

## IS THE GST A **REGRESSIVE TAX**?

The GST forms part of Singapore's overall tax and benefits system, which is **progressive**.

We **redistribute tax revenues** through a progressive system of taxes and transfers.

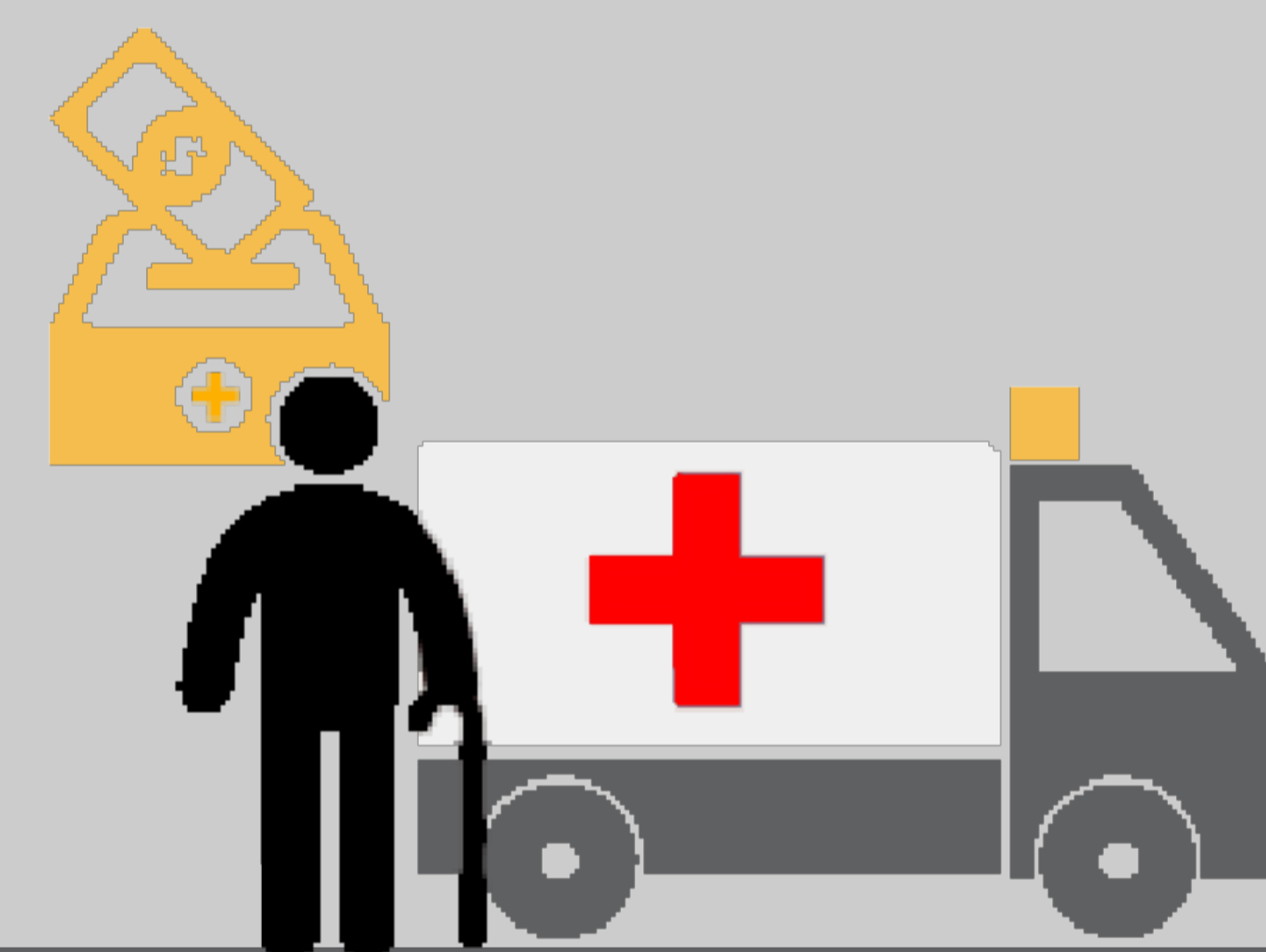
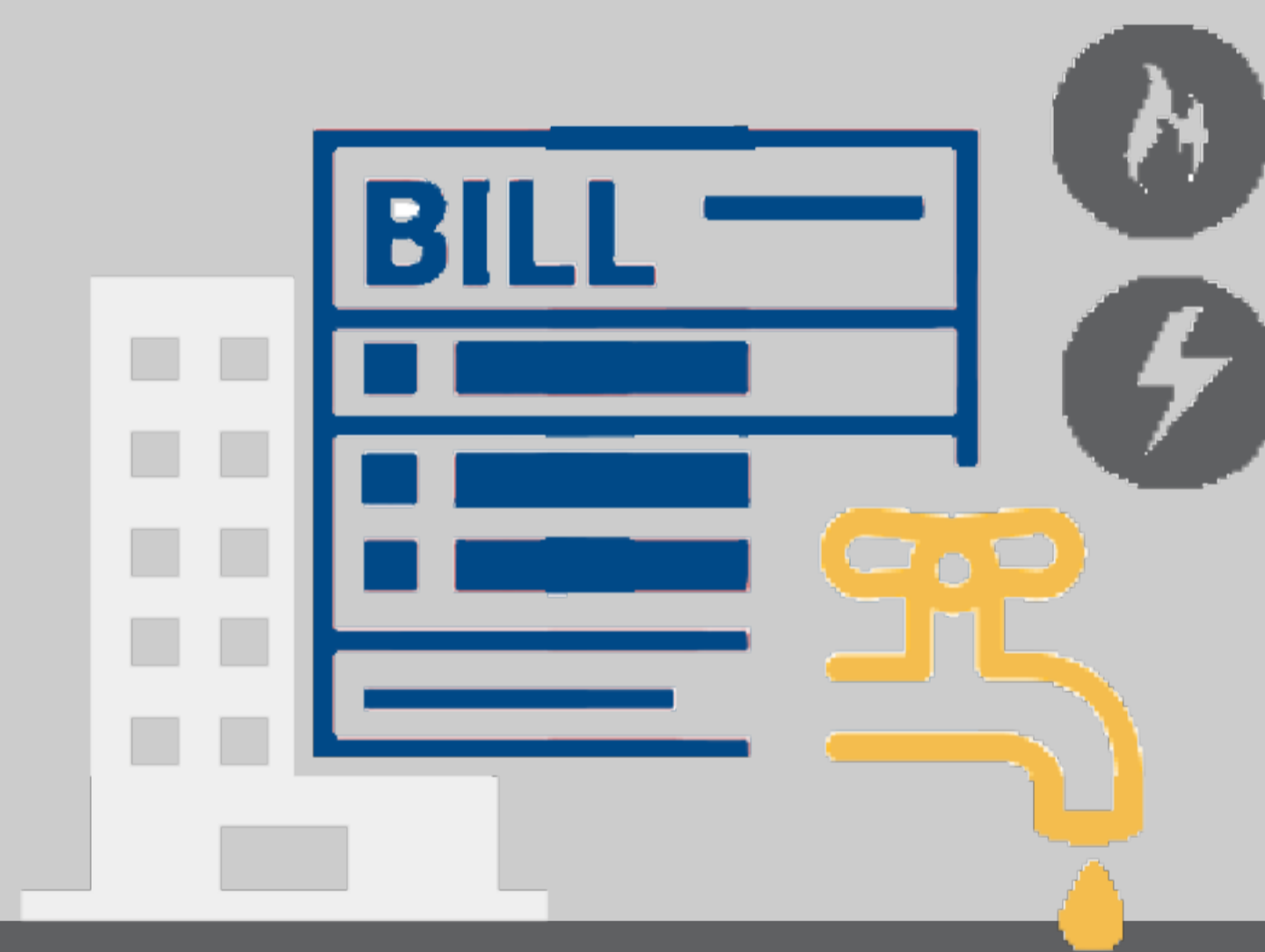
Those with higher income spend more. They therefore pay more GST and contribute more to GST revenue.

