

THE POWER OF BEING UNDERSTOOD

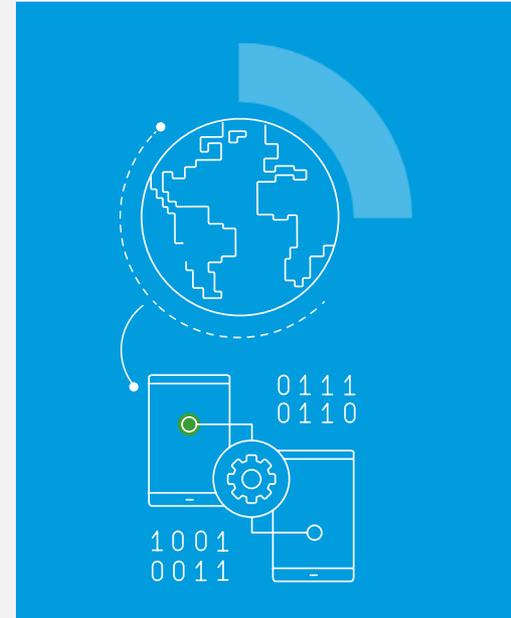
AUDIT | TAX | CONSULTING

MALTA BUDGET 2023

The Malta Budget for 2023 was presented by the Minister for Finance & Employment on Monday 24th October 2022. Here are the key takeaways announced during his speech.

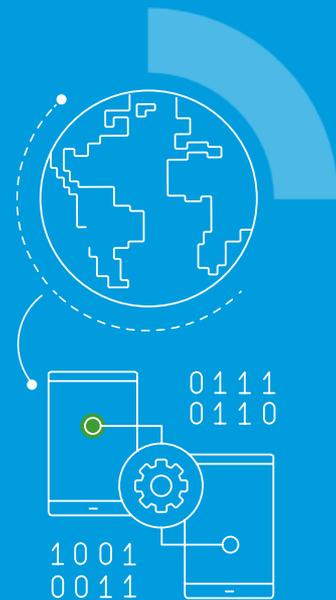
Economic Overview 2022

- Expected economic growth of 6%
- Increase in employment of 4%
- Expected unemployment rate of 3.1%
- 5.7% inflation forecast



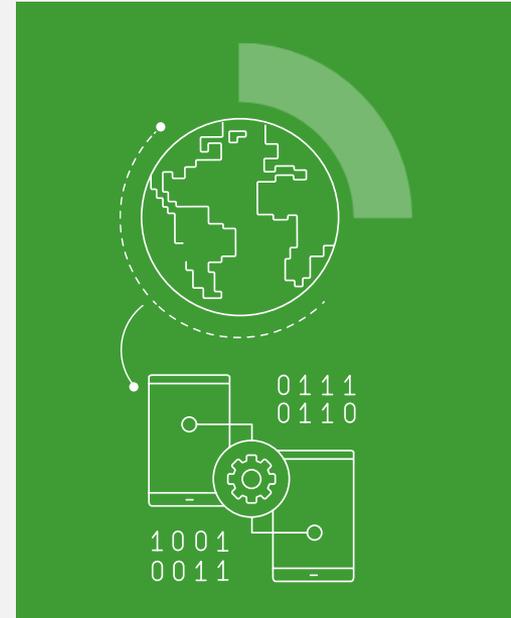
2023 Economic Outlook

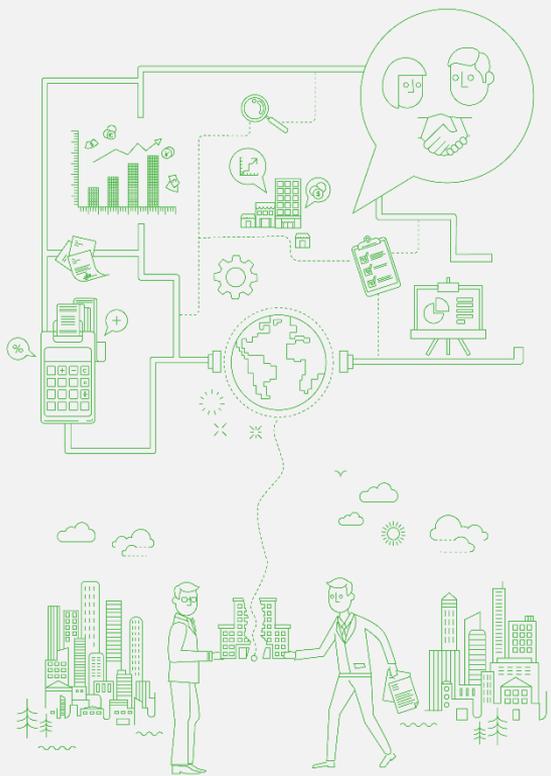
- 3.5% real economic growth
- Expected increase in employment of 3.4%
- Inflation expected to remain in the region of 3.7%



