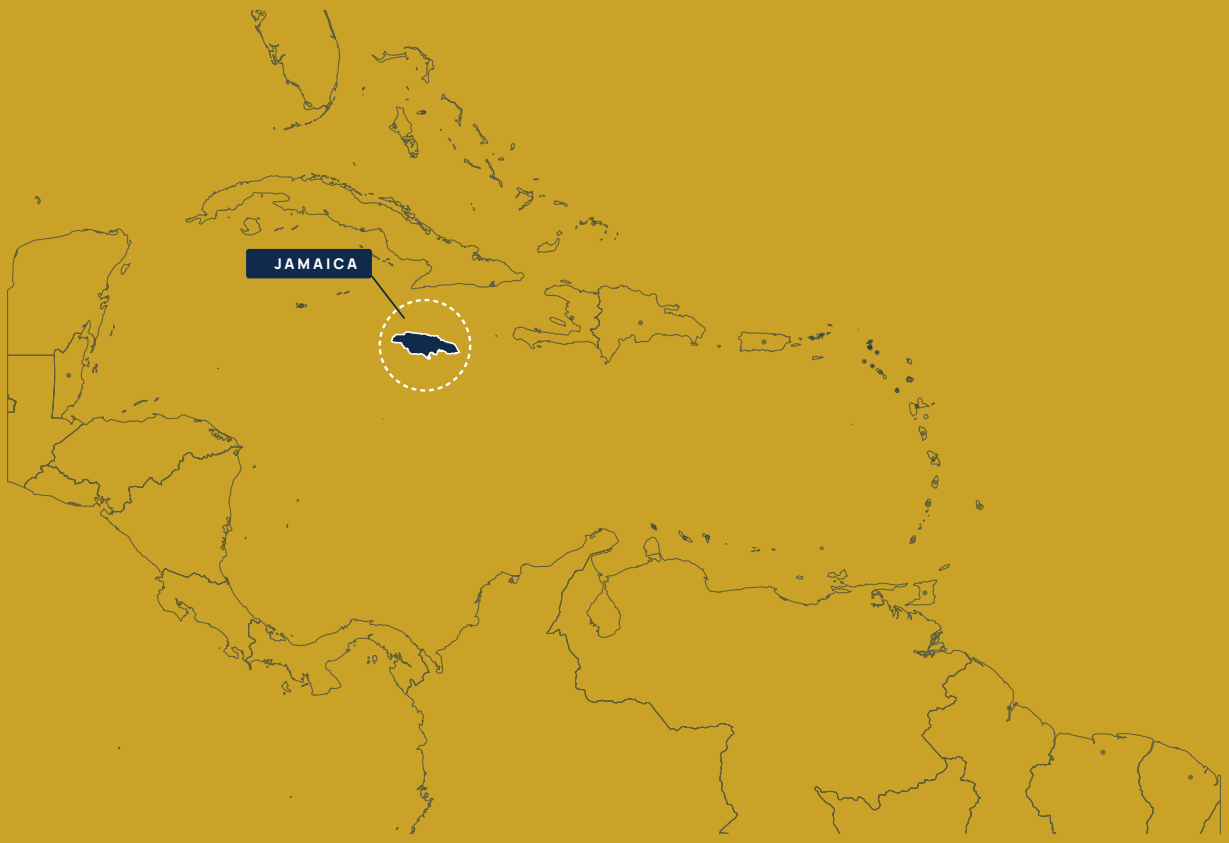


TOTAL BUDGET
J$1.44 trillion
Central government estimates, 2026/27

FISCAL BALANCE
–4.9% of GDP
Projected deficit; fiscal rules suspended

PUBLIC DEBT
65.7% of GDP
Projected, end-March 2027

CARIBBEAN TAX SERVICE DESK · GREATER ANTILLES

Jamaica Budget Review 2026/27

What the 2026/27 Budget means for businesses and individuals

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FOREWORD

The 2026/27 Budget is a recovery budget. It was framed in the months after Hurricane Melissa, the most damaging storm in Jamaica's history, and it asks every business and household to plan for change.

