




Name of the instrument in English	Tax Incentive Scheme
Country	 Malta
Type of instrument	Tax incentives

Level of operation	National
Part of the country where the instrument applies	nap
Region(s) in which the instrument applies	nap
Sector(s) in which the instrument applies	nap
Legal basis	L.N. 179 of 2014, Income Tax Act, CAP 123., Deduction (Apprentices and Work Placements) Rules, 2014
Objective(s) and target(s)	2014 Budget refers to the tax deduction for employers: 'Government is committed to assist prospective workers in every way to ensure they have the necessary skills required for a future job' pg. 29.
Year of introduction	2014
Year of termination	No foreseen end to the instrument (on-going)
Governance (management, operation, monitoring and evaluation)	Employers include the tax deduction when filling in tax forms which are to be presented to the Inland revenue. Inland revenue is responsible for handling tax returns.
Eligible group(s)	All companies
Education and training eligible	The instrument supports apprenticeship and other types of education and training (the law also refers to work placements but tax deduction value is less). It applies to EQF 3-4 levels.
Source of financing and collection mechanism	State (loss of tax revenue)
Financing formula and allocation mechanisms	The amount that a company may deduct from tax due is EUR 1,200 per apprentice per year.
Eligible costs	Various costs, e.g. tools and working clothes, maintenance of the workplace, etc.

Volumes of funding	na
Beneficiaries/take up	na
Monitoring/evaluation results	It is difficult to trace how many employers applied for the tax incentive. NRP 2016 shows that 0 employers took it on in 2014. Impression is that employers are not aware of this incentive.
Sources	Inland revenue, https://ird.gov.mt/

Related apprenticeship schemes

MCAST Apprenticeships

 MALTA

Source URL: <https://www.cedefop.europa.eu/tools/financing-apprenticeships/financing-instruments/tax-incentive-scheme>