

## Melvyn Mangion speaks to the Consulate about the latest Malta Government Budget

### Malta Budget 2021 : Highlits

The budget for 2021, with the theme 'Moving forward in good health' will invest millions in incentivising economic growth, improving the quality of life, stimulating wealth, and having a greener economy, among other priorities.

Below is a summary of the key measures outlined on Monday 19<sup>th</sup> October.

- **VAT exempt threshold** for businesses to rise to €30,000 from €20,000.
- **Tax refund** to increase by €45 – €95. This will be subject to income were low income earners receiving more.
- Cost-of-Living-Adjustment (**COLA**) of €1.75 per week.
- One **extra day of leave** to compensate for public holidays falling on weekends.
- A **tax exemption** of €1,000 per annum to reach €3,000 per annum for private pensions (Third Pension Pillar Scheme), and employers offering a voluntary and non-contributory employee scheme (voluntary occupational pension scheme).
- Existing **property purchase schemes** extended by another year; exemption for First Time Buyers from stamp duty on the first €200,000 instead of the first €175,000.
- Tax reduced rate of 3.5% when buying a home, even if not a first-time buyer, and for those already living in a home left to them through inheritance, will be applicable on the first €200,000.
- **Wage supplement** given to pandemic-affected businesses to continue until March 2021 at the very least. Eligibility for the supplement will be revised at the turn of the year, based on data from tax returns.
- **Malta Enterprise scheme**: companies employing less than 50 people and undertaking projects of innovation will be assisted to seek new markets. This scheme will be open for one year and cover up to 50% cost up to a maximum of €200,000 per company. A further €35,000 will be given to companies that work with research institutions at a local and international level.
- MicroInvest, Business Development and Continuity Scheme, Research & Development 2020 Scheme, R&D Feasibility Study Scheme and the Business Start scheme will be strengthened and extended.
- Schemes for bicycles and electric bicycles equivalent to a **full refund on VAT** extended again.