2023 Economic Outlook

- Deficit to decrease to 5.5%
- Public debt as a proportion of GDP expected to remain in the region of 60%



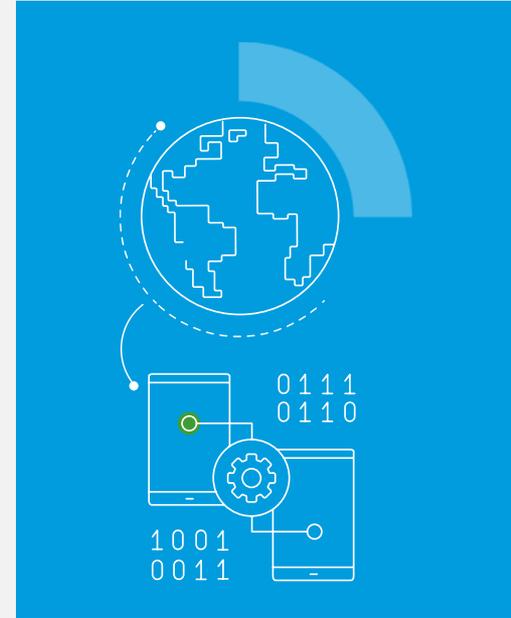


Energy Prices

Almost 10% of government spending allocated towards stabilising energy prices

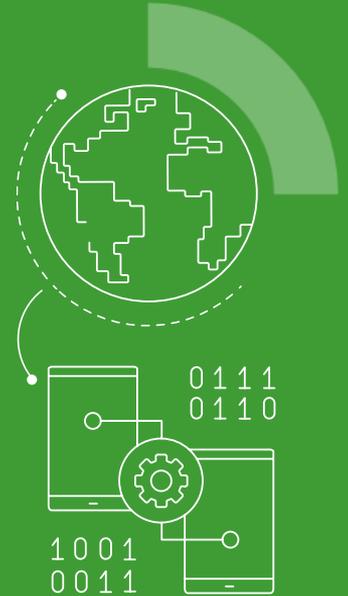
Cost of Living Adjustment

- COLA will be €9.90/week
- COLA for pensioners will be €12.50/week
- Additional COLA adjustment for the vulnerable earning less than €17,796/annum



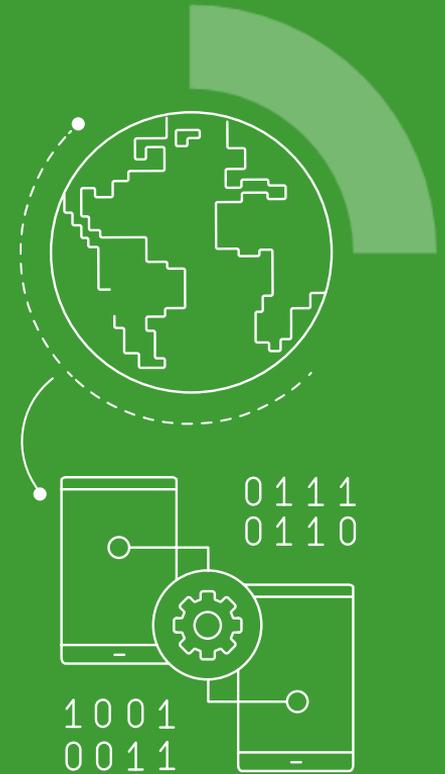
Pensioners

- Pension income exempt up to €14,968 per annum
- Variable bonus to pensioners up to a maximum of €1.50 per week
- Further increases and adjustments to service and widow/er's pensions



