

The Treasury

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PRESS RELEASE

BUDGET LOOKS TO THE FUTURE

A MEASURED Budget package aimed at securing the future of the Island's economy and public finances was delivered by Treasury Minister Allan Bell MHK in Tynwald today (Tuesday, March 20, 2007).

Key features of Mr Bell's sixth Budget announcement – the first of the new administration – include:

- Funding of £37 million committed to support growth across the Island's economy, plus fresh initiatives to promote the finance sector.
- New and more stable VAT sharing arrangements with the United Kingdom, replacing volatile one-off receipts with steadier revenue growth based on economic performance.
- A cautious 3.1% increase, £16.3 million, in Government's net spending on public services, including £9.3 million more for DHSS and £5.8 million more for Education.
- A 20% increase in the maximum Personal Allowance Credit for the less well off, plus additional funding for fuel efficiency in public sector housing.

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Mr Bell declared: 'The Isle of Man is entering a new era in which it will be more important than ever to keep on growing our economy so that we can afford to fund public services and care for the less fortunate in our community.

'At the same time there has to be a new drive across Government to focus on priorities, make the best possible use of the resources available, and maximise value for taxpayers money.'

More about the 2007 Manx Budget:

- £20 million Economic Development Fund, £5 million Agricultural Development Fund, £6 million more for the Marketing Initiatives Fund, new £6 million Visitor Amenity Fund.
- £35 million transfer to the Public Sector Employees Pension Reserve over two years.
- New legislation on the taxation of pensions announced.
- Provision for an additional 12 Government employees (compared with 20 extra in 2006/07).
- £103 million capital spending programme.
- A 29% increase in the Overseas Aid budget to £1.8 million.
- Income Tax Personal Allowances to be increased by 2.1% to £8,850 for single persons and £17,700 for married couples.
- 2.2 pence per litre supplementary rebate on rate of duty on hydrocarbon oils in respect of bio-diesel used in the Isle of Man.
- Consultation on Car and Fuel Benefits in Kind announced, with the intention of introducing an emissions-based charge.

Further information from :

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