

OVERVIEW OF THE BUDGET FOR FINANCIAL YEAR (FY) 2022

Budget for FY2022

The FY2022 Budget is summarised in [Table 1.1](#).

Operating Revenue

Operating Revenue is projected to be \$81.75 billion, which is \$1.39 billion or 1.7% higher than the Revised FY2021 estimate. This is mainly due to an increase in estimated collections from Goods and Services Tax, Vehicle Quota Premiums and Corporate Income Tax, which are partially offset by lower Stamp Duty collections.

Corporate Income Tax collections are projected to be \$18.19 billion, which is \$0.68 billion or 3.9% higher than the Revised FY2021 estimate. Personal Income Tax collections are estimated to be \$13.98 billion, which is \$0.16 billion or 1.1% higher than the Revised FY2021 estimate.

Statutory Boards' Contributions are projected to be \$2.03 billion, which is \$0.83 billion or 28.9% lower than the Revised FY2021 estimate.

Assets Taxes are projected to be \$4.61 billion, which is close to the Revised FY2021 estimate. Stamp Duty collections are estimated to be \$5.24 billion, which is \$1.21 billion or 18.8% lower than the Revised FY2021 estimate.

Goods and Services Tax collections are projected to be \$12.80 billion, which is \$0.79 billion or 6.6% higher than the Revised FY2021 estimate.

Motor Vehicle Taxes are projected to be \$2.53 billion, which is \$0.13 billion or 5.5% higher than the Revised FY2021 estimate. Vehicle Quota Premiums are estimated to be \$3.93 billion, which is \$0.71 billion or 22.1% higher than the Revised FY2021 estimate.

Other Taxes, which include the Foreign Worker Levy, Water Conservation Tax, Land Betterment Charge and Annual Tonnage Tax¹, are estimated to be \$6.05 billion, which is \$0.58 billion or 10.7% higher than the Revised FY2021 estimate.

Total Expenditure

Total Expenditure is projected to be \$102.41 billion, which is \$4.00 billion or 4.1% higher than the Revised FY2021 estimate. Operating Expenditure is projected to be \$85.06 billion, which is \$3.52 billion or 4.3% higher than the Revised FY2021 estimate. Development Expenditure is projected to be \$17.35 billion, which is \$0.48 billion or 2.8% higher than the Revised FY2021 estimate.

Special Transfers

Special Transfers including Top-ups to Endowment and Trust Funds are projected to be \$6.24 billion.

Net Investment Returns Contribution (NIRC)

NIRC for FY2022 is estimated to be \$21.56 billion.

¹ Prior to FY2022, Other Taxes included the Foreign Worker Levy, Water Conservation Tax, Development Charge and Annual Tonnage Tax. From FY2022 onwards, Development Charge has been replaced by the Land Betterment Charge.

Interest Costs and Loan Expenses and Capitalisation of Nationally Significant Infrastructure

The borrowing proceeds under the Significant Infrastructure Government Loan Act (SINGA) will only be used to finance nationally significant infrastructure. Interest Costs and Loan Expenses to facilitate borrowing under the SINGA is projected to be \$0.10 billion, which is \$0.10 billion higher than the Revised FY2021 estimate.

Capitalisation of Nationally Significant Infrastructure is projected to be \$2.40 billion, which is \$1.74 billion or 265.4% higher than the Revised FY2021 estimate.

Budget Position

Before taking into account NIRC, Top-ups to Endowment and Trust Funds, Interest Costs and Loan Expenses and Capitalisation of Nationally Significant Infrastructure, a basic deficit of \$22.84 billion is projected for FY2022. After factoring in the Top-ups to Endowment and Trust Funds of \$4.05 billion, NIRC of \$21.56 billion, Interest Costs and Loan Expenses of \$0.10 billion and Capitalisation of Nationally Significant Infrastructure of \$2.40 billion, the projected overall fiscal position for FY2022 is a deficit of \$3.04 billion.