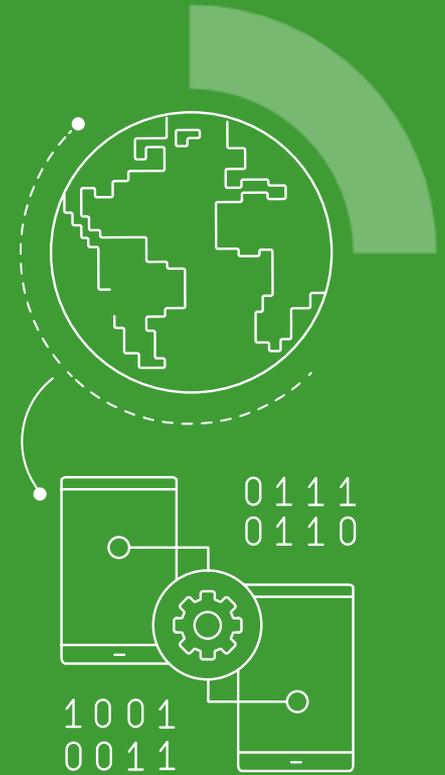
Social Assistance

- Carers' grant increased to approximately €4,500/ annum and a social security contribution credit provided
- Tax credit of €200 in respect of therapy fees for every child with disability
- Maximum of 20% subsidy on the purchase of new or second-hand Drive From Wheelchair cars



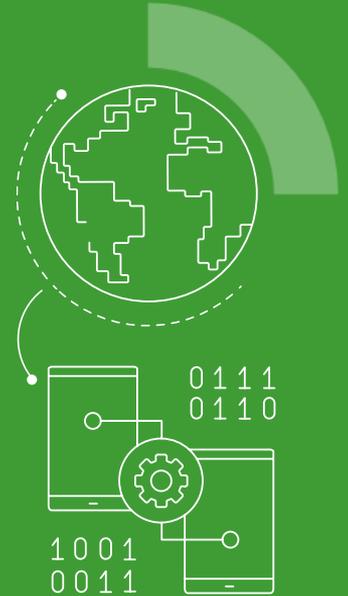
Social Assistance

- Tax refund of between €60 and €140 to be granted again
- In-Work benefit of €150 for employees working atypical working hours
- Rate of tax on royalties on the sale of books reduced to 7.5%
- Tax rebate on sports, arts and cultural activities to increase from €100 to €300/annum per child



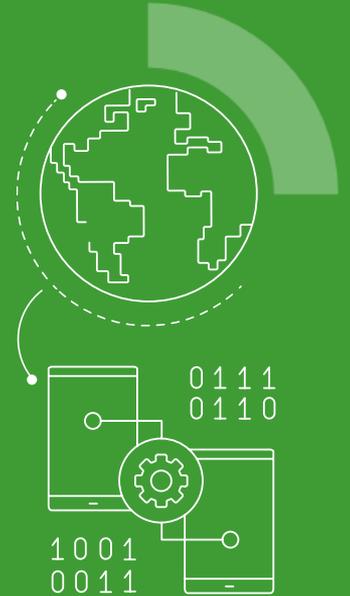
Incentives for business

- Malta Enterprise to develop a new Business Incubation centre through the use of funds from the EU for Innovative Start Ups
- Allocation of €40 million for cash grants to small and medium enterprises under the Business Enhance Scheme



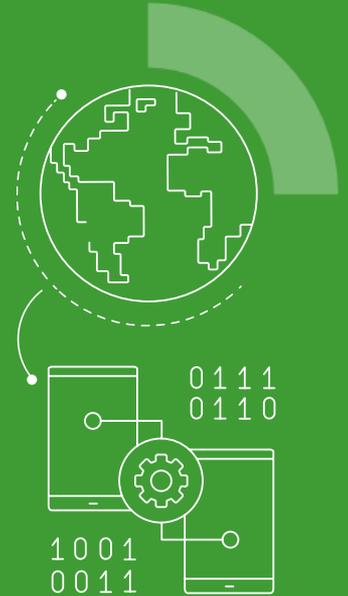
Incentives for business

- Malta Enterprise to double cash grants to Malta companies investing in digital and sustainable projects.
- Gozitan companies and start ups to benefit from additional financial assistance of 10% in tax credits increasing to 20% for companies investing in projects reducing their carbon footprint



