



Budget Highlights

2023




Fiscal measures

- The Cost of Living Allowance (COLA) for 2023 will be €9.90 per week.
- Pensioners will benefit from an increase of €12.50 per week split as follows:
 - €9.90 Cost of Living Allowance;
 - €2.60 additional increase.
- Employees working unusual hours in the sectors of hospitality, food and beverage, administration, manufacturing, transport and retail, whose income does not exceed €20,000, will continue to receive an in-work benefit of €150.
- 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 2023.
- Companies investing in digital business models will be given a cash grant covering 50% of their investment up to a maximum of €100,000.
- The concession on the reduction of stamp duty from 5% to 1.5% upon inter vivos transfers of family businesses will be extended.
- The stamp duty reduction schemes for first-time buyers, second-time buyers and purchase of property in Gozo will be extended.



Social measures

- The income of pensioners amounting up to €14,968 will be exempt from the payment of tax. Individuals subject to a married tax computation will be exempted from tax on other income up to €3,600.
- Pensioners who retired after 2008 will also receive a maximum increase of €1.50 per week to benefit from the full cost of living adjustment.
- Service pensions will get €200 added to their social security exemption capping so that the total exempt amount will be €3,266 annually.
- Persons who receive a widow's pension will receive a weekly increase of up to €3.54.
- Income earned by pensioners who remain in employment will be exempt from tax on the first 40% of their working income.
- Measures introduced for non-contributory pensions:
 - Retired persons but do not qualify for a contributory pension will receive an additional €50 per year;
 - Retired persons who paid less than 5 years' worth of contributions will receive a bonus of €450 per year;
 - Retired persons who paid between 5 years' and 10 years' worth of contributions will receive a bonus of €550 per year.
- In 2023, children's allowance will increase by €90 per child.
- A tax credit of €200 per year will be granted for therapy sessions paid by parents of children with special needs.
- Over a period of 10 years, first time buyers of immovable property not exceeding €500,000 will benefit from a grant equivalent to €10,000. This incentive will cover property purchases as from 1 January 2022.
- The tax refunds for 2023 will range between €60 and €140, calculated on the individual's tax bands.
- Authors will benefit from a reduced rate of tax of 7.5% on royalties earned from the sale of books.
- An annual tax rebate of €300 per child will be given to parents of children attending sports, artistic and cultural activities.



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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