

## **OVERVIEW OF THE BUDGET FOR FINANCIAL YEAR (FY) 2026**

### **Budget for FY2026**

The FY2026 Budget is summarised in Table 1.1.

### **Operating Revenue**

Operating Revenue is projected to be \$134.75 billion, which is \$3.89 billion or 3.0% higher than Revised FY2025. This is mainly due to an increase in estimated collections from Corporate Income Tax, Personal Income Tax, Goods and Services Tax, Vehicle Quota Premiums, and Motor Vehicle Taxes, which are partially offset by lower collections in Other Taxes.

Corporate Income Tax collections are projected to be \$37.77 billion, which is \$2.53 billion or 7.2% higher than Revised FY2025. Personal Income Tax collections are projected to be \$21.80 billion, which is \$1.16 billion or 5.6% higher than Revised FY2025.

Goods and Services Tax collections are projected to be \$22.25 billion, which is \$0.95 billion or 4.5% higher than Revised FY2025.

Vehicle Quota Premiums collections are projected to be \$9.42 billion, which is \$0.76 billion or 8.8% higher than Revised FY2025.

Motor Vehicle Taxes collections are projected to be \$2.80 billion, which is \$0.41 billion or 17.2% higher than Revised FY 2025.

Other Taxes (Land Betterment Charge and Annual Tonnage Tax) are projected to be \$1.63 billion, which is \$2.35 billion or 59.0% lower than Revised FY2025.

### **Total Expenditure**

Total Expenditure is projected to be \$137.32 billion, which is \$12.86 billion or 10.3% higher than Revised FY2025. Operating Expenditure is projected to be \$103.27 billion, which is \$5.80 billion or 6.0% higher than Revised FY2025. Development Expenditure is projected to be \$34.05 billion, which is \$7.06 billion or 26.2% higher than Revised FY2025.

### **Special Transfers**

Special Transfers including Top-ups to Statutory and Trust Funds are projected to be \$21.74 billion.

### **Net Investment Returns Contribution (NIRC)**

NIRC for FY2026 is estimated to be \$28.48 billion, which is \$0.95 billion or 3.4% higher than Revised FY2025.

### **Capitalisation of Nationally Significant Infrastructure and SINGA Interest Costs and Loan Expenses**

The borrowing proceeds under the Significant Infrastructure Government Loan Act (SINGA) can only be used to finance nationally significant infrastructure. Capitalisation of Nationally Significant Infrastructure is projected to be \$5.02 billion, which is \$0.01 billion or 0.3% lower than Revised FY2025.

SINGA Interest Costs and Loan Expenses are projected to be \$0.65 billion, which is \$0.16 billion or 32.2% higher than Revised FY2025.

### **Budget Position**

Before taking into account Top-ups to Statutory and Trust Funds, NIRC, Capitalisation of Nationally Significant Infrastructure and SINGA Interest Costs and Loan Expenses, a basic deficit of \$5.41 billion is projected for FY2026. After factoring in the Top-ups to Statutory and Trust Funds of \$18.90 billion, NIRC of \$28.48 billion, Capitalisation of Nationally Significant Infrastructure of \$5.02 billion and SINGA Interest Costs and Loan Expenses of \$0.65 billion, the projected overall fiscal position for FY2026 is a surplus of \$8.54 billion.

