



الجمهورية اللبنانية
وزارة المصروفات

معهد باسل فليحان
المالي والاقتصادي
Institut des Finances Basil Fuleihan



Citizen Budget

Budget Law 2024

Financial and Fiscal Awareness Series

Citizen Budget

Budget Law 2024



This booklet was published in partnership with UNICEF, under the project “Enhancing Budget Transparency, Accountability and Inclusiveness in Lebanon”.

This booklet is a simplified version of the budget law for the year 2024, issued by the Institut des Finances Basil Fuleihan, in cooperation with the Directorate of Budget and Expenditure Control at the Ministry of Finance, and the NGO Financially Wise.

The booklet explains in an easy and simplified manner the general budget 2024 as approved by the Parliament, based on the document and figures published by the Ministry of Finance. It is part of the financial and fiscal awareness series, which aims at raising the awareness of citizens on their rights and obligations, hence facilitating their administrative transactions and promoting transparency and fiscal citizenship.

About the “Citizen Budget”

The "Citizen Budget" is a simplified version of the budget law that aims to facilitate citizens' access to information and their understanding of fiscal information as their constitutional right.

The document enables citizens and experts alike to familiarize themselves with the content of the general budget law and to read and analyze expenditure and revenue figures, estimates of the deficit, and other policy decisions that are included in the budget and that have a direct impact on their lives.

You can consult the Citizen's Budget for the Executive's Budget Proposal as drawn up by the Government and submitted for review to the Parliament through the following link:

<http://www.institutdesfinances.gov.lb/publication/citizen-budget-proposal-2023-2024/>

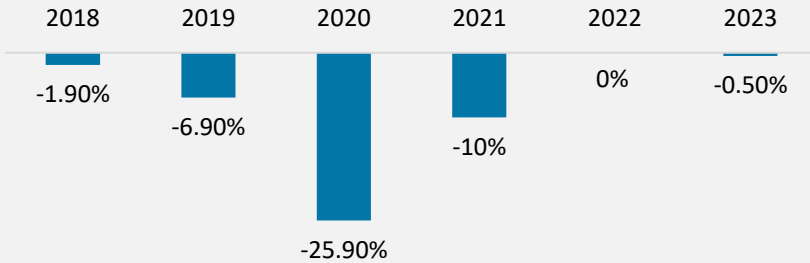
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Fundamentals and assumptions underlying the Budget 2024

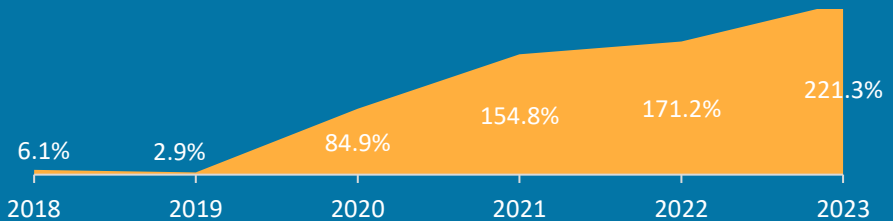
The following macroeconomic indicators are not included in the budget. They are provided below to offer context and a better understanding of the country's economic and financial situation underlying the budget preparation.

Real economic growth - Percentage (%)



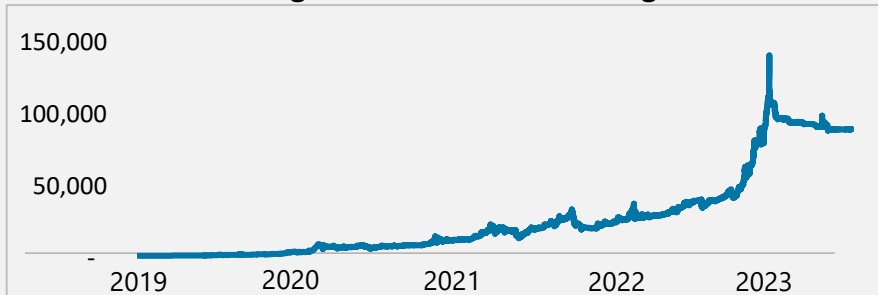
Source: International Monetary Fund (2023), Lebanon: 2023 Article IV Consultation-Press Release; Staff Report; and Statement by the Executive Director for Lebanon, URL: <https://bit.ly/3Zpvmn4>

