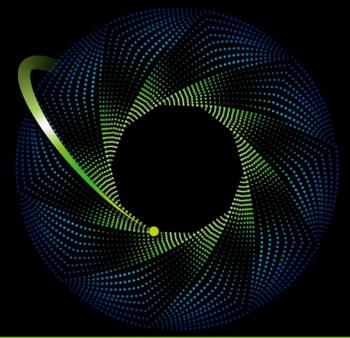


Bermuda Budget 2026/27 Snapshot

“Lasting Benefits for Bermudians”

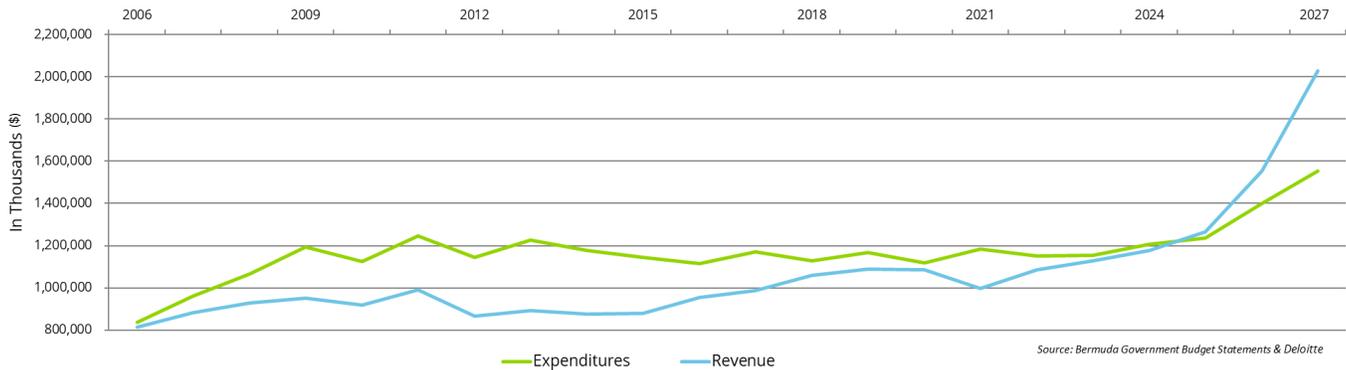
- The Hon. E. David Burt, JP, MP, Premier and Minister of Finance



In delivering his final budget as Premier and Minister of Finance, David Burt framed the year as a defining moment for Bermuda’s public finances, providing “lasting benefits for Bermudians” underpinned by the first full-year impact of Corporate Income Tax (CIT) receipts. The budget is framed as an opportunity to deploy this expanded fiscal capacity responsibly, reducing public debt, providing targeted relief to households and businesses, and investing in the island’s long-term economic resilience, while recognizing that CIT revenues may fluctuate over time and must be managed prudently. The budget forecasts an overall surplus of \$472.7 million and sets out a debt reduction plan anchored by the full repayment of the \$605 million senior notes due January 2027,

reducing gross debt to \$2.69 billion. Alongside this target, the budget includes a range of measures aimed at easing cost of living pressures, including payroll tax reductions, duty relief on essential goods and energy inputs, and continued support for workers and seniors. The budget also outlines increased investment in healthcare, affordable housing, infrastructure upgrades and digital transformation, reflecting a shift toward reinvesting in public services. Going forward, Premier Burt underscored the importance of carefully managing the new revenue stream from CIT to safeguard Bermuda’s competitiveness and support long-term fiscal sustainability.

Revenue & Expenditures



Local Taxes



- Broad reductions to both employer and employee payroll tax rates, further detail set out in Appendix.
- Increased payroll tax dividend exemption threshold from \$10,000 to \$20,000.
- Elimination of fuel duty surcharge on electricity generation of \$0.04/litre.
- Reduction of private motor car licensing fees by 10% effective April 1, 2026.
- Expansion of essential goods duty reduction.
- Planned reforms to the Social Insurance system, with contributions, aligned with earnings.

