



MALTA
BUDGET
2022
REVIEW



Budget Overview

On the 11th of October 2021, the Malta Budget 2022 speech was delivered by the Government of Malta. As the country seeks to stimulate economic activity following an impactful COVID-19 hit on different sectors, a number of new measures are to be implemented to support various social & economic segments.

This year's Budget plans as announced by the Minister of Finance, were focused on various elements including property and infrastructure investments, tax benefits and environmental safeguarding. With plans to make public transport free for all cardholders and tax reduction benefit plans for certain businesses suffering a COVID-19 impact, it is safe to say that the 2022 Budget will affect a lot of people.

How will the new Budget 2022 measures impact you and your business?

Our comprehensive Firstbridge Budget 2022 overview offers a look into the salient points and implications of the new Budget document that different individuals and businesses alike ought to be familiar with.

*Should any of the schemes and initiatives in the document be of interest to you or your organisation, please do not hesitate to contact us for further information on:
info@firstbridge.com*

Key Highlights

Social Measures

Property

Business Measures

Carbon Neutral
Economy

Education

Other



Tax rate on part-time income reduced to 10%.



Increased aid when acquiring **new electric vehicles or plug-in hybrids**.



Tax brackets will be adjusted to support Pension income of a maximum of €14,318 **will not be taxed**.



COLA adjustment of €1.75 a week.



Free public transport to Maltese residents.



Parents working nights and weekend shifts will continue to receive free childcare.



From October 2022, public transport will be free for all Tallinja Card holders.



The grant amount given to new parents is set to increase from €300 to €400.



Part-timers can now pay social security contributions on more than one part-time job - up to 40 hours of work a week.





There will be schemes to encourage home ownership, including equity sharing schemes and home insurance schemes.



The Government will be allocating €470m in spendings on industrial estates, while continuing roadbuilding. Regenerative work will also be done to the Grand Harbour.



The incentives for first time buyers in Gozo will be doubled to €30,000.



Tax benefits for private property that is rented out as affordable housing will be made available, while any such property sold to tenants will not be taxed.





Start-ups will be provided with a 'start-up visa'. Malta Enterprise will work with Community Malta to develop the programme, to attract non-EU entrepreneurs.



Incentives for rent subsidy will be extended & widened to benefit even more businesses.



The 15% tax rate part-time workers face will now decrease to 10%. In five years' time, the income earned by working pensioners will not be subject to tax.



Artists will benefit from tax incentives at a rate of 7.5%. There will also be funds to help organisers within the sector hit by COVID-19.



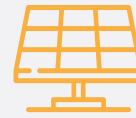
Family business inheritors will only pay 1.5% in stamp duty (rather than 5%).



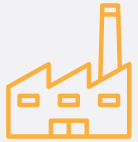
Companies who are yet to use their capital allowances for 2020 or 2021 due to pandemic-induced losses will be eligible for a tax reduction benefit.



VAT refunds for bicycles and electric bikes.



Trucks, buses and minibuses equipped with PV panels will receive a €900 grant.



A carbon trading scheme for public entities and private entities will be introduced.



Scrapping grants will rise to €2,000.



Farmers will be eligible for up to €8,000 if they turn untilled agricultural land into orchards of fruit trees.





School principals will be receiving €10,000 each for disadvantaged children to spend on food and other basic necessities.



Students will face a rise in stipend of 10%, while also being allowed to work 25 hours a week without forfeiting their stipends.





The Xewkija Heliport is to be improved. A newly-established agency to upgrade tourist zones will be focusing on St. Paul's Bay, Bugibba, Qawra and Xemxija.



There will be more big-budget productions to improve the film industry. 2022 will also see the first edition of the Malta Film Awards.



A new football pitch in Msida as well as works on waterpolo pitches in Marsascala, Valletta and Marsaxlokk will be developed.



Contact us



Dean Micallef
Managing Director

dean.micallef@firstbridge.com



Nicholas Gatt
Financial Advisory Executive

nicholas.gatt@firstbridge.com

The notes are designed to keep readers abreast with financial and tax developments. They are not intended to be a definitive or comprehensive analysis of the subject and should not be acted upon without prior consultation with Firstbridge.

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