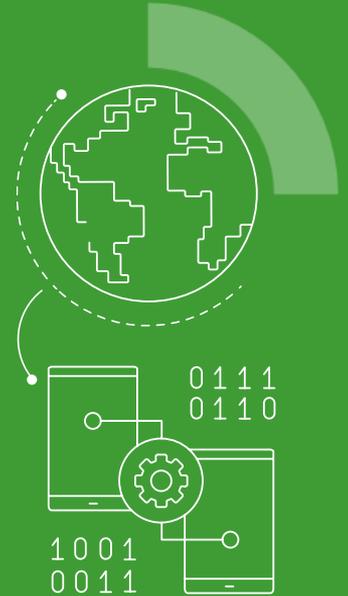
Incentives for business

All Maltese enterprises investing in digital projects, projects which reduce consumption of water and electricity or investments which reduce waste may benefit from a maximum tax credit of €40,000



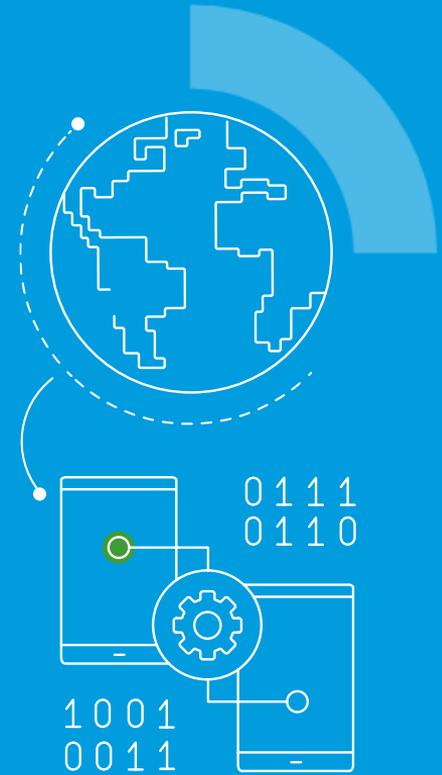
Incentives for business

Malta Enterprise shall launch guidelines and provide technical support through collaboration with other European countries for SMEs, enabling them to become ESG accredited



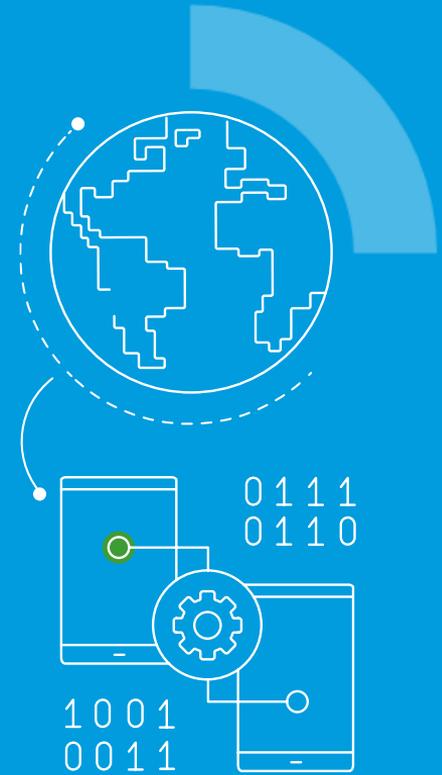
Fiscal Incentives

- Capital allowances not absorbed in 2020 and 2021 due to losses incurred during the pandemic, can be surrendered against all taxable income of other group companies for a further year (YA2023)
- Extension of current Microinvest scheme to enterprises with a social character whereby they become eligible to tax credit of up to €70,000 spread over 3 years