Government Budget



- 2026/27 revenue: \$2.03 billion, which represents an increase of \$596.3 million over 2025/26 original estimate.
- 2026/27 expenses: \$1.25 billion, which represents an increase of \$137.7 million over 2025/26 original estimate.
- 2026/27 capital expenditure: \$182 million.
- 2026/27 interest on debt: \$124.8 million.
- 2026/27 budget surplus: \$472.7 million.
- Full repayment of \$605 million in senior notes in 2027/28 will reduce the national debt and deliver annual interest savings of approximately \$25 million.

Bermuda Corporate Income Tax



- 2026/27 budgeted CIT revenue: \$753.2 million.
- 2026/27 budgeted CIT revenue reflects 2025 payments, adjusted for expected tax credits, and includes initial portion of payments anticipated for 2026.
- \$279 million 2025/26 CIT receipts almost 50% higher than the original estimate of \$187.5 million.
- Creation of stabilization fund in 2027/28 with annual contributions of \$100 million to be used to smooth government revenues in case of CIT reductions.
- \$200 million 2027/28 annual contributions to the sinking fund.
- Creation of a sovereign wealth fund to build national wealth.
- In line with Tax Reform Commission’s recommendations, government will assess the merits of a low-rate, broad-based income tax system and consider personal and business income data collection to inform future policy decisions.

Significant Capital Initiatives



- Strategic investments provision of \$124 million focused mainly on healthcare, with additional funding for public services and transformational initiatives such as the Cooperative Seed Fund and digital finance infrastructure.
- Capital expenditure provision for 2026/27 is \$182 million, an increase of \$32 million compared to the 2025/26 original estimate.
- Key capital projects for fiscal year 2026/27 include:
 - Housing refurbishments and affordable units: \$26.9 million.
 - Upgrading and investment in technology in educational facilities: \$14 million.
 - Replacement of Swing Bridge: \$9.4 million.
 - Tynes Bay waste-to-energy facility expansion: \$8.8 million.
 - Expanded road works programme: \$5 million.

Employer Payroll Tax Rates			
Employer Payroll Tax Categories	Previous Rates	New Rates	Change
Annual payroll < \$200,000	1.00%	1.00%	0.00%
\$200,000 ≤ Annual payroll ≤ \$350,000	2.50%	2.00%	-0.50%
\$350,000 ≤ Annual payroll ≤ \$500,000	5.25%	4.75%	-0.50%
\$500,000 < Annual payroll ≤ \$1,000,000	7.50%	7.00%	-0.50%
Annual payroll > \$1,000,000	10.00%	9.50%	-0.50%
Exempt undertakings	10.25%	9.75%	-0.50%
Gov., Gov. Boards, Parish Council, & Bda College	0.00%	0.00%	0.00%
Self Employed Farmers, Fisherman & Caregivers	0.00%	0.00%	0.00%
Educ, Sport, Scient Inst.	1.00%	1.00%	0.00%
Char, Schl, Relig and Cult. Organisations	0.00%	0.00%	0.00%
Economic Empowerment Zone	0.00%	0.00%	0.00%
BHB, Corp of Hamilton and St. George's, Nursing Homes	3.50%	3.00%	-0.50%
Qualifying Retail	6.00%	5.00%	-1.00%
Hotels & Rest. w/annual payroll ≥ \$350,000	5.00%	4.00%	-1.00%

Employee Payroll Tax Rates			
Income Bands	Previous Rates	New Rates	Change
\$0-\$48,000	0.50%	0.25%	-0.25%
\$48,001-\$96,000	9.25%	7.75%	-1.50%
\$96,001-\$200,000	10.00%	10.75%	0.75%
\$200,001-\$500,000	11.50%	11.50%	0.00%
\$500,001-\$1,000,000	12.50%	12.50%	0.00%

Note: Employee payroll tax rates are marginal rates, with income taxed separately within each band.

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