Annual inflation rate - Percentage (%)



Source: Central Administration for Statistics, Consumer Price Index 2023 <http://www.cas.gov.lb/index.php/latest-news-en/165-inflation-4>

Evolution of the exchange rate of the Lebanese lira against the US dollar



Source: Lira Rate

What you need to know about the Budget 2024



The Budget 2024 was approved **within the constitutional deadline** and published in the Official Gazette on February 15, 2024.



The Constitutional Council suspended the implementation of the articles 40, 56, 83, 87, 94.

Constitutional Council decision on April 9, 2024

Total expenditures estimated in the Budget 2024 amount to **LBP 308,435 billion**, compared to LBP 295.113 billion in the 2024 budget proposal.

Total revenues are estimated at **LBP 308,435 billion**, compared to LBP 277,923 billion in the 2024 budget proposal.



The approved budget has a **calculated deficit of 0%**. However, this deficit does not take into account:

- Potential Treasury advances to the Electricité du Liban (EDL).
- The balance of other treasury revenues.
- The balance of other treasury expenditures.

The 2024 budget focuses on **enhancing government revenues** through:

- **The reevaluation of tax brackets**, such as for the tax on profit.
- **The dollarization** of selected taxes and fees, such as the income tax on Wages and Salaries.
- **The adjustment of taxable thresholds**, such as for the VAT.
- **An increase in selected progressive taxes**, such as for non-resident income tax.
- **The increase of various fees and fines**, such as registration fees of foreign workers and traffic fines.

To check the 2024 budget law <http://www.finance.gov.lb/en-us/Finance/BI/ABDP/>

Key financial & economic measures in the Budget 2024

Adjustment of tax brackets, effective from 01/01/2024

Article 46 - Tax on profits of commercial, industrial, and non-commercial professions

Tax rate	Tax brackets
4%	Below LBP 540 million
7%	Between LBP 540 million and LBP 1,440 billion
12%	Between LBP 1,440 billion and LBP 3,240 billion
16%	Between LBP 3,240 billion and LBP 6,240 billion
21%	Between LBP 6,240 billion and LBP 13,500 billion
25%	Above LBP 13,500 billion
17%	Financial companies

Article 47 - Tax on wages and salaries, and pensions.

Tax rate	Tax brackets
2%	Below LBP 360 million LBP
4%	Between LBP 360 million and LBP 900 million
7%	Between LBP 900 million and LBP 1,8 billion
11%	Between LBP 1,8 billion and LBP 3,6 billion
15%	Between LBP 3,6 billion and LBP 7,2 billion
20%	Between LBP 7,2 billion and LBP 13,500 billion
25%	Above LBP 13,500 billion

Article 50 - Inheritance tax

The inheritance tax brackets were multiplied **by 20**.

To know more, refer to Article 50 of the Budget Law 2024.

Article 51 - Built property tax

Tax rate	Tax brackets
4%	Below LBP 1,2 billion
6%	Between LBP 1,2 billion and LBP 2,4 billion
8%	Between LBP 2,4 billion and LBP 3,6 billion
11%	Between LBP 3,6 million and LBP 6 billion
14%	Above LBP 6 billion

Key financial & economic measures in the Budget 2024



Adjustment of taxable thresholds



Article 14 - Value Added Tax

The thresholds for businesses subject to VAT were increased as follows:

- **Businesses with a turnover above LBP 5 billion** over a period ranging from one quarter to four previous consecutive quarters (instead of LBP 100 million) **are subject to mandatory registration.**
- **Businesses with a turnover of LBP 1 billion** over a period ranging from one quarter to four previous consecutive quarters **are subject to optional registration.**



Article 36 - Tax on rental value

- The **minimum fees** for property rental value were adjusted as follows:
 - ✓ Residential units: x 10 times
 - ✓ Non-residential units:

Floor	Adjustment
Underground floors only accessible by stairs	x 10 times
Ground floor	x 20 times
Upper floor	x 15 times

If the amount paid exceeds the new fee, the difference will be deducted from future fees.

