

OUR PATH TO ECONOMIC GROWTH

Snapshot of the 2023/2024 Budget Statement

1 Economic Recovery continued in 2022

- **Bermuda's Economy is Growing**
 - 3.4% – 3.9% GDP growth projected in 2022
- **Growth in Employment**
 - 402 New Jobs Created
- **International Business is Expanding**
 - 230 new jobs in 2022 (119 new positions filled by Bermudians)
 - 812 new companies formed in 2022
 - 2021 saw strongest IB growth in 15 years
 - 591 IB jobs created since 2019
- **Tourism is Rebounding**
 - Air Visitor Spending doubled in 2022
 - Record cruise season in 2023

2 Payroll Taxes to be reduced for 86% of workers and 86% of Businesses

- **Business Taxes**
 - No businesses will see their taxes increase this year
 - Businesses will see their payroll tax liability reduced by as much as 43%
 - Self employed farmers & fishermen will be exempt from employer payroll taxes
 - Employers will be exempt from paying payroll tax to employees on maternity/paternity leave
- **Employee Taxes**
 - Workers making less than \$132,000 annually will pay less payroll tax than last year
 - Since 2017, workers earning \$48,000 have paid a combined \$6,960 less in payroll tax

3 Completion of Morgan's Point

- Cabinet has approved site to be converted with 101 residential units planned for phase 1.
- Residential units will range from entry level to high end, with seniors housing to be added in phase 2
- Redevelopment centered around an amenity village with restaurants & retail



4 Path to a Balanced Budget

- Current year revenue up 7.2% - Achieved with no tax increases & relief in customs duty for essential goods and fuel duty to freeze fuel prices.
- Deficit projected to fall to \$43 million this year, and still on path for a balanced budget next year
- \$50 million of debt to be repaid this year, the first debt repayment in 9 years causing interest costs to fall by \$2.4 Million.

5 Highest Capital Expenditure in 13 years to repair infrastructure

- Increased funds to repave roads
- \$5.5 million allocated to renovate and equip 2 new parish primary schools: Francis Patton and Purvis Primary
- New health clinic to open in Somerset
- Additional affordable housing to be constructed
- 40 electric buses, refit of fast ferries
- New vehicles for fire, police and corrections

6 New Investments to improve quality of life

- Social insurance benefits will increase by the rate of inflation this year
- Additional funds for the Hospital
- Increased child daycare allowances for parents
- Transitional living for young persons ageing out of care
- Increased funding for care homes
- Reintroduction of public health scholarships
- Air-quality monitoring for those affected by BELCO emissions
- Expanding social protections for families via financial assistance

7 Changes to Taxes and Fees

- **Land Tax Changes**
 - Land tax to increase on properties with ARV higher than \$90,000, which affects 4% of properties in Bermuda
- **Some Existing Fees to increase**
 - Increase by 5%: Stamp duty, Trademark fees, Fines, Solid waste dumping fees, Planning fees, Shipping fees, Work Permit & PRC fees
 - Increase in court fees
- **New Fees**
 - Vacation Rental Registration fee
 - Regulatory fee for companies
 - A fee for complex PATI requests

8 Customs Duty Changes

- **Sugar Tax Reform:** Items that may have a small amount of added sugar such as: Nutritional bars, low-sugar drinks, Non-dairy creamers will be reduced.
- Personal care & Fitness companies to be exempt from customs duty for upgrades to their business
- Elimination of duty for school uniforms & import of aggregate

9 Improving Tax Collection

- New restrictions on businesses, individuals and landowners who are not current with their tax obligations or their tax payment plans.
- These restrictions can include denial of contracts, grants, permits, licences or other government authorisations.

10 Mortgage Guarantee Programme - Phase 2

- More Bermudians able to take advantage of lower interest rates
- Age restriction removed - Open to any Bermudian purchasing a first home
- Public Officers will be eligible to transfer their mortgage



Government Has Reduced the Tax Burden on Workers in Bermuda

Income	Reduction in Taxes in 2018	Reduction in Taxes in 2020	Reduction in Taxes in 2022	Reduction in Taxes in 2023	Total Annual Reduction From 2017-2023	Cumulative Tax Savings from 2017 - 2023
\$36,000	-\$270	-\$720	-\$180	-\$360	-\$1,530	-\$5,220
\$48,000	-\$360	-\$960	-\$240	-\$480	-\$2,040	-\$6,960
\$60,000	-\$270	-\$720	-\$180	-\$450	-\$1,620	-\$5,310
\$72,000	-\$180	-\$480	-\$120	-\$420	-\$1,200	-\$3,660
\$84,000	-\$90	-\$240	-\$60	-\$390	-\$780	-\$2,010
\$96,000	\$0	\$0	\$0	-\$360	-\$360	-\$360
	First PLP Payroll Tax reduction	Further Payroll Tax reduction	Further Payroll Tax reduction	Further Payroll Tax reduction	The difference in annual Payroll Tax b/w the OBA (2017) & PLP (2023)	The total amount of tax savings for a worker over the last 6 years

For More information & to read/watch the Budget Speech www.gov.bm/budget