

MEMORANDUM FOR THE CABINET BY THE
HON. MINISTER OF ECONOMIC PLANNING AND FINANCE

Visit of a United Nations expert to analyse
the present taxation structure in Malta

The Technical Assistance Board acting on the suggestion of the Economic Mission is considering making available an expert in the taxation field and financing his visit from the Expanded Programme Contingency Funds. In consultation with Mr Hellberg it has been proposed that an application should be made to the Technical Assistance Board for an expert to visit Malta for a period of six months and that he should be selected from persons who have had wide theoretical knowledge of taxation principles and extensive administrative experience particularly in countries operating a turnover tax. The suggestion that he should have experience in the operation of a turnover tax is being made by the Economic Mission because of the possible need of reducing Customs duties should Malta join the Economic European Community.

2. The expert would be required to carry out a detailed analysis of the present taxation structure from the point of view of raising revenue, of ensuring an equitable redistribution of tax burden and of providing incentives for investment. On this basis he would be required to make recommendations on any changes considered necessary and on any new measures which might have to be introduced to raise additional revenue. At the same time he would have to study (a) the possibility of removing food subsidies and replacing them by family allowances within the context of Income Tax Law; (b) the possibility of introducing a land tax and a turnover tax and (c) the Company taxation by way of providing incentives to plough back profits.

3. The Economic Mission is very anxious that such an application should be made at an early date.

4. Hon. Ministers are asked whether they agree that the United Nations Technical Assistance Board be asked to make available an expert in the taxation field and to finance his visit to Malta from the Expanded Programme Contingency Fund.

28th May, 1963.