- Rental values will be increased by **half a percentage for every increase in the minimum wage in the private sector.**



Extension of deadlines



Article 41

A **6 months** grace period, exempted from fines, is granted to individuals and legal entities residing in Lebanon, to declare and settle taxes on capital revenues realized abroad. This measure applies on all types of taxable capital revenues within legal deadlines, provided they haven't been previously declared and taxed.



Article 63

The application of the **3% lumpsum fee on imports subject to VAT** (voted in 2019) excluding gasoline, industrial equipment, raw materials used for industry and agriculture, and imports belonging to the military and security, was extended until **31/12/2024.**

Key financial & economic measures in the Budget 2024



Fines



Article 72 - Tax fines in the currency of the due tax

Taxpayers **required to pay their taxes in foreign currency are required to settle any tax fines in the same currency as the due tax**, provided that the fine does not exceed the tax amount and is not less than:

- \$250 for joint-stock companies
- \$150 for partnership and limited liability companies.
- \$50 for individuals and other taxpayers.



Article 45 - Fines for violating maritime properties

Fines **ranging from US\$ 10,000 to US\$ 35,000** were imposed on individuals violating maritime properties, and the corresponding decrees were issued by the Council of Ministers. The violator is required to promptly rectify the violation; the fine is doubled in case of recurrence.



Article 75 - Persons declaring less than the due tax

Will be subject to a fine equal to **20% of the difference**, provided that it does not fall below:

- LBP 6,750,000 for **joint-stock companies**;
- LBP 4,500,000 for **partnership and limited liability companies** exempted from tax;
- LBP 750,000 for **individuals and other taxpayers**.



Article 77 - Fine for late or deficient tax payment

The fines on the late or deficient payment of taxes were increased as follows (with each part of the month considered as a full month):

- **For taxes issued by the tax administration according to the basic assessment schedules: A fine equivalent to 1% per month** of the unpaid tax amount.
- **For taxes resulting from self-assessment and other assessments issued by the tax administration: A fine equivalent to 2% per month** of the unpaid tax amount, **and to 3% per month** for taxes withheld at the source and VAT.



Article 82 - Transportation companies that transport passengers in violation

The fine was increased to US\$ **2,000** for companies found transporting passengers in violation (such as without a passport, using forged documents, etc.).

Key financial & economic measures in the Budget 2024

Exemptions

Article

14 Exempts from VAT registration and from all other tax obligations imposed during the said period, individuals who were engaged in **money delivery operations** or provided services amounting between **LBP 100 million and LBP 5 billion between 2020 and 2023**.

69 Exempts from customs duties all cars, vehicles, and machinery that have no environmental impact. These are also exempted from the consumption fee, from 70% of the initial registration fee, and from traffic fees (mecanique) upon their initial registration. This also applies to new hybrid cars, albeit in varying proportions.

76 Exempts taxpayers that did not declare their taxes or penalties prior to the reduction passed in Law 622/2005, provided their total value does not exceed **LBP 500,000**, except for:

- Taxes resulting from declarations submitted by the taxpayer based on self-assessment.
 - Requests for tax refunds submitted by taxpayers to the relevant department.
- Fractions in taxes are rounded to the nearest LBP 10,000.

Tax refund

Article

Taxes and fees are collected in Lebanese pounds, except for:



- 15**
- Shares and profits due to the Lebanese state in foreign currencies (such as the state's share in the oil, gas, and their derivatives and their sale).
 - Taxes and fees on revenues, profits, and interests payable to their beneficiaries in foreign currencies (such as departure fees for travelers by sea and air, airport fees, and taxes and fees payable on petroleum rights-holding companies and petroleum rights-operating companies).
 - Allowances payable to public administrations, public institutions, and all persons subject to public law for services provided outside Lebanese territory.

17 Individuals paying taxes on behalf of non-residents within the scope of their activities must submit quarterly declarations. Income tax is to be paid in the same currency as the income within a **15-day period from the end of each quarter**.

