

OVERVIEW OF THE BUDGET FOR FINANCIAL YEAR 2017

Budget for FY2017

The FY2017 Budget is summarised in Table 1.1.

Operating Revenue

Operating Revenue is estimated at \$69.45 billion. This is a slight increase of \$0.78 billion or 1.1% from the Revised FY2016 estimate, mainly due to increases in Motor Vehicle Taxes, Goods and Services Tax, Customs and Excise Taxes, Other Taxes and Personal Income Tax.

Corporate Income Tax collections are projected at \$13.63 billion, an increase of \$0.19 billion or 1.4% over the Revised FY2016 estimate. Personal Income Tax collections are estimated at \$10.74 billion, an increase of \$0.26 billion or 2.5% over the Revised FY2016 estimate.

Assets Taxes are estimated at \$4.41 billion which is similar to the Revised FY2016 estimate, while FY2017 Stamp Duty collections are estimated at \$2.73 billion, a decrease of \$0.21 billion or 7.1% over the Revised FY2016 estimate.

Goods and Services Tax collections are estimated at \$11.25 billion, an increase of \$0.40 billion or 3.7% over the Revised FY2016 estimate.

Motor Vehicle Taxes are estimated at \$2.73 billion, an increase of \$0.42 billion or 18.2% over the Revised FY2016 estimate. Vehicle Quota Premiums are projected at \$6.52 billion, a decrease of \$0.34 billion or 5.0% over the Revised FY2016 estimate.

Other Taxes, which include the Foreign Worker Levy, Water Conservation Tax, Development Charge and Annual Tonnage Tax, are expected at \$6.48 billion, an increase of \$0.38 billion or 6.2% over the Revised FY2016 estimate.

Total Expenditure

Total Expenditure is projected at \$75.07 billion. This is an increase of \$3.68 billion or 5.2% over the Revised FY2016 estimate. Development Expenditure is estimated at \$18.77 billion, an increase of \$0.06 billion or 0.3% over the Revised FY2016 estimate, while FY2017 Operating Expenditure is expected at \$56.30 billion, an increase of \$3.62 billion or 6.9% over the Revised FY2016 estimate.

Special Transfers

Budget 2017 will provide \$6.58 billion for Special Transfers including Top-ups to Endowment Funds and Trust Funds.

Net Investment Returns Contribution (NIRC)

NIRC for FY2017 is expected to be \$14.11 billion.

Budget Position

Before taking into account Top-ups to Endowment Funds and Trust Funds and before NIRC, a basic deficit of \$8.19 billion is expected for FY2017. After factoring in the Top-ups to Endowment Funds and Trust Funds of \$4.01 billion and NIRC of \$14.11 billion, the estimated outturn for FY2017 is an overall budget surplus of \$1.91 billion.

TABLE 1.1 BUDGET FOR FY2017

	Revised FY2016	Estimated FY2017	Change over Revised FY2016	
	\$billion	\$billion	\$billion	% change
OPERATING REVENUE	68.67	69.45	0.78	1.1
Corporate Income Tax	13.45	13.63	0.19	1.4
Personal Income Tax	10.48	10.74	0.26	2.5
Withholding Tax	1.46	1.30	(0.17)	(11.3)
Statutory Boards' Contributions	0.78	0.25	(0.52)	(67.4)
Assets Taxes	4.37	4.41	0.04	1.0
Customs and Excise Taxes	2.75	3.13	0.38	13.9
Goods and Services Tax	10.85	11.25	0.40	3.7
Motor Vehicle Taxes	2.31	2.73	0.42	18.2
Vehicle Quota Premiums	6.86	6.52	(0.34)	(5.0)
Betting Taxes	2.69	2.72	0.03	1.0
Stamp Duty	2.94	2.73	(0.21)	(7.1)
Other Taxes	6.11	6.48	0.38	6.2
Other Fees and Charges	3.13	3.26	0.12	4.0
Others	0.50	0.30	(0.20)	(40.0)
Less:				
TOTAL EXPENDITURE	71.39	75.07	3.68	5.2
Operating Expenditure	52.68	56.30	3.62	6.9
Development Expenditure	18.71	18.77	0.06	0.3
PRIMARY SURPLUS / DEFICIT¹	(2.72)	(5.62)		
Less:				
SPECIAL TRANSFERS²	6.47	6.58	0.11	1.8
Special Transfers Excluding Top-ups to Endowment and Trust Funds	2.87	2.57		
GST Voucher Special Payment ³	0.28	0.28		
Service and Conservancy Charges Rebates	0.09	0.12		
CPF Medisave Top-ups	0.10	0.10		
Productivity and Innovation Credit	0.98	0.76		
Temporary Employment Credit	0.78	0.39		
Wage Credit Scheme	0.63	0.91		
Other Transfers ⁴	0.02	0.02		
BASIC SURPLUS / DEFICIT⁵	(5.59)	(8.19)		
Top-ups to Endowment and Trust Funds	3.60	4.01		
GST Voucher Fund	-	1.50		
National Productivity Fund	-	1.00		
Top-up to Endowment Funds ⁶	-	0.70		
National Research Fund	1.50	0.50		
Special Employment Credit Fund	1.10	0.16		
Cultural Matching Fund	-	0.15		
Changi Airport Development Fund	1.00	-		
Add:				
NET INVESTMENT RETURNS CONTRIBUTION	14.37	14.11	(0.26)	(1.8)
OVERALL BUDGET SURPLUS / DEFICIT	5.18	1.91		

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 including Top-ups to Endowment and Trust Funds.

³ The GST Voucher Special Payment committed in Budget 2016 and Budget 2017 comprises the GST Voucher – Cash Special Payment.

⁴ Consists of Growth Dividends, GST Credits, Productivity and Innovation Credit Bonus, Rebate for School Buses, SME Cash Grant, Top-ups to Child Development Accounts, 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 Consists of the Community Care Endowment Fund and Medical Endowment Fund.