



Budget Highlights
2022

Fiscal measures

- Part-time workers will be allowed to pay social security contributions on more than one part-time job up to a maximum of 40 hours per week.
- Reduction of tax on the sale or purchase of immovable property for the first €200,000 which has been leased out for at least ten years to tenants eligible for Rent Benefit at affordable rates issued by the Housing Authority.
- Hospitality workers, administration staff, manufacturing and transport employees working unusual hours, whose income does not exceed €20,000, will receive €150 in-work benefit.
- Employees who hold non-managerial positions and earn up to €20,000 per annum will be taxed at the rate of 15% on the first €10,000 earned from overtime work.
- Reduction in tax on Part-Time income from 15% to 10%.
- The Cost of Living Allowance (COLA) for 2022 will be €1.75 per week.
- Companies forming part of a group having unutilised capital allowances for basis year 2020/21 due to losses incurred during the Covid-19 pandemic will be able to transfer such losses against taxable income to fellow group companies for Year of Assessment 2022.
- As from 1 June 2022, interest charged on late settlement of income tax and VAT is being reduced to 7.2% per annum will be reduced.
- The concession on the reduction of stamp duty from 5% to 1.5% upon inter vivos transfers of family businesses will be extended.
- No capital gains and stamp duty will be due on the first €750,000 for:
 - Properties built for more than 20 years and vacant for at least 7 years;
 - Properties situated in Urban Conservation Areas; and
 - Traditional Maltese houses

First time-buyers purchasing any one of the afore-mentioned properties will benefit from a grant of:

- €15,000 when the property is situated in Malta; and
- €30,000 when the property is situated in Gozo.

Owners of any of the said properties may benefit from a VAT refund of up to a maximum of €54,000 on restructuring costs.

- The stamp duty reduction schemes for first-time buyers, second-time buyers and purchase of property in Gozo will be extended.
- A new mechanism is being introduced as from basis year 2022 to tax artists' income over an average of three years at a tax rate of 7.5%.
- The tax refunds for 2022 will range between €60 and €140, calculated on the individual's tax bands.

Social measures

- Pensioners will benefit from an increase of €5 per week split as follows:
 - €1.75 Cost of Living Allowance.
 - €3.25 additional increase.
- Increase in supplementary allowances ranging from €3.47 to €6.50 per week granted to low-income earners.
- The increase in pensions will not be subject to tax following the increase in tax bands.
- Persons who receive a widow's pension and whose income does not exceed €10,221 will receive a weekly increase ranging between €10 and €15.
- Pensioners who retired after 2008 will also receive a maximum increase of €2.50 per week to benefit from the full cost of living adjustment.
- The grant provided to new parents has been increased to €400.
- There will be increases in disability benefits comprising of:
 - an increase in allowances for children with a disability to €1,560 per annum;
 - an increase of €300 in grants for carers of people with severe disability, i.e. €500 per annum;
 - an increase of €1,000 in the grant for a carer at home, i.e. €7,000 per annum;
 - an increase of €1.50 per hour in subsidies for the Home Helper of Your Choice scheme, i.e. €7/hr.
- The Equity Sharing Plus scheme is being extended to persons over the age of 30 years.
- Stipends granted to students will increase by 10% and students working up to 25 hours per week will remain eligible to a stipend.

Other measures

- Government grants relating to the purchase of electrical vehicles or plug-in hybrids will increase from €8,000 to €11,000. An additional €1,000 will be granted if the scrappage scheme is exercised.
- Full refunds of VAT will continue to be given upon the purchase of bicycles and electric bikes, scooters, pedelecs and other such forms of transport.
- Free public transport will be offered to Maltese residents as from 1 October 2022.

Contact us today to explore how the new budget incentives can assist you and your business.

Realise your potential
with our expertise

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