The Budget pairs the cost of reconstruction with a commitment to bring public debt back down. It brings the first net new taxes in several years, mostly on consumption, alongside further relief through the personal income tax threshold. Some measures took effect in April and May 2026; others, including GCT on tourism at 15% and GCT on foreign digital services, arrive in 2027.

This review sets out the figures, the tax measures and their effective dates, and what they mean for each sector. It should be read with our Jamaica Doing Business Guide and Tax Guide.

Jamaica is served by Dawgen Global's Caribbean Tax Service Desk, managed from our headquarters in Kingston. We would be glad to help you work through the impact on your business.

Dr. Dawkins Brown, Ph.D., MCMI, ACFE

Executive Chairman, Dawgen Global

How to use this guide

This review summarises the 2026/27 Budget and what it means for businesses and individuals in Jamaica. It is general information, current to October 2026; measures may change as they pass into law. Our companion Doing Business and Tax Guides give the wider picture. Speak to us before you act.

OVERVIEW

01 Budget at a glance

The Estimates of Expenditure, the Fiscal Policy Paper and the revenue measures were tabled on 12 February 2026 by the Minister of Finance and the Public Service, Hon. Fayval Williams. The Minister opened the Budget Debate on 10 March and closed it on 24 March 2026.

TOTAL ESTIMATES
J$1.44 trillion
Central government, including J$167.6 billion of debt repayment

REVENUE AND GRANTS
J$1,083.5 bn
28.1% of GDP; tax revenue J$979.4 billion

FISCAL BALANCE
–4.9% of GDP
Deficit of J$190.7 billion; primary surplus 0.5% of GDP

PUBLIC DEBT
65.7% of GDP
Projected for end-March 2027, from 68.9% a year earlier

REVENUE MEASURES
J$29.4 billion
J$18.0 billion of new taxes plus a J$11.4 billion NHT transfer

CAPITAL SPENDING
J$79.7 billion
2.1% of GDP, with a contingency for reconstruction

Five key messages

- **A recovery budget.** Hurricane Melissa struck on 28 October 2025. The fiscal rules are suspended to the end of March 2027 to fund relief and rebuilding.
- **New taxes, mainly on consumption.** Higher special consumption tax and environmental levy from May 2026, and GCT on tourism and on foreign digital services in 2027.
- **Relief for earners.** The income tax threshold rises to J$1,902,360 from 1 April 2026 and J$2,003,496 from 1 April 2027.
- **Debt back on a downward path.** Debt is projected to fall towards the 60% target, now set for 2029/30.
- **More time to file.** The company tax return and final payment are now due on 15 April, not 15 March.

ECONOMY

02 Economic context

The economy contracted after the hurricane and is now recovering, but higher prices and reconstruction demand shape the year.

REAL GDP
–2.9%
April–June 2026, year on year; third quarterly decline in a row

INFLATION
8.6%
September 2026; BOJ target range 4% to 6%

POLICY RATE
6.0%
Raised from 5.5% on 29 September 2026

UNEMPLOYMENT
3.7%
April 2026 Labour Force Survey

RESERVES
US$6.6 billion
Gross international reserves, end-August 2026

CREDIT RATINGS
BB / BB–
S&P and Fitch, both stable outlooks

Hurricane Melissa

The Category 5 storm caused physical damage estimated by Government at US$8.8 billion. About 63% of the damage was in St Elizabeth, St James and Westmoreland. Agriculture, mining and tourism were hit hardest.

Budget assumptions

The Fiscal Policy Paper assumes real GDP falls 0.5% in 2026/27, then grows 3.3% in 2027/28. Nominal GDP is projected at J$3,857 billion.

Outlook

The Planning Institute of Jamaica projects growth of 1% to 3% for 2026/27 and says output could return to its pre-hurricane level as early as April–June 2027. The Bank of Jamaica expects inflation to return to its target range by mid-2027, and says rebuilding has raised import demand while tourism inflows are lower.

