

## OVERVIEW OF THE BUDGET FOR FINANCIAL YEAR (FY) 2023

### Budget for FY2023

The FY2023 Budget is summarised in [Table 1.1](#).

### Operating Revenue

Operating Revenue is projected to be \$96.70 billion, which is \$6.42 billion or 7.1% higher than the Revised FY2022 estimate. This is mainly due to an increase in estimated collections from Goods and Services Tax, Corporate Income Tax, Personal Income Tax, and Assets Taxes, which are partially offset by lower Statutory Boards' Contributions.

Corporate Income Tax collections are projected to be \$24.26 billion, which is \$1.52 billion or 6.7% higher than the Revised FY2022 estimate. Personal Income Tax collections are estimated to be \$16.84 billion, which is \$1.46 billion or 9.5% higher than the Revised FY2022 estimate.

Statutory Boards' Contributions are projected to be \$0.57 billion, which is \$0.88 billion or 61.0% lower than the Revised FY2022 estimate.

Assets Taxes are projected to be \$5.55 billion, which is \$0.48 billion or 9.6% higher than the Revised FY2022 estimate. Stamp Duty collections are estimated to be \$5.75 billion, which is \$0.07 billion or 1.2% lower than the Revised FY2022 estimate.

Goods and Services Tax collections are projected to be \$17.38 billion, which is \$2.92 billion or 20.2% higher than the Revised FY2022 estimate.

Motor Vehicle Taxes are projected to be \$2.54 billion, which is \$0.27 billion or 11.9% higher than the Revised FY2022 estimate. Vehicle Quota Premiums are estimated to be \$3.88 billion, which is close to the Revised FY2022 estimate.

Other Taxes, which include the Foreign Worker Levy, Water Conservation Tax, Land Betterment Charge and Annual Tonnage Tax, are estimated to be \$6.63 billion, which is \$0.27 billion or 4.3% higher than the Revised FY2022 estimate.

### Total Expenditure

Total Expenditure is projected to be \$104.15 billion, which is \$2.80 billion or 2.6% lower than the Revised FY2022 estimate. Operating Expenditure is projected to be \$83.62 billion, which is \$2.70 billion or 3.1% lower than the Revised FY2022 estimate. Development Expenditure is projected to be \$20.52 billion, which is \$0.10 billion or 0.5% lower than the Revised FY2022 estimate.

### Special Transfers

Special Transfers including Top-ups to Endowment and Trust Funds are projected to be \$19.58 billion.

### Net Investment Returns Contribution (NIRC)

NIRC for FY2023 is estimated to be \$23.48 billion, which is \$1.87 billion or 8.7% higher than the revised FY2022 NIRC.

**Capitalisation of Nationally Significant Infrastructure and SINGA Interest Costs and Loan Expenses**

The borrowing proceeds under the Significant Infrastructure Government Loan Act (SINGA) can only be used to finance nationally significant infrastructure. Capitalisation of Nationally Significant Infrastructure is projected to be \$3.53 billion, which is \$1.25 billion or 54.8% higher than the Revised FY2022 estimate.

SINGA Interest Costs and Loan Expenses to facilitate borrowing under the SINGA is projected to be \$0.33 billion, which is \$0.24 billion or 256.0% higher than the Revised FY2022 estimate.

**Budget Position**

Before taking into account NIRC, Top-ups to Endowment and Trust Funds, Capitalisation of Nationally Significant Infrastructure and SINGA Interest Costs and Loan Expenses, a basic deficit of \$10.21 billion is projected for FY2023. After factoring in the Top-ups to Endowment and Trust Funds of \$16.82 billion, NIRC of \$23.48 billion, Capitalisation of Nationally Significant Infrastructure of \$3.53 billion and SINGA Interest Costs and Loan Expenses of \$0.33 billion, the projected overall fiscal position for FY2023 is a deficit of \$0.35 billion.

