

Citizen Budget

Budget Law 2022

This brochure presents the figures for the 2022 budget law, as they appeared on the online platform of the Ministry of Finance

Financial and Fiscal awareness Series

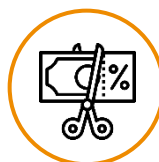
The "Citizen Budget" :

Is a simplified version of the budget law. It makes budget information available in a transparent and straight forward manner. It explains how money will be raised and spent in 2022 by the government and raises awareness on the country's fiscal situation and enables citizens to compare public revenues and expenditures, deficit estimates and debt figures.

Remarque:

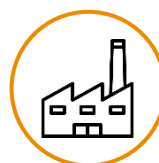
After the Parliament approved the 2022 budget law, the Council of Ministers issued a decision nullifying a number of articles of the budget law. For more details, visit the website of the Constitutional Council
<http://www.cc.gov.lb/node/6128>

Main economic and financial measures passed in the 2022 Budget Law



Deferments and tax exemptions

- Payment of taxes and fees in installments;
- Exemption from salaries and wages tax of employees who have a permanent disability resulting from the Beirut Port explosion;
- Exemption from inheritance fees the heirs of the Lebanese who died in the Beirut Port explosion;
- Full tax deduction on profits of companies and individuals who permanently stopped their professional activity as a result of the Beirut Port explosion, in the case they resume their work.



Investment and business related measures

- Income tax deduction for industrial enterprises;
- Exemption from income tax of startups for a period of 5 years;
- Customs dollar to be set at a rate of LBP 15,000 for USD 1;
- Investment stimulus in the industrial and commercial sectors;
- Additional customs fee (10%) on imported goods and commodities that are also produced in Lebanon;
- Exemption from the income tax on profits, companies that have merged, for a specified period and within conditions.



Tax collection related measures

- Enforcement of a quarterly tax declaration on revenues and profits that are usually taxed annually;
- Amendment of the terms of payment for the income tax on salaries and wages;
- Adjustment of the validity period of the Lebanese passport and related fees;
- Adoption of electronic payment methods to collect fees.



Social compensation related measures

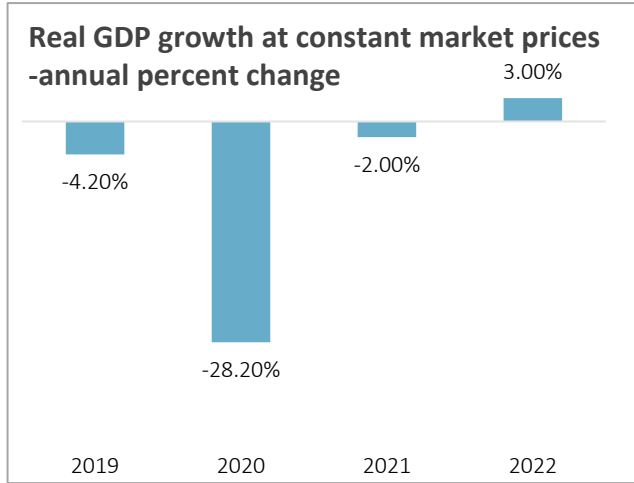
- Tax imposition on reduced salary amounts;
- Exemption of retirement pensions from the income tax on salaries and wages;
- Exemption from income tax of employees' and workers' compensations that are given as a result of a dismissal or resignation;
- Increase of the salaries of civil servants (equivalent to twice the basis of the monthly salary or wage, whether daily or hourly, or the basis of the retirement pension, provided that the value of the increase does not exceed 12,000,000 L.L.).



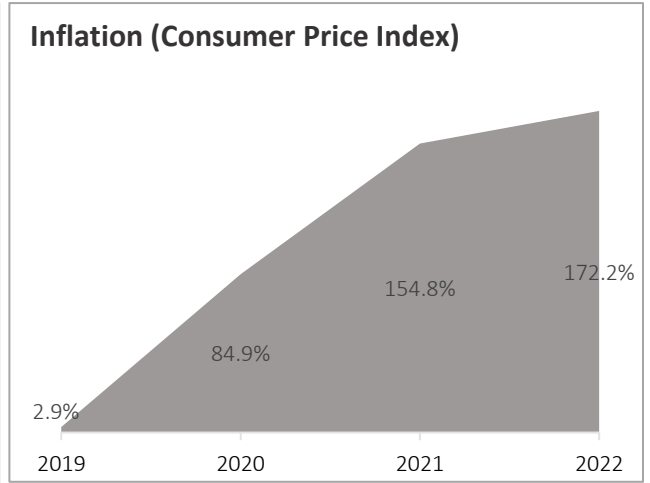
State revenues related measures

- Allowing the payment of taxes and fees in foreign currencies;
- Annual lump_sum tax on Holding companies
- Collection of taxes or fees from the departments of political commissions, embassies and consulates in foreign currencies.
- Increase in work permit fees;
- Prohibition of financing any project in the public sector without a detailed economic feasibility study.

