

OVERVIEW OF THE BUDGET FOR FINANCIAL YEAR 2016

Budget for FY2016

The FY2016 Budget is summarised in [Table 1.1](#).

Operating Revenue

Operating Revenue is estimated at \$68.44 billion. This is an increase of \$4.28 billion or 6.7% from the Revised FY2015 estimate, mainly due to increases in Statutory Boards' Contributions, motor vehicle-related revenues and Personal Income Tax.

Corporate Income Tax collections are projected at \$13.41 billion, a decrease of \$0.43 billion or 3.1% over the Revised FY2015 estimate. Personal Income Tax collections are estimated at \$10.13 billion, an increase of \$1 billion or 10.9% over the Revised FY2015 estimate.

Asset Taxes are expected to be similar to the Revised FY2015 estimate of \$4.40 billion, while FY2016 Stamp Duty collections are estimated at \$2.52 billion, a decrease of \$0.21 billion or 7.6% over the Revised FY2015 estimate.

Goods and Services Tax collections are estimated at \$10.62 billion, an increase of \$0.29 billion or 2.8% over the Revised FY2015 estimate.

Motor Vehicle Taxes are estimated at \$2.93 billion, an increase of \$1.14 billion or 63.3% over the Revised FY2015 estimate. FY2016 Vehicle Quota Premiums are projected at \$5.65 billion, an increase of \$0.25 billion or 4.6% over the Revised FY2015 estimate.

Other Taxes, which include the Foreign Worker Levy, Water Conservation Tax, Development Charge and Annual Tonnage Tax, are expected at \$6.33 billion, an increase of \$0.45 billion or 7.6% over the Revised FY2015 estimate.

Total Expenditure

Total Expenditure is projected at \$73.43 billion. This is an increase of \$5.02 billion or 7.3% over the Revised FY2015 estimate. Development Expenditure is estimated at \$19 billion, a decrease of \$0.68 billion or 3.5% over the Revised FY2015 estimate while FY2016 Operating Expenditure is expected at \$54.43 billion, an increase of \$5.70 billion or 11.7% over the Revised FY2015 estimate.

Special Transfers

Budget 2016 will provide \$6.27 billion for Special Transfers and Top-ups to Endowment Funds and Trust Funds.

Net Investment Returns Contribution (NIRC)

NIRC for FY2016 is expected to be \$14.70 billion.

Budget Position

Before taking into account Top-ups to Endowment Funds and Trust Funds and before NIRC, a basic deficit of \$7.66 billion is expected for FY2016. After factoring in the Top-ups to Endowment Funds and Trust Funds of \$3.60 billion, and NIRC of \$14.70 billion, the estimated outturn for FY2016 is an overall budget surplus of \$3.45 billion.

TABLE 1.1 BUDGET FOR FY2016

	Revised FY2015	Estimated FY2016	Change over Revised FY2015	
	\$billion	\$billion	\$billion	% change
OPERATING REVENUE	64.16	68.44	4.28	6.7
Corporate Income Tax	13.85	13.41	(0.43)	(3.1)
Personal Income Tax	9.13	10.13	1.00	10.9
Withholding Tax	1.31	1.33	0.02	1.4
Statutory Boards' Contributions	0.43	1.88	1.45	333.0
Assets Taxes	4.39	4.40	0.00	0.1
Customs and Excise Taxes	2.56	2.91	0.35	13.6
Goods and Services Tax	10.33	10.62	0.29	2.8
Motor Vehicle Taxes	1.80	2.93	1.14	63.3
Vehicle Quota Premiums	5.41	5.65	0.25	4.6
Betting Taxes	2.71	2.72	0.01	0.4
Stamp Duty	2.73	2.52	(0.21)	(7.6)
Other Taxes	5.88	6.33	0.45	7.6
Other Fees and Charges	3.29	3.32	0.02	0.7
Others	0.35	0.30	(0.05)	(14.3)
Less:				
TOTAL EXPENDITURE	68.41	73.43	5.02	7.3
Operating Expenditure	48.73	54.43	5.70	11.7
Development Expenditure	19.68	19.00	(0.68)	(3.5)
PRIMARY SURPLUS / DEFICIT¹	(4.25)	(4.99)		
Less:				
SPECIAL TRANSFERS²	10.54	6.27	(4.27)	(40.5)
Special Transfers Excluding Top-ups to Endowment and Trust Funds	4.54	2.67		
GST Voucher Special Payment ³	0.32	0.28		
Service and Conservancy Charges Rebates	0.09	0.09		
CPF Medisave Top-ups	0.10	0.10		
Productivity and Innovation Credit	0.99	0.66		
Productivity and Innovation Credit Bonus	0.20	0.02		
Temporary Employment Credit	0.72	0.73		
Wage Credit Scheme	1.91	0.79		
Other Transfers ⁴	0.23	0.01		
BASIC SURPLUS / DEFICIT⁵	(8.78)	(7.66)		
Top-ups to Endowment and Trust Funds	6.00	3.60		
Special Employment Credit Fund	0.50	1.10		
National Research Fund	1.00	1.50		
National Productivity Fund	1.50	-		
Changi Airport Development Fund	3.00	1.00		
Add:				
NET INVESTMENT RETURNS CONTRIBUTION	9.90	14.70	4.81	48.6
OVERALL BUDGET SURPLUS / DEFICIT⁶	(4.88)	3.45		

Note: Due to rounding, figures may not add up. Negative figures are shown in parentheses.

¹ Surplus / Deficit before Special Transfers and Net Investment Returns Contribution.

² Special Transfers include Top-ups to Endowment and Trust Funds.

³ The GST Voucher Special Payment committed in Budget 2015 comprises the GST Voucher – Seniors' Bonus. The GST Voucher Special Payment committed in Budget 2016 comprises the GST Voucher – Cash Special Payment.

⁴ Consists of SME Cash Grant, Growth Dividends, GST Credits, Top-ups to Child Development Accounts and Post-Secondary Education Accounts, SG50 Giving, and funding for Self-Help Groups and Voluntary Welfare Organisations.

⁵ Surplus / Deficit before Top-ups to Endowment and Trust Funds, and Net Investment Returns Contribution.

⁶ As stated in the FY2016 Budget Statement, the estimated FY2016 Overall Budget Surplus is \$3.4 billion when rounded to 1 decimal place. The difference is due to rounding.