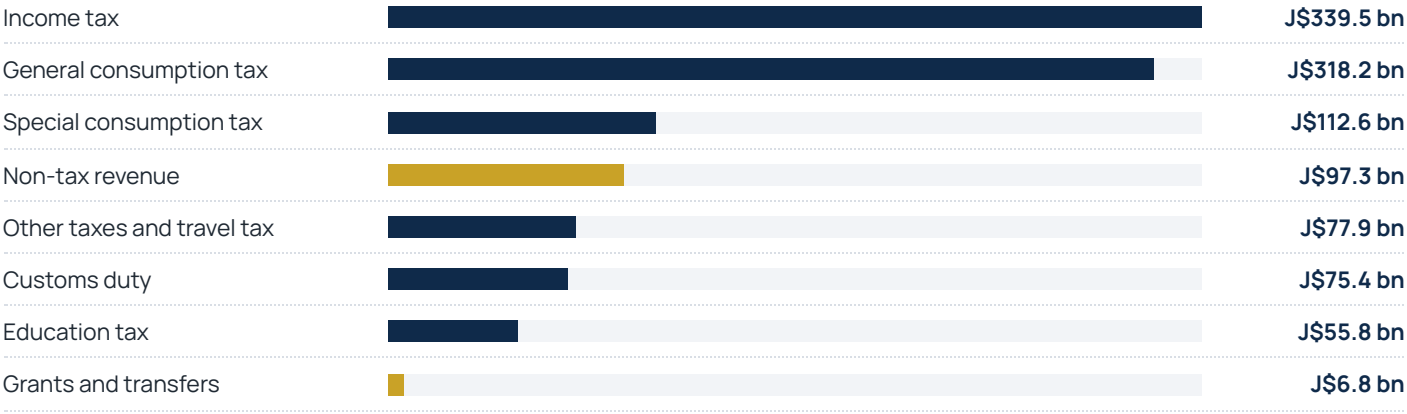
> **IMF support**
>
> The IMF disbursed US$417.8 million under its Rapid Financing Instrument after the storm.

PUBLIC FINANCES

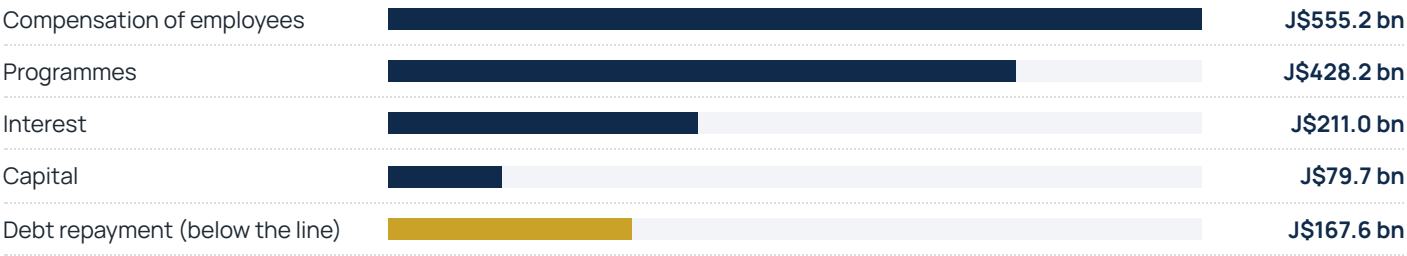
03 Fiscal framework

J$ billion	2025/26 estimated	2026/27 budget	% of GDP 2026/27
Revenue and grants	1,069.1	1,083.5	28.1%
of which tax revenue	869.0	979.4	25.4%
Expenditure	1,203.8	1,274.2	33.0%
of which interest	181.8	211.0	5.5%
of which capital	55.5	79.7	2.1%
Fiscal balance	−134.6	−190.7	−4.9%
Primary balance	47.1	20.3	0.5%

Where the money comes from: revenue and grants, J$1,083.5 billion



Where it goes: expenditure J$1,274.2 billion, plus debt repayment



Recurrent spending is J$1,194.5 billion and capital spending J$79.7 billion. Gold bars show non-tax revenue, grants and debt repayment.