18 **For salaries and wages paid in foreign currency**, the salary is converted to LBP based on the exchange rate determined by a joint decision of the Governor of the Central Bank of Lebanon and the Minister of Finance. Then, the calculated tax amount in LBP is converted back into the foreign currency in which the salary was paid, based on an exchange rate determined by the Central Bank of Lebanon.

Key financial & economic measures in the Budget 2024

Increase of fees and new fees

 Article	 Article
19 to 35 Increased the fees for the patent Law, the literary and artistic property law.	Increased the annual license fee for companies selling alcoholic beverages by the glass and on-site. Fees varies according to each hotel's category. For more information, please refer to the Budget Law.
37 Increased from LBP 50,000 to LBP 100,000 the fixed fee dedicated to the Judges Solidarity Fund and expanded the scope of transactions subject to it (e.g. claims for separation, divorce, proof of marriage, annulment, and other related matters).	58 Increased the fee of smoking licenses.
38 Amended and increased fees collected by the Ministry of Labor (e.g. the fees for an attestation of internal regulations for companies, institutions, and unions is set at LBP 1,000,000). For more information, please refer to the Budget Law.	59 Increased the fee on cement production: LBP 276,000 per ton to be paid monthly, within 15 days from the end of each month.
39 Adjusted the value of the Mukhtar stamp to LBP 50,000.	60 Increased the hunting license.
42 Increased traffic fees and fines by 10 times with a minimum fine value of LBP 250,000.	64 Increased fees for running for elections: parliamentary: LBP 600 million, municipal: LBP 10 million; optional: LBP 10 million.
43 Increased the fee on locally produced alcoholic beverages per liter as follows: Beer LBP 2,750; Arak LBP 11,500; Wine LBP 9,200; Whiskey under 12 years LBP 18,400; Whiskey 12 years and older LBP 34,500.	65 Amended the value calculation of the Financial Stamp Law. For more information, please refer to the Budget Law.
57 Increased the annual license fee for stores that sell alcoholic beverages in sealed containers or bottles.	66 Increased the exit fee for travelers by air or sea and entry fee for non-Lebanese individuals: \$35 for economy class; \$50 for business class; \$65 for first class; \$100 for private planes or yachts and LBP 1,000,000 if traveling by land when entering Lebanese territory.
	67

Key financial & economic measures in the Budget 2024

Increase in fees and new fees



Article

68 Increased the lumpsum fee on electricity sold by private generators to **LBP 100,000 per KVA annually** instead of LBP 15,000.

70 Increased fees for Vehicle registration plates, driving licenses, and

71 annual traffic fees for all vehicles.

Increased judicial fees, such as:

- 79**
- The registration and lawsuit fees: LBP 10,000 for lawsuits exceeding LBP 10 million.
 - The fees for obtaining legal documents such as death certificate and inheritance: LBP 2,500.

For more information, please refer to the [Budget Law](#).

Increased the fee on imported cigarettes and tobacco:

- 80**
- LBP 11,500 per pack containing a maximum of 20 cigarettes. If it contains more than 20 cigarettes, the fee is calculated proportionately (for regular cigarettes and electronic);
 - LBP 115,000 per kilogram of Shisha Tobacco.
 - 20% of the retail price for individual cigars.

Revised the fees for commercial representation contracts:

- 84**
- Initial registration fee with the Ministry of Economy and Trade: \$500 for each commercial representation contract and \$165 annually in subsequent years.
 - Registration fee for branches or representation offices of foreign companies: \$1,200.

Other amendments



Article 10 – Treasury Advances

Restricted the granting of treasury advances in violation of the Public Accounting Law.



Article 48-49 - Tax Deduction

- Adjusted tax deductions per individual to **LBP 450 million**, in addition to:
 - ✓ **LBP 225 million** for married couples.
 - ✓ **LBP 45 million per dependent child**, subject to conditions.

For more information, please refer to the [Budget Law](#).