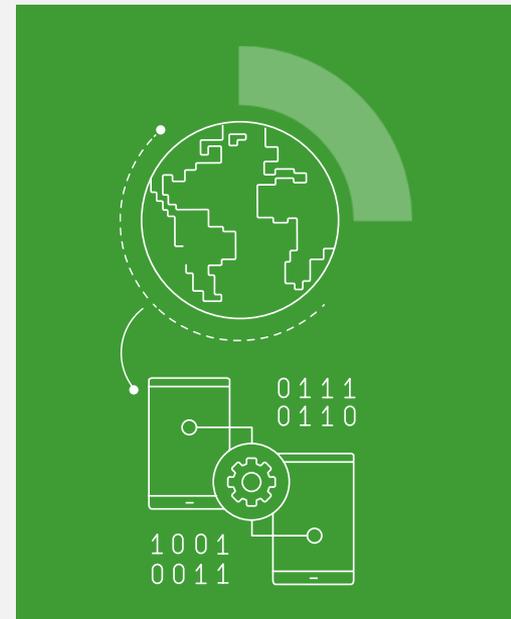
Fiscal Incentives – family business

Reduced Stamp Duty of 1.5% on inter-vivos transfer of family business is extended



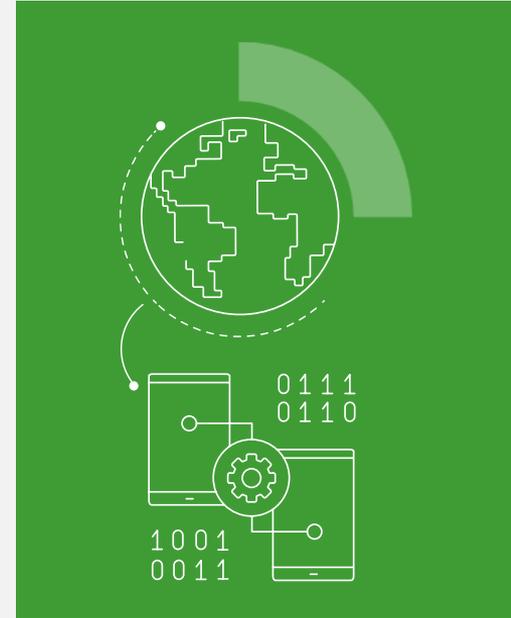
Sustainable Development

- Extended tax relief on the first €750,000 of the value of UCA/vacant property upon transfer
- Reduction in stamp duty for first time buyers, second time buyers and properties in Gozo shall remain in place



Sustainable Development

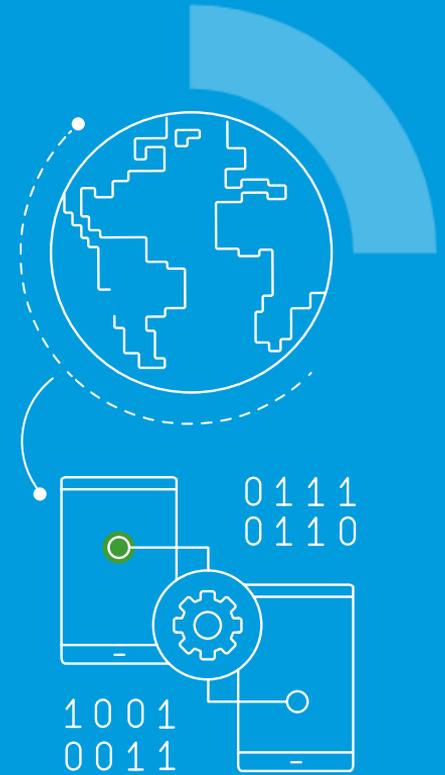
- Electric vehicle grants of €11,000 extended. Can be increased to €12,000 if applied in conjunction with the scrappage scheme
- Extension of the schemes encouraging the use of environmentally friendly motorcycles
- Extension of grant up to a maximum of €900 for the installation of PV panels on vehicles including minibuses, coaches, and trucks



The Green Economy

Grants of approximately €20 million under the RRP for the environmentally friendly renovation of private sector commercial buildings to continue for a further year

Agricultural, Farming & Fisheries sector to continue to benefit from grants and financial support, including European funds, with a view to increasing investment and improving operations



Get in Touch



Contact us today to learn more about how we can help.



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