The top 10% of individuals who pay Personal Income Tax (PIT) contribute about 80% of PIT.



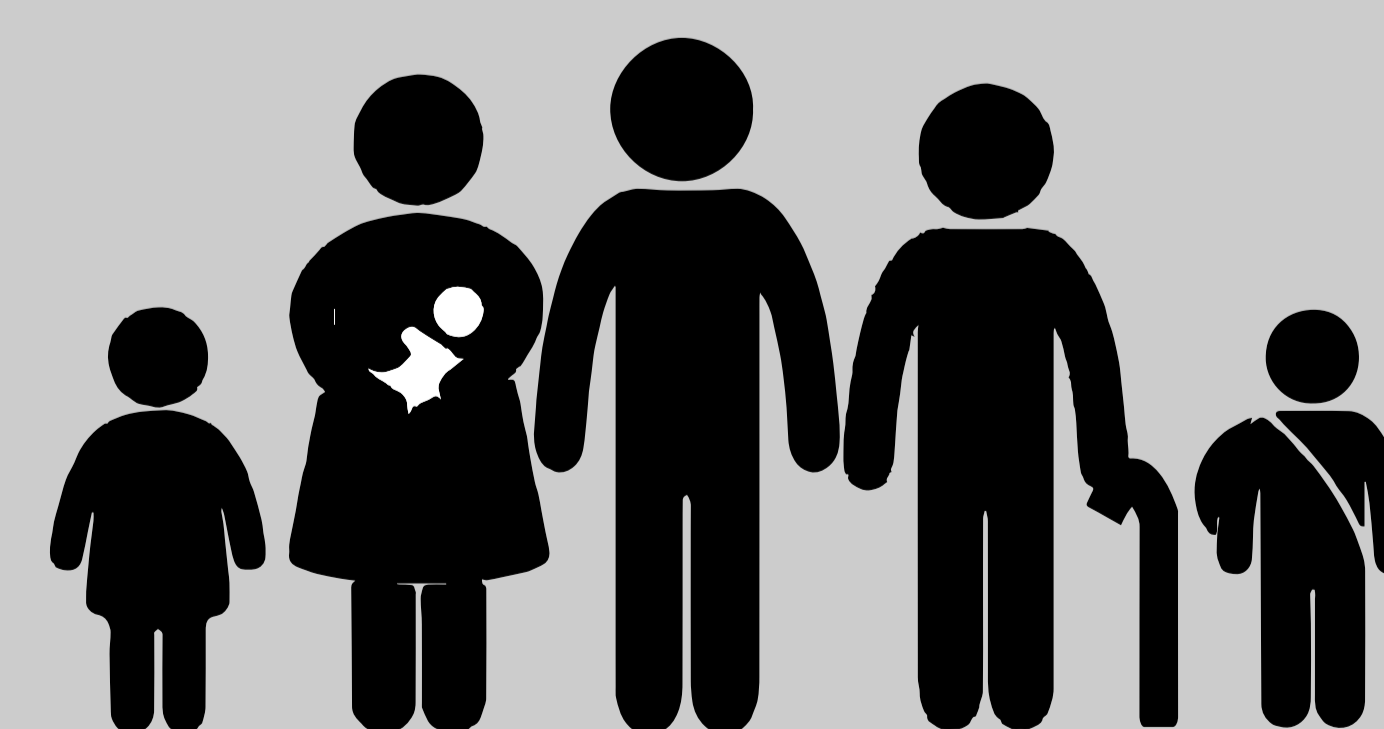
In Singapore, the **permanent GST Voucher** works together with GST.

The **GST Voucher** scheme helps lower- and middle-income Singaporeans with **cash support** and **utility rebates**. The elderly also receive **MediSave top-ups**.



Together with other social schemes, lower- and middle-income households **receive more in benefits than the taxes they pay**.

This ensures that Singapore's system of taxes and transfers is a fair and progressive one.



Under our **progressive system of taxes and transfers**, the lower-income and seniors **effectively pay less** because of GST offsets.