- A single deduction **per Lebanese company is allowed**.
- Taxpayers settling a **lump-sum tax** benefit from the same annual deduction as that granted to a married person with no children.
- Hourly wage earners receiving daily allowances are entitled to a deduction of LBP 1.5 million per day.

Key financial & economic measures in the Budget 2024

Other amendments

Article 53 - Residential deduction

A residential deduction for each residential unit occupied by a natural person (owner or co-owner) is set to LBP 360 million.

Article 54 - Income Tax for Non-Residents

The net amount subject to income tax for non-residents is calculated as follows:

- **20%** of the original receipts are subject to a flat rate if they are **in exchange for money transfer**.
- **50%** of them if they are in compensation for services.

Then, a tax rate of **17%** is deducted from this amount, and no additional charge is added to the tax base.

Article 55 - Transfer fee

Heirs of a life insurance are required to pay an inheritance fee, equivalent to **5%** of the **life insurance contract** value, in the same currency of the contract and in accordance with the payment schedule set by the insurance company.

Article 78 - Entrance cards for gaming halls at Casino du Liban

The prices for entry cards were set as follows:

- One-day entry card: LBP 46,000
- One-week entry card: LBP 2,300,000
- One-month entry card: LBP 6,900,000
- One-season entry card: LBP 16,100,000
- Annual entry card: LBP 46,000,000

Article 86 – Tax on real estate sales

The tax rate on real estate sales was reduced to 1%.

Article 91 - Lebanese University Council to set annual fees

The Lebanese University Council was authorized to set annual tuition fees upon the approval from both the Minister of Education and Higher Education and the Minister of Finance.

Article 93 - Profits from Sayrafa

An extraordinary tax (of **17%**) was introduced on all profits generated from financial transactions made on the "Sayrafa" platform as per circulars issued by the Central Bank and which exceed US\$ 15,000.

Budget expenditures for 2024

Lebanon's budget is a "line-item" budget, which means it allocates expenditures annually based on three classifications:

1- Functional classification

2- Economic classification

3- Administrative classification

1- Budget expenditures distributed by the 10 main functions

In the functional classification, expenditures are classified according to **the function for which public funds are spent**, such as: hospitalization, education, environment, etc. These functions follow the International Monetary Fund standards, and there are **10 major functions**.

Social protection



26.8%

82,623,530.8
billion LBP

General public services



21.4%

66,061,900.8
billion LBP

Health



13.2%

40,623,894
billion LBP

Defense



12.7%

39,276,790.6
billion LBP

Economic Affairs



10.5%

32,436,179.0
billion LBP

Public order and safety



7.7%

23,650,693.4
billion LBP

Education



5.6%

17,269,638.0
billion LBP

Environmental protection



0.5%

1,513,450.8
billion LBP

Recreation, culture and religion



0.7%

2,046,944.5
billion LBP

Housing and community amenities



1.0%

2,932,201.3
billion LBP

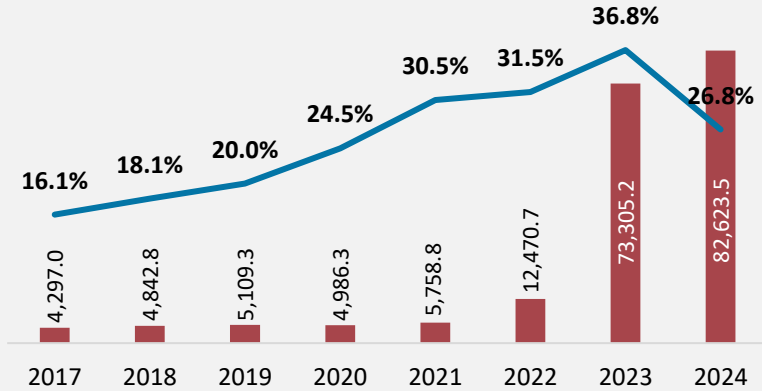
Reference: 2024 Budget Law

Note: General public services include expenditures related to executive and legislative institutions (such as Presidency of the Republic, Presidency of the Council of Ministers, Parliament, the Constitutional Council, the Court of Audit, etc.), financial and fiscal affairs (Management of public funds, Customs etc.), external affairs, public debt transactions, transfers of a general character between different levels of government, basic research, etc.

