

Building a sustainable foundation

Singapore Finance Minister Heng Swee Keat on Monday unveiled a Budget aimed at building durability. That meant tax changes to beef up the government's revenue base, support for businesses and workers to skill up and branch out, measures to address the environment and climate change, and help for Singaporeans in the transition.

FIRMER TAX BASE



9%

New GST rate, to take effect between 2021 and 2025

Almost **0.7%**

Expected annual revenue from GST hike

Jan 1, 2020

Implementation of GST on imported services

10%

Immediate increase in excise duties on tobacco products

4%

Buyers' stamp duty for value of residential properties over \$1 million

75%

Exemption on the first \$100,000 of chargeable income for start-ups, down from the current full exemption

YA2020

Implementation of tightened start-up tax exemption

\$5 per tonne

Carbon tax rate for emissions from 2019; to be reviewed by 2023

25,000 tonnes of CO₂

equivalent emissions

Annual threshold above which emitters are subject to carbon tax

BUDGET BOOK

BALANCING THE BOOKS

\$S0.6 b

Overall deficit for FY18

+8.5%

Expected increase in net investment returns contributions

+53%

Increase in transport expenditure, to **\$S13.7b**

0.3x of GDP growth

Rate at which ministry block budgets are allowed to grow from FY2019



FAMILIES & HOUSEHOLDS

\$S100 to \$S300

value of cash payment under SG Bonus scheme for all Singaporeans aged 21 and above

\$S2b

top up to permanent GST Voucher (GSTV) Fund to support low-income households when GST is increased

\$S300

monthly levy for first foreign domestic worker (FDW) employed without levy concession, up from \$265

\$S10,000

Proximity Housing Grant (PHG) for singles buying a resale flat to live near parents

4km

New criterion to qualify for PHG, up from living within 2km distance from loved ones, or the same town

1 year

Extension of Service and Conservancy Charges (S&CC) rebate

\$S290

Annual Edusave contribution for each secondary school student, up from \$240

\$100m

Top up to Seniors' Mobility and Enabling Fund (SMF)

NEW WAYS, NEW PLACES



At least

\$S100m

Investment by Government and Temasek into a National Research Fund-Temasek IP commercialisation vehicle



Up to

\$S500m

Support for Aviation Transformation Programme and Maritime Transformation Programme

\$S145m

Additional investment in Tech Skills Accelerator, which will to be expanded to manufacturing, professional services and emerging digital skills

\$S800m

Amount set aside for PACT, Productivity Solutions Grant and Enterprise Development Grant



INFRASTRUCTURE & DEVELOPMENT

\$5b

Amount for Rail Infrastructure Fund



AAA

Singapore's long-term credit rating. Stat boards and government-owned companies may borrow more from capital markets for infrastructure projects, with possible guarantees by the Singapore government



GIVING

3 years

Extension for 250% tax deduction for qualifying donations to Institutions of a Public Character



\$S300m

Top up to Community Silver Trust for dollar-to-dollar matching on donations to voluntary welfare organisations (VWOs) providing long term care services