

## OVERVIEW OF THE BUDGET FOR FINANCIAL YEAR 2021

### Budget for FY2021

The FY2021 Budget is summarised in [Table 1.1](#).

### Operating Revenue

Operating Revenue is estimated to be \$76.64 billion, \$12.03 billion or 18.6% higher than the Revised FY2020 estimate. This is mainly due to an increase in estimated collections from Corporate Income Tax, Other Taxes, Assets Taxes and Goods and Services Tax over the revised estimates. The Revised FY2020 estimates were lower mainly due to deferrals, waivers and rebates provided for Corporate Income Tax, Other Taxes and Assets Taxes to support the economy amid the impact of COVID-19. The FY2021 revenue projections are estimated to be \$2.37 billion or 3.2% higher than FY2019 actual revenue, reflecting a rebound towards pre-COVID levels.

Corporate Income Tax collections are projected to be \$17.97 billion, \$4.22 billion or 30.7% higher than the revised FY2020 estimate. Personal Income Tax collections are projected to be \$12.37 billion, \$0.40 billion or 3.1% lower than the revised FY2020 estimate.

Statutory Boards' Contributions are projected to be \$2.51 billion, \$0.01 billion or 0.5% lower than the revised FY2020 estimate.

Assets Taxes are projected to be \$4.74 billion, \$1.65 billion or 53.2% higher than the revised FY2020 estimate. Stamp Duty collections are projected to be \$4.25 billion, \$0.59 billion or 16.1% higher than the revised FY2020 estimate.

Goods and Services Tax collections are projected to be \$11.34 billion, \$1.45 billion or 14.6% higher than the FY2020 revised estimate and \$0.18 billion or 1.6% higher than the FY2019 actual.

Motor Vehicle Taxes are projected to be \$2.52 billion, \$0.31 billion or 13.9% higher than the revised FY2020 estimate. Vehicle Quota Premiums are projected to be \$2.28 billion, approximately the same as the revised FY2020 estimate.

Other Taxes, which include the Foreign Worker Levy, Water Conservation Tax, Land Betterment Charge, and Annual Tonnage Tax,<sup>1</sup> are projected to be \$6.43 billion, \$2.66 billion or 70.4% higher than the revised FY2020 estimate.

### Total Expenditure

Total Expenditure is projected to be \$102.34 billion, \$8.28 billion or 8.8% higher than the Revised FY2020 estimate. Operating Expenditure is estimated to be \$82.46 billion, \$4.82 billion or 6.2% higher than the Revised FY2020 estimate. Development Expenditure is estimated to be \$19.87 billion, \$3.46 billion or 21.1% higher than the Revised FY2020 estimate.

### Special Transfers

Budget 2021 will provide \$4.86 billion for Special Transfers including Top-ups to Endowment and Trust Funds. This amount is significantly lower than the FY2020 revised estimates, given the unprecedented level of fiscal transfers in FY2020 to protect lives and livelihoods.

### Net Investment Returns Contribution (NIRC)

NIRC for FY2021 is estimated to be \$19.56 billion.

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<sup>1</sup> Prior to FY2021, Other Taxes include the Foreign Worker Levy, Water Conservation Tax, Development Charge, and Annual Tonnage Tax. From FY2021 onwards, Other Taxes include the Foreign Worker Levy, Water Conservation Tax, Land Betterment Charge, and Annual Tonnage Tax.

## **Budget Position**

Before taking into account Top-ups to Endowment and Trust Funds and before NIRC, a basic deficit of \$30.57 billion is projected for FY2021. After factoring in NIRC of \$19.56 billion, the estimated outturn for FY2021 is an overall budget deficit of \$11.01 billion.