Fundamentals and assumptions underlying the budget 2022

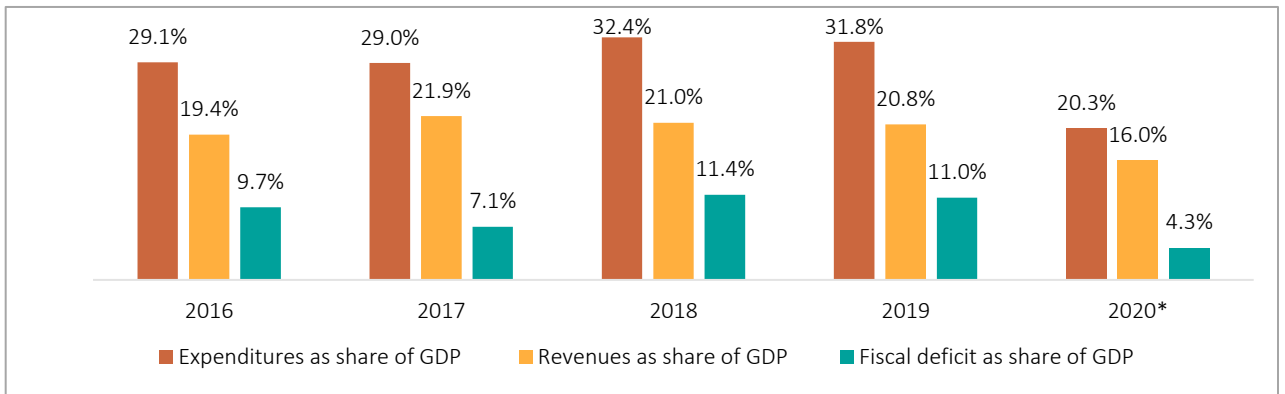


Source: Republic of Lebanon, Ministry of Finance, Report on the draft Budget Law for the year 2022



Source: Central Administration of Statistics

Public expenditures, revenues, and fiscal deficits as share of GDP percentage (%)



Reference: Public Finance Monitor reports for 2016, 2017, 2018 and 2019, URL: <http://www.finance.gov.lb/en-us/Finance/Rep-Pub/DRI-MOF/PFR>