Social protection expenditures for 2024



With the launch of a new National Social Protection Strategy for Lebanon on February 13, 2024, the following highlights allocations for the social protection function, as per the functional classification in the 2024 Budget Law.



■ Expenditures on social protection in billions of LBP.

— % of expenditures on social protection out of the total budget.

Some indicators related to social protection:

(in % of total expenditures on social protection).



Retirement & end of service indemnities

29.8%

24,596.0 billion LBP



Sickness

21.7%

17,925.6 billion LBP



Disability

0.3%

244.9 billion LBP.



Family allowances

1.0%

800.1 billion LBP



Orphanages & other

0.2%

0.132 billion LBP

■ Expenditures are classified according to functional classification which includes allocations for salaries and wages, therefore, does not fully reflect the total expenditure actually allocated to social protection.

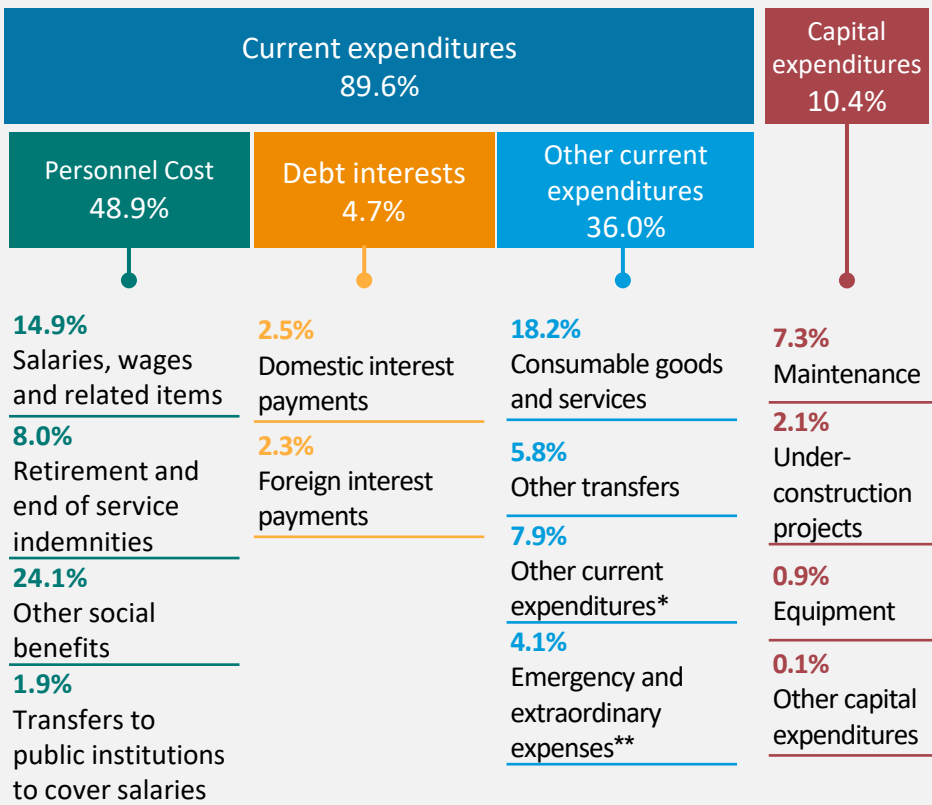
■ The remaining expenditures on social protection are distributed among women's rights protection (LBP 10 billion), Services and goods provided to young people and children (LBP 309.6 billion), displaced (LBP 79.7 billion), Protection and Promotion of Human Rights (LBP 17.9 billion), social protection n.e.c. (LBP 38,332.8 billion), and others... To learn more about what Social protection n.e.c includes, check the report on Social Protection Spending in Lebanon <https://bit.ly/3xwH0Rq>

Budget expenditures for 2024

2- Budget expenditures according to the type of expenditure

The economic classification shows expenditures according to **their nature**, and there are two types:

1. Current expenditures, such as: salaries and wages, consumable goods and services, debt interests, etc.
2. Capital expenditures, such as: bridge construction, infrastructure, equipment purchases, etc.