TABLE 1.1 BUDGET FOR FY2022

	Revised FY2021	Estimated FY2022	Change Over Revised FY2021	
	\$billion	\$billion	\$billion	% change
OPERATING REVENUE	80.37	81.75	1.39	1.7
Corporate Income Tax	17.51	18.19	0.68	3.9
Personal Income Tax	13.83	13.98	0.16	1.1
Withholding Tax	1.73	1.83	0.10	6.0
Statutory Boards' Contributions ¹	2.86	2.03	(0.83)	(28.9)
Assets Taxes	4.60	4.61	0.01	0.3
Customs, Excise and Carbon Taxes	3.63	3.71	0.07	2.0
Goods and Services Tax	12.01	12.80	0.79	6.6
Motor Vehicle Taxes	2.39	2.53	0.13	5.5
Vehicle Quota Premiums	3.22	3.93	0.71	22.1
Betting Taxes	2.32	2.74	0.42	18.0
Stamp Duty	6.45	5.24	(1.21)	(18.8)
Other Taxes ²	5.46	6.05	0.58	10.7
Fees and Charges (Excluding Vehicle Quota Premiums)	3.44	3.55	0.10	3.0
Others	0.90	0.57	(0.34)	(37.4)
Less:				
TOTAL EXPENDITURE	98.41	102.41	4.00	4.1
Operating Expenditure	81.54	85.06	3.52	4.3
Development Expenditure	16.87	17.35	0.48	2.8
PRIMARY SURPLUS / DEFICIT³	(18.04)	(20.65)		
Less:				
SPECIAL TRANSFERS⁴	7.90	6.24	(1.66)	(21.0)
Special Transfers Excluding Top-ups to Endowment and Trust Funds	7.90	2.19		
Jobs Support Scheme	4.66	1.60		
Other Transfers ⁵	3.23	0.59		
BASIC SURPLUS / DEFICIT⁶	(25.94)	(22.84)		
Top-ups to Endowment and Trust Funds	-	4.05		
Progressive Wage Credit Scheme Trust ⁷	-	2.00		
GST Voucher Fund	-	1.00		
National Research Fund	-	0.90		
Cultural Matching Fund	-	0.15		
Add:				
NET INVESTMENT RETURNS CONTRIBUTION	20.33	21.56	1.23	6.0
Less:				
INTEREST COSTS AND LOAN EXPENSES⁸	0.00⁹	0.10	0.10	n.a.
OVERALL BUDGET SURPLUS / DEFICIT	(5.61)	(5.43)		
Add:				
CAPITALISATION OF NATIONALLY SIGNIFICANT INFRASTRUCTURE	0.66	2.40	1.74	265.4
Less:				
DEPRECIATION OF NATIONALLY SIGNIFICANT INFRASTRUCTURE	-	-	-	-
OVERALL FISCAL POSITION	(4.95)	(3.04)		

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

- ¹ To reduce annual volatility, Statutory Boards' Contributions (SBC) from MAS in a given financial year are calculated as the average of "Contribution to Consolidated Fund" reported in MAS' financial statements for the preceding three years.
- ² Prior to FY2022, Other Taxes include the Foreign Worker Levy, Water Conservation Tax, Development Charge and Annual Tonnage Tax. From FY2022 onwards, Other Taxes include the Foreign Worker Levy, Water Conservation Tax, Land Betterment Charge and Annual Tonnage Tax.
- ³ Surplus / Deficit before Special Transfers (including Top-ups to Endowment and Trust Funds), Net Investment Returns Contribution, Interest Costs and Loan Expenses and Capitalisation and Depreciation of Nationally Significant Infrastructure.
- ⁴ Special Transfers including Top-ups to Endowment and Trust Funds.
- ⁵ 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, Top-ups to Edusave Accounts and Post-Secondary Education Accounts, SME Cash Grant, Productivity and Innovation Credit Bonus, Rebate for School Buses, Merdeka Generation Package, Care and Support Package - Cash Payout, PAssion Card Top-up, Grocery Vouchers, GST Voucher Special Payment, CPF Transition Offset, Self Employed Person Income Relief Scheme, Cash Grant to Mitigate Rental Costs, Rental Support Scheme and Solidarity Utilities Credit.
- ⁶ Surplus / Deficit before Top-ups to Endowment and Trust Funds, Net Investment Returns Contribution, Interest Costs and Loan Expenses and Capitalisation and Depreciation of Nationally Significant Infrastructure.
- ⁷ The Progressive Wage Credit Scheme Fund will be set up in FY2022. The Progressive Wage Credit Scheme will co-fund wage increases of lower-wage workers to provide transitional support for employers for the Progressive Wage moves.
- ⁸ Interest Costs and Loan Expenses include the annual effective interest costs (which is computed based on the yield to maturity multiplied by the face value of the bond) and other ancillary loan expenses incurred in connection with the SINGA. It excludes principal repayment and transfer of loan discount to Development Fund. It is different from the Debt Servicing and Related Costs presented in the Expenditure Estimates and Annex to Expenditure Estimates for Head Y.
- ⁹ Interest Costs and Loan Expenses for Revised FY2021 is estimated to be \$0.11 million.