Outturn against the previous budget

After the hurricane, 2025/26 tax revenue was revised down from J$949.5 billion to J$869.0 billion, mainly company income tax. Non-tax revenue rose with catastrophe insurance payouts and the Sangster airport monetisation. The 2024/25 surplus of 0.2% of GDP became a 2025/26 deficit of 3.8%.

BUSINESS TAX

04 Tax measures for businesses

There are no changes to the corporate income tax rates. The changes for companies are about deadlines, investment timing and new costs on particular goods.

Measure	What changes	Effective	Who is affected
Company tax return deadline	Annual return and final payment move from 15 March to 15 April. The estimated return and first instalment stay at 15 March.	Year of assessment 2025 onwards	All companies
Asset tax deadline	Filing and payment move from 1 September to 15 April	From 2026	Regulated deposit-takers, securities dealers, insurers
Enhanced capital allowances	Higher initial and annual allowances continue for buildings, plant, machinery and computer equipment. Motor vehicles and intangibles are excluded.	Spending to 31 Dec 2026	Businesses investing or rebuilding
Hurricane relief payments	Employer cash payments to staff of up to J$200,000 in total were free of income tax and payroll contributions	1 Nov 2025 to 31 Mar 2026	Employers and employees
Special consumption tax and levy	Higher rates on alcohol, cigarettes and the environmental levy, and a new tax on sweetened drinks (section 06)	1 May 2026	Manufacturers, importers, distributors
GCT on tourism	Rate rises from 10% to the standard 15%	1 Apr 2027	Hotels, attractions, tour operators

Unchanged

Corporate income tax of 25%, or 33⅓% for regulated companies; 12.5% in special economic zones; 15% dividend withholding; GCT at 15% with registration above J$15 million.

Capital markets and pensions

Pension funds may now invest more in private company equity: the limit rises from 5% to 7.5% of assets, with 10% targeted for April 2027.

INDIVIDUALS

05 Tax measures for individuals and households

The main relief is the personal income tax threshold, which completes its phased rise towards J$2 million. Households will also feel the higher consumption taxes.

Income tax threshold	Annual	Monthly
From 1 April 2025	J$1,799,376	J$149,948
From 1 April 2026	J$1,902,360	J$158,530
From 1 April 2027	J$2,003,496	J$166,958

The tax year is the calendar year, so the threshold for 2026 as a whole is J$1,876,614. Rates are unchanged at 25% above the threshold and 30% above J$6 million. A full year at the new threshold saves a resident taxpayer up to about J$25,700 against the 2025/26 level. Government estimates its cost at J$4.73 billion in 2026/27.

Other personal reliefs

- Additional exemption of J$250,040 for those aged 65 or over, and J$250,040 of pension income
- Employer hurricane payments of up to J$200,000 were tax-free to 31 March 2026

Payroll contribution	Employee	Employer
NIS (to J$5m)	3%	3%
NHT	2%	3%
Education tax	2.25%	3.5%
HEART/NSTA Trust	—	3%

Payroll contribution rates are unchanged. The National Minimum Wage rose to J$17,000 for a 40-hour week from 1 July 2026.

Household costs

From May 2026, special consumption tax rose on alcohol and cigarettes, and sweetened drinks became taxable by sugar content. Holiday stays and tours become dearer when GCT on tourism rises to 15% in April 2027.

INDIRECT TAXES

06 Indirect taxes, customs and other revenue

Most of the new revenue comes from consumption taxes. Two measures were revised at the close of the Budget Debate.