Reference: General Budget for the year 2024

Notes: *Other current expenditures include hospital expenses, Judicial decisions and reconciliations, transportation locally and abroad, conferences and delegations, studies... The largest portion of these expenditures (91.2% of other current expenditures) is allocated to hospital expenses.

** Emergency and extraordinary expenses includes Reserve for various budget items.

Budget expenditures for 2024

3- Budget expenditures according to governmental entities

The administrative classification allocates **expenditures according to the entity incurring them**, for example: Ministry of Health, CDR, etc.

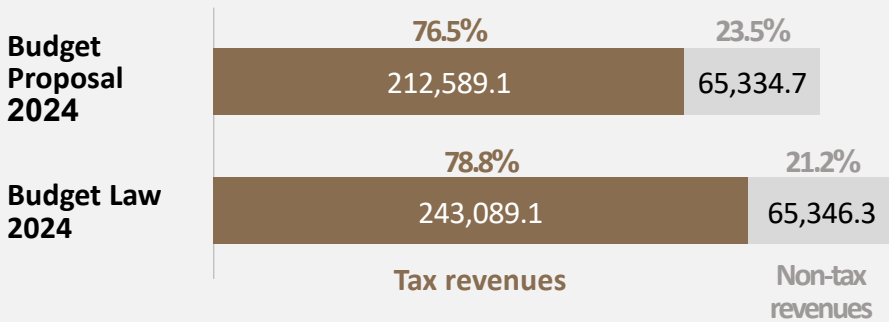
The categories	2022		2023		2024				Change (%)
	Budget Law	% from total budget	Budget Proposal	% from total budget	Budget Proposal	% from total budget	Budget Law	% from total budget	
	(LBP billion)		(LBP billion)		(LBP billion)		(LBP billion)		
Ministry of Defense	6,630.9	16.22	24,718.3	12.40	48,522.6	16.44	57,001.8	18.48	↑
Ministry of Public Health	2,903.3	7.10	7,502.1	3.76	31,576.9	10.70	40,476.7	13.12	↑
Common expenses	8,950.0	21.90	23,110.9	11.60	26,201.1	8.88	39,244.1	12.72	↓
Budget reserve	2,764.5	6.76	28,602.3	14.35	78,302.3	26.53	38,252.1	12.40	↓
Ministry of Interior and Municipalities	4,112.0	10.06	12,804.9	6.42	27,411.0	9.29	33,894.5	10.99	↑
Presidency of the Council of Ministers	2,599.2	6.36	8,606.2	4.32	23,167.6	7.85	22,774.7	7.38	↑
Ministry of Education and Higher Education	3,620.6	8.86	8,623.1	4.33	14,243.0	4.83	18,857.7	6.11	↓
Ministry of Public Works & Transportation	533.5	1.31	8,611.4	4.32	8,962.2	3.04	17,168.2	5.57	↑
Ministry of Telecommunications	1,335.8	3.27	11,841.1	5.94	8,736.1	2.96	7,174.2	2.33	↓
Ministry of Foreign Affairs & Emigrants	1,686.5	4.13	7,121.6	3.57	6,628.3	2.25	6,618.8	2.15	↓
Ministry of Social Affairs	572.7	1.40	1,021.1	0.51	5,482.0	1.86	5,501.1	1.78	↑
Ministry of Finance	2,493.5	6.10	48,407.5	24.29	4,739.7	1.61	5,180.2	1.68	↓
Ministry of Energy & Water	355.4	0.87	1,153.7	0.58	944.4	0.32	4,679.9	1.52	↑
Ministry of Labor	1,323.3	3.24	1,814.3	0.91	3,231.6	1.10	3,249.3	1.05	↓
Parliament	183.8	0.45	955.1	0.48	1,199.5	0.41	2,091.6	0.68	↑
Ministry of Culture	66.7	0.16	562.7	0.28	1,130.9	0.38	1,544.7	0.50	↑
Ministry of Economy & Trade	173.3	0.42	1,375.6	0.69	1,404.3	0.48	1,456.3	0.47	↑
Ministry of Justice	202.8	0.50	853.6	0.43	1,177.9	0.40	1,370.3	0.44	↓
Ministry of Agriculture	190.6	0.47	601.9	0.30	876.3	0.30	957.0	0.31	↓
Ministry of Information	61.2	0.15	414.9	0.21	430.0	0.15	314.5	0.10	↓
Presidency of the Republic	18.0	0.04	272.6	0.14	323.8	0.11	149.5	0.05	↑
Ministry of Tourism	22.3	0.05	79	0.04	96.9	0.03	100.5	0.03	↓
Independent national bodies	7.6	0.02	22.2	0.01			84.3	0.03	
Ministry of Industry	17.3	0.04	50.4	0.03	66.3	0.02	76.9	0.02	↓
Ministry of Environment	20.2	0.05	71.8	0.04	61.1	0.02	73.7	0.02	↓
Ministry of Youth and Sports	15.4	0.04	73.2	0.04	101.1	0.03	72.8	0.02	↓
Ministry of Displaced	9.5	0.02	27.9	0.01	37.0	0.01	49.4	0.02	↓
Constitutional Council	2.0	0.005	6.6	0.003	20.0	0.01	19.2	0.01	↑
Total Budget	40,873.0		199,307.4		295,113.4		308,435.2		