**TABLE 1.1 BUDGET FOR FY2021**

	Actual	Revised	Estimated	Change Over	
	FY2019	FY2020	FY2021	Revised FY2020	
	\$billion	\$billion	\$billion	\$billion	% change
<b>OPERATING REVENUE</b>	<b>74.27</b>	<b>64.61</b>	<b>76.64</b>	<b>12.03</b>	<b>18.6</b>
Corporate Income Tax	16.73	13.74	17.97	4.22	30.7
Personal Income Tax	12.37	12.77	12.37	(0.40)	(3.1)
Withholding Tax	1.64	1.54	1.65	0.11	7.3
Statutory Boards' Contributions <sup>1</sup>	1.80	2.52	2.51	(0.01)	(0.5)
Assets Taxes	4.76	3.09	4.74	1.65	53.2
Customs, Excise and Carbon Taxes	3.26	3.51	3.77	0.27	7.6
Goods and Services Tax	11.16	9.90	11.34	1.45	14.6
Motor Vehicle Taxes	2.42	2.21	2.52	0.31	13.9
Vehicle Quota Premiums	2.87	2.28	2.28	0.00	(0.1)
Betting Taxes	2.62	1.85	2.41	0.56	30.4
Stamp Duty	4.20	3.66	4.25	0.59	16.1
Other Taxes <sup>2</sup>	6.68	3.78	6.43	2.66	70.4
Other Fees and Charges	3.41	3.32	3.91	0.59	17.9
Others	0.35	0.45	0.49	0.04	8.4
Less:					
<b>TOTAL EXPENDITURE</b>	<b>75.34</b>	<b>94.06</b>	<b>102.34</b>	<b>8.28</b>	<b>8.8</b>
Operating Expenditure	58.67	77.64	82.46	4.82	6.2
Development Expenditure	16.67	16.41	19.87	3.46	21.1
<b>PRIMARY SURPLUS / DEFICIT<sup>3</sup></b>	<b>(1.06)</b>	<b>(29.45)</b>	<b>(25.70)</b>		
Less:					
<b>SPECIAL TRANSFERS<sup>4</sup></b>	<b>15.13</b>	<b>53.59</b>	<b>4.86</b>	<b>(48.73)</b>	<b>(90.9)</b>
<b>Special Transfers Excluding Top-ups to Endowment and Trust Funds</b>	<b>1.56</b>	<b>36.27</b>	<b>4.86</b>		
Jobs Support Scheme	-	26.88	2.89		
Other Transfers <sup>5</sup>	1.56	9.39	1.97		
<b>BASIC SURPLUS / DEFICIT<sup>6</sup></b>	<b>(2.62)</b>	<b>(65.72)</b>	<b>(30.57)</b>		
<b>Top-ups to Endowment and Trust Funds</b>	<b>13.57</b>	<b>17.32</b>	<b>-</b>		
GST Voucher Fund	-	6.00	-		
Coastal and Flood Protection Fund	-	5.00	-		
National Research Fund	-	2.00	-		
Skills Development Fund	-	2.00	-		
Special Employment Credit Fund	0.37	0.70	-		
Top-ups to Endowment Funds <sup>7</sup>	-	1.45	-		
Other Funds <sup>8</sup>	13.20	0.17	-		
Add:					
<b>NET INVESTMENT RETURNS CONTRIBUTION</b>	<b>17.04</b>	<b>18.14</b>	<b>19.56</b>	<b>1.41</b>	<b>7.8</b>
<b>OVERALL BUDGET SURPLUS / DEFICIT</b>	<b>0.84</b>	<b>(64.90)</b>	<b>(11.01)</b>		

Note: Due to rounding, figures may not add up. Negative figures are shown in parentheses.

- <sup>1</sup> From FY2019 onwards, Statutory Boards' Contributions (SBC) from the Monetary Authority of Singapore (MAS) in a given financial year are calculated as the average of "Contribution to Consolidated Fund" (in lieu of corporate income tax) reported in MAS' financial statements for the preceding three years. This is to reduce the volatility in MAS' annual contributions. MAS' SBC in FY2019 should thus comprise one-third of "Contribution to Consolidated Fund" reported in MAS' financial statements for FY2016/17, FY2017/18 and FY2018/19. As MAS' "Contribution to Consolidated Fund" for FY2016/17 and FY2017/18 have been paid in full in FY2017 and FY2018 respectively, MAS' SBC in FY2019 comprised only one-third of MAS' "Contribution to Consolidated Fund" for FY2018/19. MAS' SBC in FY2020 in turn comprises one-third of MAS' "Contribution to Consolidated Fund" for FY2018/19 and FY2019/20, and MAS' SBC in FY2021 comprises one-third of MAS' "Contribution to Consolidated Fund" for FY2018/19, FY2019/20 and FY2020/21.
- <sup>2</sup> For FY2019 and FY2020, Other Taxes include the Foreign Worker Levy, Water Conservation Tax, Development Charge, and Annual Tonnage Tax. From FY2021 onwards, Other Taxes include the Foreign Worker Levy, Water Conservation Tax, Land Betterment Charge, and Annual Tonnage Tax.
- <sup>3</sup> Surplus / Deficit before Special Transfers (including Top-ups to Endowment and Trust Funds) and Net Investment Returns Contribution.
- <sup>4</sup> Special Transfers including Top-ups to Endowment and Trust Funds.
- <sup>5</sup> Includes Wage Credit Scheme, Workfare Special Bonus, Productivity and Innovation Credit, Service and Conservancy Charges Rebates, Top-ups to Child Development Accounts, Top-up to self-help groups, CPF Medisave Top-up scheme, CPF Top-up scheme, Top-ups to Edusave Accounts and Post-Secondary Education Accounts, SME Cash Grant, Productivity and Innovation Credit Bonus, Rebate for School Buses, SG Bonus, Merdeka Generation Package, Care and Support Package - Cash Payout, PAassion Card top-up, Grocery Vouchers, GST Voucher Special Payment, CPF Transition Offset, Self-Employed Person Income Relief Scheme, Cash Grant to Mitigate Rental Costs, and Solidarity Utilities Credit.
- <sup>6</sup> Surplus / Deficit before Top-ups to Endowment and Trust Funds, and Net Investment Returns Contribution.
- <sup>7</sup> Consists of ElderCare Fund, Community Care Endowment Fund, and MediFund.
- <sup>8</sup> Consists of Rail Infrastructure Fund, Merdeka Generation Fund, Long-Term Care Support Fund, Public Transport Fund, and Community Capability Trust.