Efficiency Projects.

Incentives for Businesses

- A budget of €40 million in cash grants for startups, SMEs that are expanding or diversifying will be offered through the Business Enhance Schemes.
- Invest EU will be extended for SMEs to facilitate bank loans in the form of reduced interest rates or collateral guarantees.



Cost of Living Adjustment (COLA)

- The Cost of Living Adjustment will be €12.81 a week, as from January 2024.
- The minimum wage will increase every year up to 2027 between €12 and €18 weekly each year. This increase will be in addition to the COLA.
- The minimum wage will increase from €192.73 to €213.54 a week, as from January 2024.



International Tax

- As part of the work of the OECD in the area of International Tax, a Minimum Effective Global Tax of 15% will apply to companies which form part of multinational groups which have a consolidated income of €750 million.
- The EU Directive implementing this Minimum Global Tax will be effective from 2024.
- Malta will exercise the option given in the Global Minimum Tax Directive to Member States which have a small number of multinationals headquartered in their country, to delay implementation of the Directive for 6 years.
- Current tax system including the full imputation system will not change.
- Changes to Qualified Refundable Tax Credits will be made in line with EU and OECD proposals. Tax for companies may increase during the transitional period, however government will continue to ensure that Malta remains competitive for these companies.

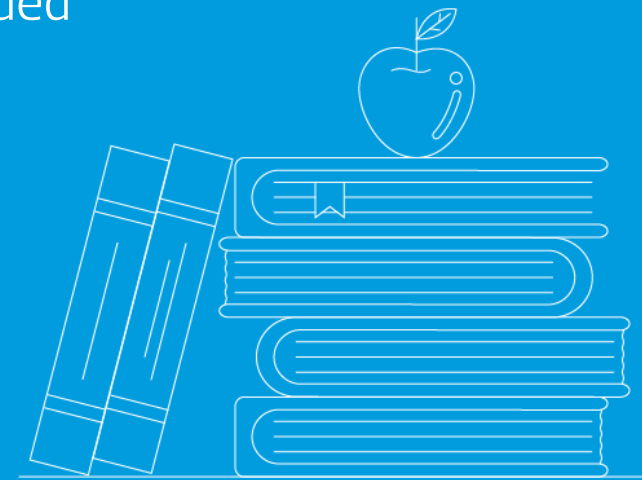


Fiscal Incentives for Family Businesses

- The Stamp Duty reduction from 5% to 1.5% on transfers of family business shall be extended again.
- Family Businesses registered with the Family Business Office shall benefit from a higher capping on tax credits on investments.
- Family Charters are to be expressly recognised at law and regulated accordingly.
- Family businesses shall also be supported through fiscal incentives to internationalise, digitalise and innovate.

Education

- Students in Malta will be given a €64 increase in their stipends next year.
- The tax credits for scholarships will be extended – specifically the Get Qualified Scheme and Higher Educational Qualifications.
- A special allowance of €500 per year for three years to parents whose children continue studying beyond the age of 16, provided the child remains in full time education and resides with the parents.



Green Economy

- New schemes to incentivise investment in renewable energy including schemes for the installation of solar panels, batteries, heat pumps, water heaters and solar water heaters together with renovation of walls in old houses to be introduced.
- An investment to increase electric vehicle charging points in Malta up to 1,200 and an investment in a national digital platform to amalgamate the systems of the public charging points will be carried out.
- Works in various localities will commence to regenerate green spaces equivalent to 80000 sqm.
- An investment of €35 million over a period of 5 years to develop new pedestrian routes and routes accessible by bicycles is planned.

Green Economy

- Financial assistance for the purchase of personal electric scooters will be launched.
- Consultation to be launched on fiscal incentives for companies and investors related to sustainable investments such as Green Bonds.



Pensioners

- Pensions to increase by €15 a week or €780 annually (including COLA).
- Tax exemption for pensioners aged 61 and over on other employment income to be introduced.
- An additional bonus of just over €1 a week will be given to pensioners who retired in 2009 and later.
- With effect from 2024, persons who choose to continue working after retirement age shall be entitled to an increase in pension depending on how long they delay their retirement.