Measure	Change	Effective	Yield 2026/27
SCT on sweetened drinks	New tax of J$0.22 per gram of added sugar on non-alcoholic sweetened drinks, replacing the per-millilitre basis first proposed. Local makers need an SCT licence from TAJ.	1 May 2026	J$10.1 bn
SCT on alcohol	J$1,400 per litre of pure alcohol, from J$1,230	1 May 2026	J$1.6 bn
SCT on cigarettes	J$20 per cigarette, from J$17	1 May 2026	J$1.1 bn
Environmental protection levy	0.85%, from 0.5%, on imports and local goods. Manufacturers keep the 75% of sales base.	May 2026	—
Vehicles for public officials	The duty concession remains, but GCT is now payable	1 May 2026	J$1.3 bn
GCT on foreign digital services	**Proposed:** GCT on digital services and intangibles supplied from abroad, subject to legislation	Early 2027	J$0.3 bn
GCT on tourism	10% rate rises to 15%; about J$11.4 billion a year	1 Apr 2027	—

Other revenue

The annual J$11.4 billion transfer from the National Housing Trust continues for five years, to 2030/31. Property tax rates are unchanged; a new valuation roll is expected for 2027/28.

Administration

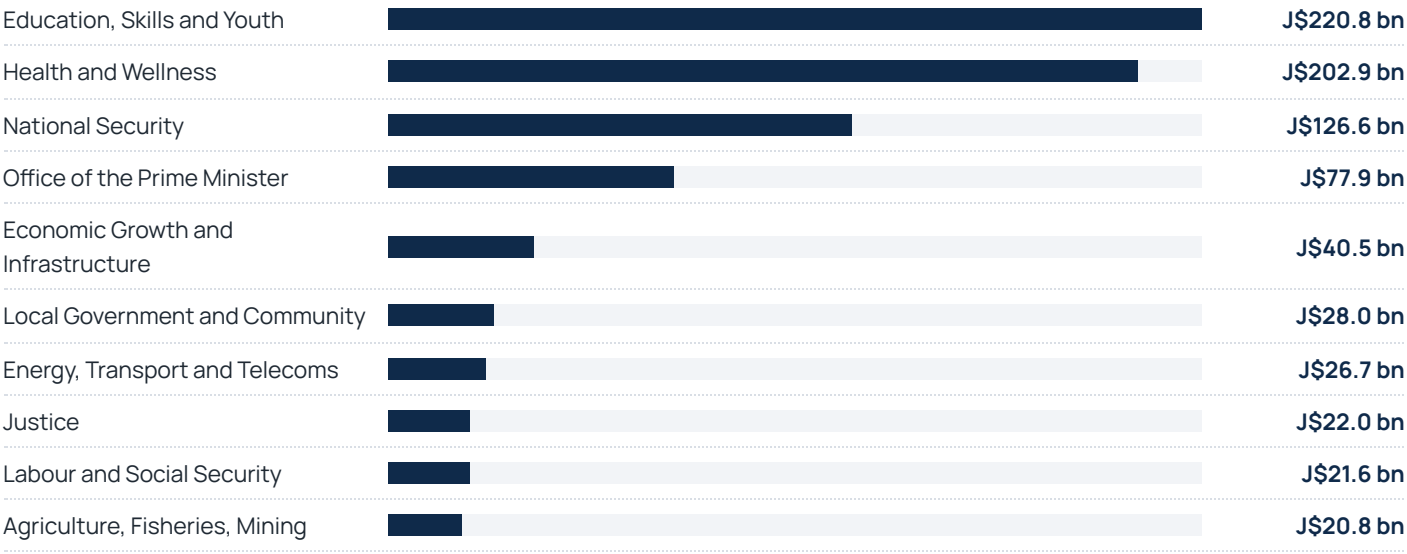
TAJ's revenue system is being upgraded by March 2027. Scoping for e-invoicing is under way, with a working system targeted by 2029/30.

SPENDING

07 Spending priorities and capital programme

Education, health and security take the largest ministry budgets. Reconstruction is funded through a central contingency and a new reconstruction authority.

Largest ministry allocations, 2026/27



Recurrent and capital combined. The Ministry of Finance and the Public Service (J$583.4 billion) carries debt service, public pensions and central provisions.

Reconstruction

A J$35 billion contingency funds new public investment projects, J$30 billion of it to start hurricane reconstruction. The National Reconstruction and Resilience Authority (NaRRA) will deliver resilient infrastructure.