**TABLE 1.1 BUDGET FOR FY2023**

	Revised	Estimated	Change Over	
	FY2022	FY2023	Revised	FY2022
	\$billion	\$billion	\$billion	% change
<b>OPERATING REVENUE</b>	<b>90.28</b>	<b>96.70</b>	<b>6.42</b>	<b>7.1</b>
Corporate Income Tax	22.74	24.26	1.52	6.7
Personal Income Tax	15.38	16.84	1.46	9.5
Withholding Tax	2.12	2.21	0.09	4.4
Statutory Boards' Contributions <sup>1</sup>	1.45	0.57	(0.88)	(61.0)
Assets Taxes	5.06	5.55	0.48	9.6
Customs and Excise Taxes	3.48	3.73	0.24	7.0
Goods and Services Tax	14.46	17.38	2.92	20.2
Motor Vehicle Taxes	2.27	2.54	0.27	11.9
Vehicle Quota Premiums	3.87	3.88	0.01	0.4
Betting Taxes	2.83	2.84	0.01	0.4
Stamp Duty	5.82	5.75	(0.07)	(1.2)
Other Taxes <sup>2</sup>	6.36	6.63	0.27	4.3
Fees and Charges (Excluding Vehicle Quota Premiums)	3.88	3.95	0.07	1.7
Others	0.56	0.58	0.02	4.0
Less:				
<b>TOTAL EXPENDITURE</b>	<b>106.95</b>	<b>104.15</b>	<b>(2.80)</b>	<b>(2.6)</b>
Operating Expenditure	86.32	83.62	(2.70)	(3.1)
Development Expenditure	20.63	20.52	(0.10)	(0.5)
<b>PRIMARY SURPLUS / DEFICIT<sup>3</sup></b>	<b>(16.67)</b>	<b>(7.45)</b>		
Less:				
<b>SPECIAL TRANSFERS<sup>4</sup></b>	<b>9.16</b>	<b>19.58</b>	<b>10.42</b>	<b>113.7</b>
<b>Special Transfers Excluding Top-ups to Endowment and Trust Funds</b>	<b>2.91</b>	<b>2.76</b>		
COL Special Payment	1.13	1.33		
CDC Vouchers	0.41	0.60		
Other Transfers <sup>5</sup>	1.37	0.84		
<b>BASIC SURPLUS / DEFICIT<sup>6</sup></b>	<b>(19.58)</b>	<b>(10.21)</b>		
<b>Top-ups to Endowment and Trust Funds</b>	<b>6.25</b>	<b>16.82</b>		
National Productivity Fund <sup>7</sup>	-	4.00		
GST Voucher Fund	2.40	2.40		
Progressive Wage Credit Scheme Fund	2.80	2.40		
Top-ups to Endowment Funds <sup>8</sup>	-	2.30		
Changi Airport Development Fund	-	2.00		
Trust Fund for the Employment Credit Schemes	-	1.50		
National Research Fund	0.90	1.20		
Other Funds <sup>9</sup>	0.15	1.02		
Add:				
<b>NET INVESTMENT RETURNS CONTRIBUTION</b>	<b>21.61</b>	<b>23.48</b>	<b>1.87</b>	<b>8.7</b>
<b>OVERALL BUDGET SURPLUS / DEFICIT</b>	<b>(4.22)</b>	<b>(3.55)</b>		
Add:				
<b>CAPITALISATION OF NATIONALLY SIGNIFICANT INFRASTRUCTURE</b>	<b>2.28</b>	<b>3.53</b>	<b>1.25</b>	<b>54.8</b>
Less:				
<b>DEPRECIATION OF NATIONALLY SIGNIFICANT INFRASTRUCTURE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>SINGA INTEREST COSTS AND LOAN EXPENSES<sup>10</sup></b>	<b>0.09</b>	<b>0.33</b>	<b>0.24</b>	<b>256.0</b>
<b>OVERALL FISCAL POSITION</b>	<b>(2.04)</b>	<b>(0.35)</b>		

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

<sup>1</sup> 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.

<sup>2</sup> Prior to 1 August 2022, Other Taxes include the Foreign Worker Levy, Water Conservation Tax, Development Charge and Annual Tonnage Tax. From 1 August 2022 onwards, the Development Charge has been replaced by the Land Betterment Charge.

<sup>3</sup> Surplus / Deficit before Special Transfers (including Top-ups to Endowment and Trust Funds), Net Investment Returns Contribution, Capitalisation and Depreciation of Nationally Significant Infrastructure, and SINGA Interest Costs and Loan Expenses.

<sup>4</sup> Special Transfers including Top-ups to Endowment and Trust Funds.

<sup>5</sup> Other transfers in FY2023 include GST Voucher Special Payment, Top-ups to Edusave and Post-Secondary Education Accounts, Top-ups to Child Development Accounts, CPF Transition Offset, CPF MediSave Top-ups, Jobs Support Scheme, Top-ups to self-help groups, Productivity and Innovation Credit, Rental Support Scheme, Wage Credit Scheme, Cash Grant to Mitigate Rental Costs, Cash Rebate for School Buses.

<sup>6</sup> Surplus / Deficit before Top-ups to Endowment and Trust Funds, Net Investment Returns Contribution, Capitalisation and Depreciation of Nationally Significant Infrastructure and SINGA Interest Costs and Loan Expenses.

<sup>7</sup> The mandate of the National Productivity Fund will be expanded in FY2023 to include investment promotion.

<sup>8</sup> Consists of Medical Endowment Fund, ElderCare Fund, and Community Care Endowment Fund.

<sup>9</sup> Consists of Community Silver Trust Fund, Public Transport Fund and Cultural Matching Fund.

<sup>10</sup> SINGA 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. In FY2021, SINGA Interest Costs and Loan Expenses was positioned above the Overall Budget Surplus/Deficit in the Fiscal Position Table. It has been shifted below the Overall Budget Surplus/Deficit together with the other items that are also associated with the SINGA.