Social Measures

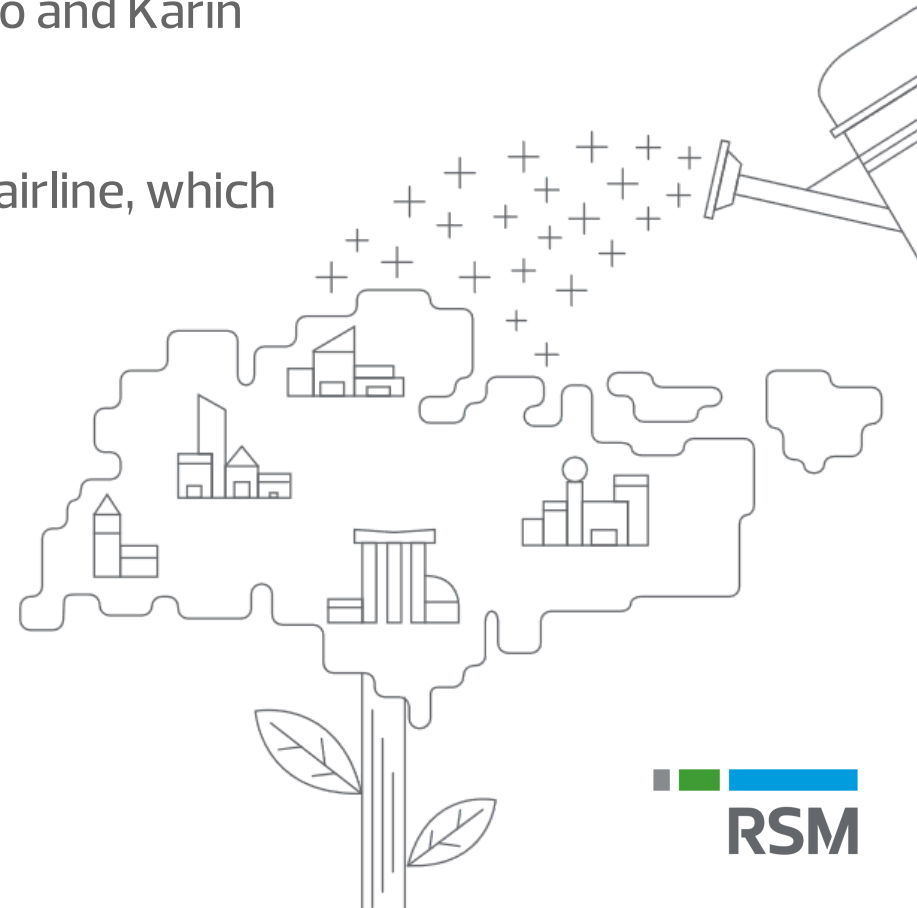
- An anticipated additional €350 million on energy subsidies are budgeted for next year, amounting to €931 million over a three year period on subsidies.
- Children's allowance to be increased by €250 per child as of next year.
- Birth benefit to increase to €500 upon the birth or adoption of the first child and up to €1000 for any other child thereafter.
- Grant for Carer at Home to be increased to €8,000.
- Increase in the tax credit for children's therapy up to €500 for each disabled child.
- Tax credit for companies up to €500 on donations made to registered NGOs.
- Increase in the Private Rent Housing Benefits Scheme ranging from €4,200 to €6,000.
- Stamp duty and capital gains tax on the first €200,000 to be abolished in case of a sale of property that is currently sub-let through the Housing Authority when purchased by the tenant.

Cultural Heritage, the Arts and Sports

- New schemes to be launched through the Malta Arts Council including Apprenticeship Schemes and a Programme for Regional Cultural Co-operation.
- A new Programme by Valletta Design Cluster for designers and researchers to continue exploring innovative solutions for urban challenges.
- Income Tax rate of 7.5% for players, coaches, athletes and other persons employed in sports activities will be extended.
- Plans for more courses at different levels with the aim to increase the professionalism in coaching and management of sports clubs to be launched.

Investments

- Enemalta will double its investment to ease the network distribution across the country with an additional investment to strengthen the electrical infrastructure amounting to €50 million through the European programme 'RePowerEU'.
- An investment of €75 million for the hospital in Gozo and Karin Grech hospital.
- An investment of €215 million for the new national airline, which will start operating on 31 March 2024.



LET US KNOW HOW WE CAN HELP YOU!



PAYROLL



GRANTS



GREEN ENERGY



TAX



VAT

Dr. Timothy Zammit

Principal – Tax & Corporate

timothy.zammit@rsm.com.mt



Contact

RSM Malta,
Mdina Road, Żebbuġ,
ZBG 9015, Malta

T: +356 2278 7000
E: info@rsm.com.mt

rsm.com.mt

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