Reference: 2022 Budget law, Budget Proposal 2023 and Budget Proposal 2024

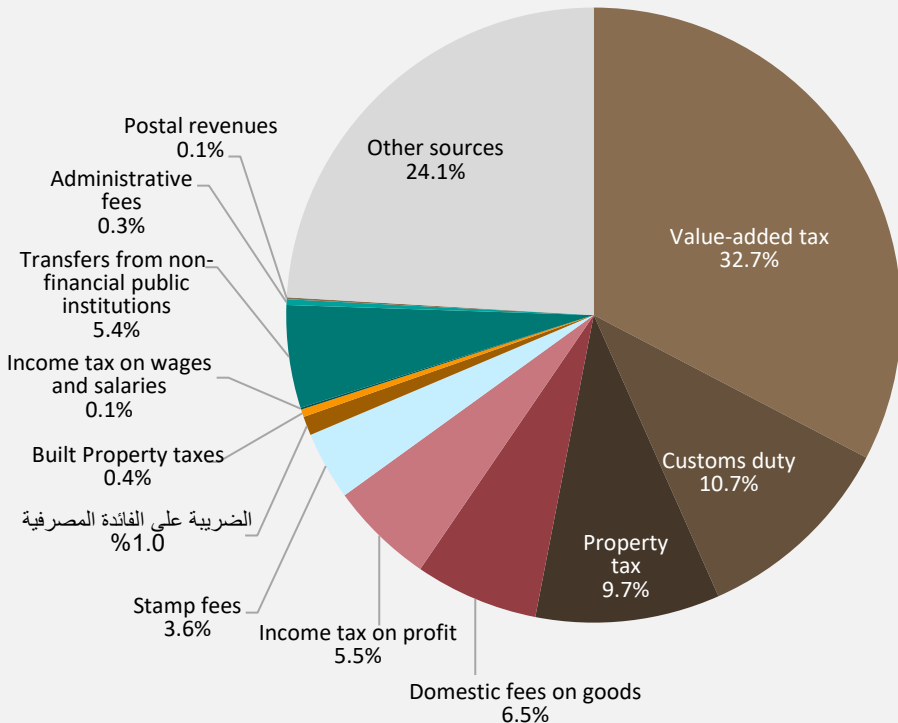
Budget revenues for 2024

Total estimated revenues in the Budget 2024 amount to LBP 308,435 billions

Distribution of estimated revenues (in billions of LBP)



Main sources of revenue (%)



512, Corniche du fleuve
P.O. Box : 16-5870- Beirut, Lebanon.
Tel: +961 425 147/8
Fax: +961 426 860
institutdesfinances.gov.lb



IOFLebanon



Institut des Finances
Basil Fuleihan



IOFLebanon



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