**TABLE 1.1 BUDGET FOR FY2026**

|                                                                         | Revised<br>FY2025 | Estimated<br>FY2026 | Change Over Revised FY2025 |               |
|-------------------------------------------------------------------------|-------------------|---------------------|----------------------------|---------------|
|                                                                         | \$billion         | \$billion           | \$billion                  | %change       |
| <b>OPERATING REVENUE</b>                                                | <b>130.86</b>     | <b>134.75</b>       | <b>3.89</b>                | <b>3.0</b>    |
| Corporate Income Tax                                                    | 35.24             | 37.77               | 2.53                       | 7.2           |
| Personal Income Tax                                                     | 20.64             | 21.80               | 1.16                       | 5.6           |
| Withholding Tax                                                         | 2.49              | 2.63                | 0.13                       | 5.4           |
| Statutory Boards' Contributions                                         | 0.84              | 0.51                | (0.33)                     | (39.5)        |
| Asset Taxes                                                             | 6.99              | 7.32                | 0.33                       | 4.7           |
| Customs, Excise and Carbon Taxes                                        | 3.98              | 4.16                | 0.17                       | 4.4           |
| Goods and Services Tax                                                  | 21.30             | 22.25               | 0.95                       | 4.5           |
| Motor Vehicle Taxes                                                     | 2.39              | 2.80                | 0.41                       | 17.2          |
| Vehicle Quota Premiums                                                  | 8.66              | 9.42                | 0.76                       | 8.8           |
| Betting Taxes                                                           | 3.63              | 3.77                | 0.14                       | 4.0           |
| Stamp Duty                                                              | 6.80              | 6.92                | 0.12                       | 1.8           |
| Foreign Worker Levy                                                     | 7.14              | 7.46                | 0.31                       | 4.4           |
| Water Conservation Tax                                                  | 0.40              | 0.41                | 0.01                       | 1.3           |
| Other Taxes (Land Betterment Charge and Annual Tonnage Tax)             | 3.98              | 1.63                | (2.35)                     | (59.0)        |
| Fees and Charges (Excluding Vehicle Quota Premiums) <sup>1</sup>        | 5.48              | 3.90                | (1.57)                     | (28.7)        |
| Others <sup>1</sup>                                                     | 0.89              | 2.01                | 1.12                       | 125.0         |
| Less:                                                                   |                   |                     |                            |               |
| <b>TOTAL EXPENDITURE</b>                                                | <b>124.46</b>     | <b>137.32</b>       | <b>12.86</b>               | <b>10.3</b>   |
| Operating Expenditure                                                   | 97.47             | 103.27              | 5.80                       | 6.0           |
| Development Expenditure                                                 | 26.99             | 34.05               | 7.06                       | 26.2          |
| <b>PRIMARY SURPLUS / DEFICIT</b>                                        | <b>6.40</b>       | <b>(2.57)</b>       |                            |               |
| Less:                                                                   |                   |                     |                            |               |
| <b>SPECIAL TRANSFERS <sup>2</sup></b>                                   | <b>23.37</b>      | <b>21.74</b>        | <b>(1.64)</b>              | <b>(7.0)</b>  |
| <b>Special Transfers Excluding Top-ups to Statutory and Trust Funds</b> | <b>3.77</b>       | <b>2.84</b>         | <b>(0.94)</b>              | <b>(24.8)</b> |
| CPF Top-up                                                              | –                 | 1.20                |                            |               |
| CDC Vouchers                                                            | 1.07              | 0.70                |                            |               |
| COL Special Payment                                                     | –                 | 0.69                |                            |               |
| Other Transfers <sup>3</sup>                                            | 2.70              | 0.25                |                            |               |
| <b>BASIC SURPLUS / DEFICIT</b>                                          | <b>2.63</b>       | <b>(5.41)</b>       |                            |               |
| <b>Top-ups to Statutory and Trust Funds</b>                             | <b>19.60</b>      | <b>18.90</b>        | <b>(0.70)</b>              | <b>(3.6)</b>  |
| Changi Airport Development Fund                                         | 5.00              | 6.00                |                            |               |
| National Productivity Fund                                              | 3.00              | 6.00                |                            |               |
| National Research Fund                                                  | 1.50              | 5.00                |                            |               |
| Financial Sector Development Fund                                       | –                 | 1.50                |                            |               |
| Other Funds <sup>4</sup>                                                | 10.10             | 0.40                |                            |               |
| Add:                                                                    |                   |                     |                            |               |
| <b>NET INVESTMENT RETURNS CONTRIBUTION</b>                              | <b>27.53</b>      | <b>28.48</b>        | <b>0.95</b>                | <b>3.4</b>    |
| <b>OVERALL BUDGET SURPLUS / DEFICIT</b>                                 | <b>10.56</b>      | <b>4.18</b>         |                            |               |
| Add:                                                                    |                   |                     |                            |               |
| <b>CAPITALISATION OF NATIONALLY SIGNIFICANT INFRASTRUCTURE</b>          | <b>5.03</b>       | <b>5.02</b>         | <b>(0.01)</b>              | <b>(0.3)</b>  |
| Less:                                                                   |                   |                     |                            |               |
| <b>DEPRECIATION OF NATIONALLY SIGNIFICANT INFRASTRUCTURE</b>            | <b>–</b>          | <b>–</b>            | <b>–</b>                   | <b>n.a.</b>   |
| <b>SINGA INTEREST COSTS AND LOAN EXPENSES <sup>5</sup></b>              | <b>0.49</b>       | <b>0.65</b>         | <b>0.16</b>                | <b>32.2</b>   |
| <b>OVERALL FISCAL POSITION</b>                                          | <b>15.10</b>      | <b>8.54</b>         |                            |               |

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

<sup>1</sup> Year-on-year comparison may not be meaningful due to change in scope (see explanatory notes).

<sup>2</sup> Special Transfers include Top-ups to Statutory and Trust Funds.

<sup>3</sup> Other Transfers for Estimated FY2026 include the CIT Rebate Cash Grant, U-Save Rebates, SG60 Vouchers and Enterprise Innovation Scheme. Other Transfers for Revised FY2025 include the SG60 Vouchers, CIT Rebate Cash Grant, Top-ups to Edusave and Post-Secondary Education Accounts, U-Save Rebates, CPF Transition Offset, NS LifeSG Credits, Top-ups to Self-Help Groups and Enterprise Innovation Scheme.

<sup>4</sup> Other Funds for Estimated FY2026 consist of the Long-Term Care Support Fund. Other Funds for Revised FY2025 consist of the Coastal and Flood Protection Fund, Future Energy Fund, and Cultural Matching Fund.

<sup>5</sup> SINGA Interest Costs and Loan Expenses include the annual effective interest costs (which is computed based on the yield to maturity multiplied by the face value of the bond) and other ancillary loan expenses incurred in connection with the SINGA. It excludes principal repayment and transfer of loan discount to Development Fund. It is different from the Debt Servicing and Related Costs presented in the Expenditure Estimates and Annex to Expenditure Estimates for Head Y.