Public expenditures, revenues and fiscal deficit as of 2022

Deficit

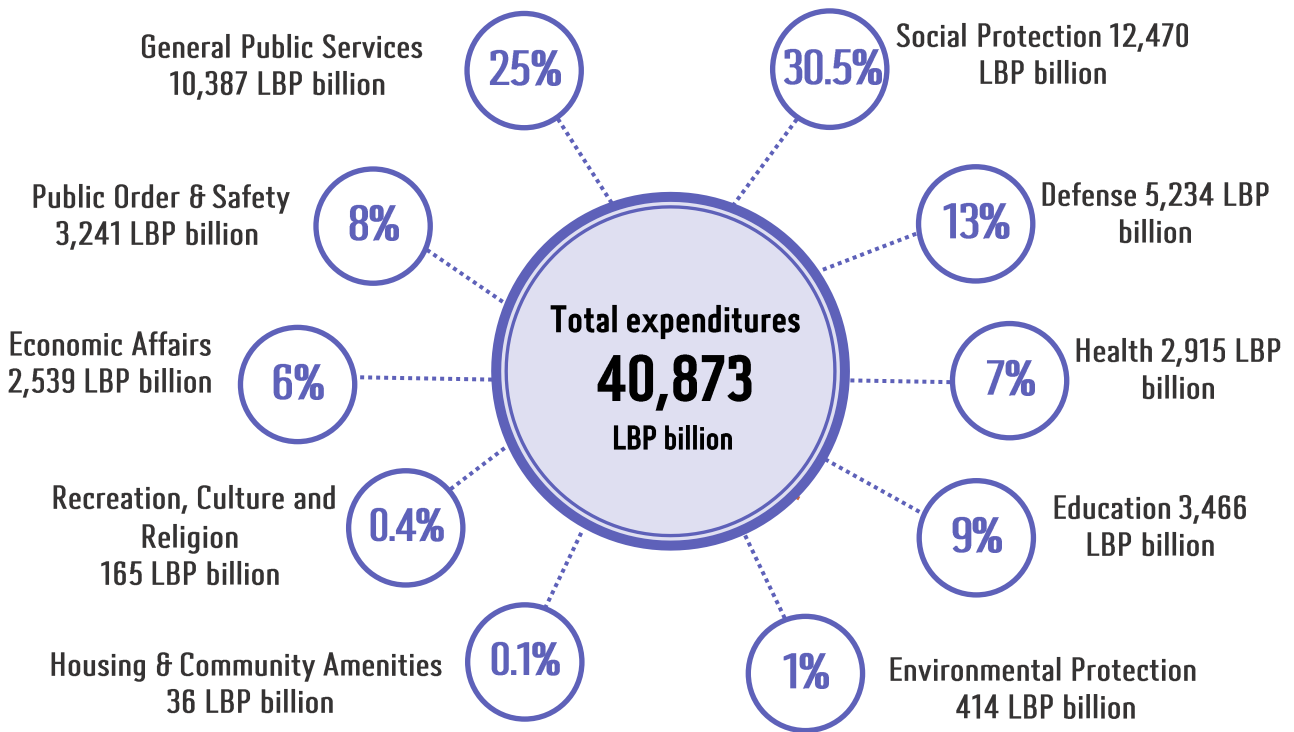
10,887 LBP billion



The budget deficit was estimated at 10,887 billion of LBP for 2022. However, this number does not take into account:

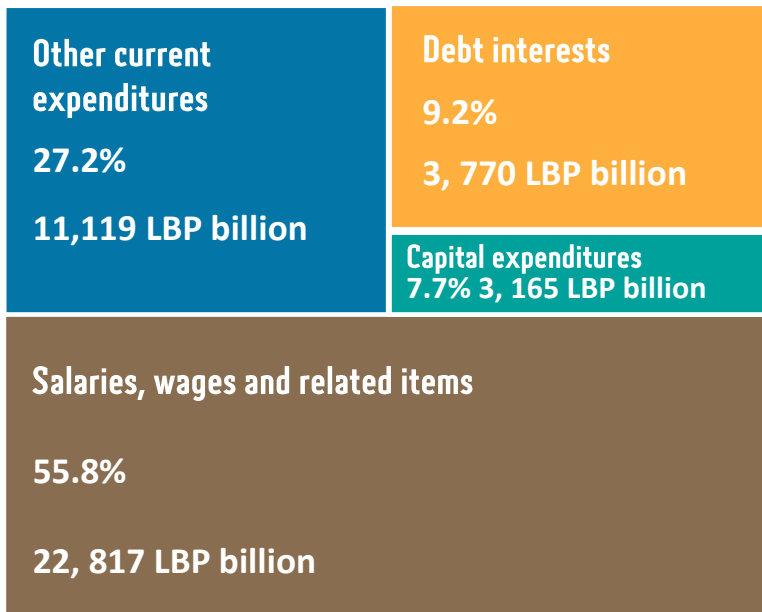
- Treasury advances to Electricité du Liban
- Balance of other treasury income.
- Balance of other treasury expenses

Expenditures distribution by the ten main functions



Functional classification: This classification categorizes expenditure as per the International Monetary Fund standards.

Expenditures distribution by Economic classification:



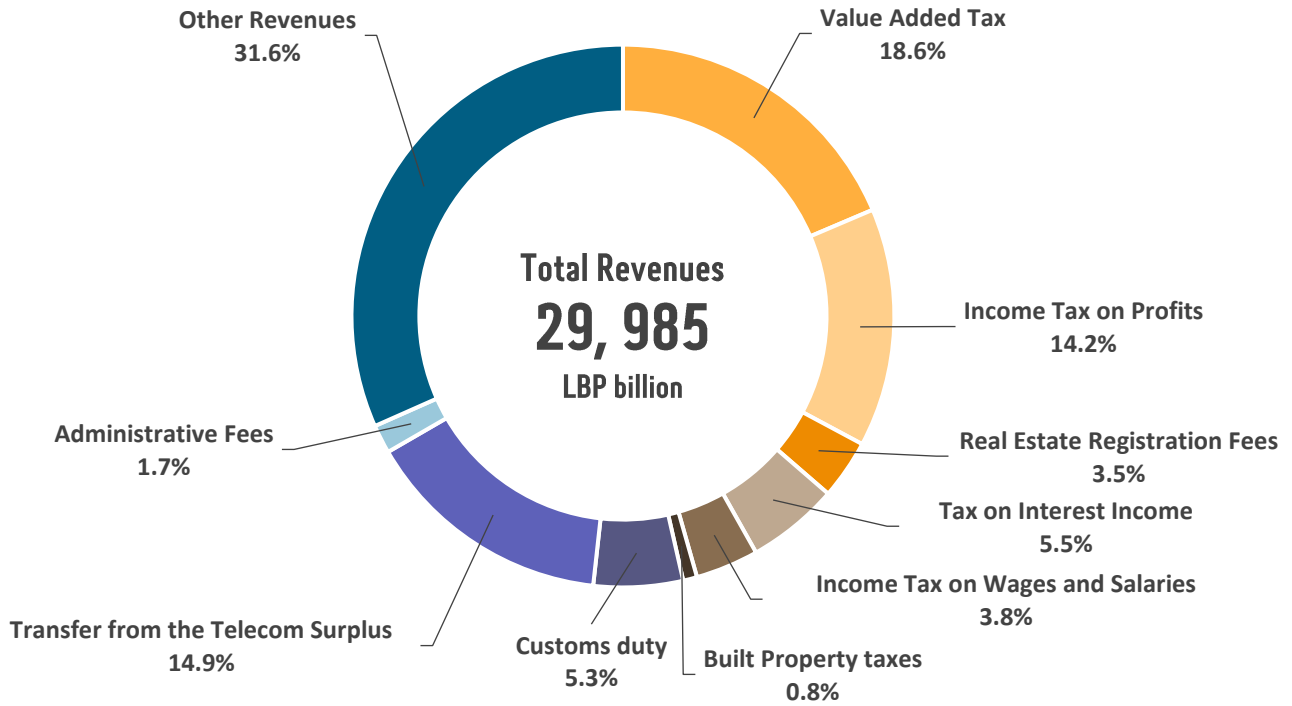
Economic Classification:

It identifies the type of expenditures incurred according to two types:

Current expenditures: which allow the functioning of administrations and public institutions, such as salaries and wages, consumption goods, maintenance services, etc.

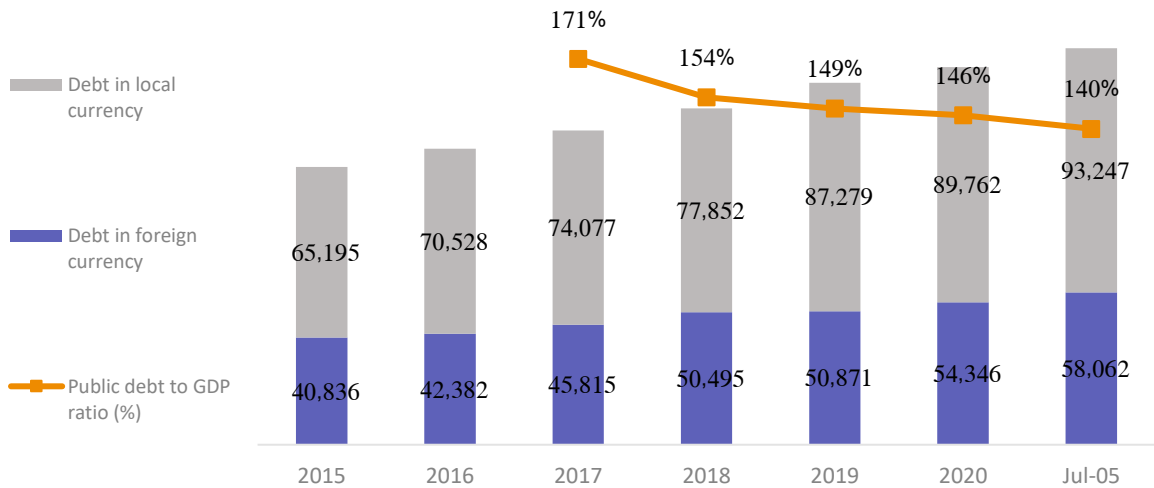
Capital expenditures: such as building bridges, infrastructure, equipment purchases and acquisitions.

Main sources of revenue in the budget 2022



Reference: 2022 Budget Law

Public debt in brief 2022



Reference: Ministry of Finance, "Debt and Debt Markets" Report

References:

- Budget Law 2022
- The Budget Proposal for the year 2022, the Republic of Lebanon & the Ministry of Finance
- Debt and Debt Markets Report - Ministry of Finance
- Public Finance Monitor report - Ministry of Finance
- Central Administration of Statistic Data
- World bank data

For more information on 2022 Budget Law:

www.ministryoffinance.gov.lb

<http://www.institutdesfinances.gov.lb/project/الموازنة-المواطن-والمواطنة-citizen-budget/>



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