- Black River
- Montego Bay
- Falmouth
- Hopewell and Lucea
- North-South Highway extension
- Port Antonio
- Port of Kingston
- Kingston Public Hospital
- Government Campus

Other announced allocations

- J$5.5 billion for secondary roads
- J$1.86 billion for the National Identification System
- J$1.5 billion for rural economic development
- J$760 million for HOPE housing

DEBT

08 Debt, financing and fiscal rules

Debt rose after the hurricane. The plan is to bring it back towards 60% of GDP by 2029/30, two years later than before the storm.

Public debt, % of GDP

2024/25 actual	62.4%
2025/26 estimate	68.9%
2026/27 budget	65.7%
2027/28	64.0%
2028/29	62.1%
2029/30	60.9%

Fiscal Policy Paper projections. The deficit narrows to 1.7% of GDP by 2029/30.

Fiscal rules

The rules under the Fiscal Responsibility Framework were suspended in December 2025 up to the end of March 2027. The Independent Fiscal Commission reviews the fiscal plans.

Financing 2026/27

Loan receipts of J$247.1 billion (J$149.8 billion domestic, J$97.3 billion external) and debt repayment of J$167.6 billion.

- Lenders including the World Bank, IDB, IMF, CAF and CDB have offered a US$6.7 billion package
- Catastrophe bond and CCRIF insurance paid out after the storm, and a new US$200 million catastrophe bond was placed in May 2026
- A US$1 billion 11-year international bond was issued in September 2026

Risks to watch

The Independent Fiscal Commission has pointed to the public wage bill, slow capital spending, the nominal growth assumption and climate shocks.

Public sector compensation

Compensation is budgeted at J$555.2 billion, about 14.4% of GDP, including J$42.8 billion for new wage rates and retroactive pay. A three-year agreement with the JCTU, signed on 27 August 2026 for April 2025 to March 2028, gives a one-time tax-free grant of J$80,000, then 5% increases in 2026/27 and 2027/28. Performance increments resumed in 2026/27. Talks with other bargaining units continue.

SECTOR IMPACT

09 What it means for your sector

Sector	What the Budget means
Tourism and hospitality	GCT on tourism activities rises from 10% to 15% on 1 April 2027. Review contracts and rates for stays after that date now. Room capacity is still being restored after the storm.
Financial services	Asset tax now due 15 April. Higher pension fund limits for private equity. A tighter Bank of Jamaica stance, with the policy rate at 6.0%.
Construction and real estate	A reconstruction pipeline through NaRRA and the J$30 billion contingency, plus large NHT housing plans. Enhanced capital allowances end 31 December 2026. A new property valuation roll is expected for 2027/28.
Manufacturing and distribution	SCT on sweetened drinks, alcohol and cigarettes from 1 May 2026, and the environmental levy at 0.85%. Licensing, pricing and stock records need updating.
Energy and utilities	Grid restoration was supported by a J$24.1 billion Government loan to JPS in 2025/26. Reconstruction plans favour resilient infrastructure.
Technology and digital	Proposed GCT on foreign digital services from early 2027. Government funding for national ID and cybersecurity.
Agriculture	Among the sectors hardest hit by the storm. Recovery spending and a rural development programme.
SMEs	The GCT threshold stays at J$15 million. Public procurement set-asides for micro and small suppliers. Payroll costs change with the minimum wage.
Employers generally	Update payroll for the threshold changes in April 2026 and 2027. The public sector pay agreement may raise wage expectations.

ACTION PLAN

10 Action points and key dates

Businesses

- [ ] Diary 15 April for the company return and final payment
- [ ] Bring qualifying capital spending forward before 31 December 2026
- [ ] Reprice tourism services supplied from 1 April 2027
- [ ] Check SCT licensing and levy accounting since May 2026
- [ ] Plan for GCT on foreign digital services
- [ ] Review cash flow for higher input costs

Individuals

- [ ] Check payroll applies the 2026 and 2027 thresholds
- [ ] File 2026 returns and estimates by 15 March 2027
- [ ] Review pension and retirement plans

Date	What happens
1 April 2026	Threshold J$1,902,360
15 April 2026	Company returns and asset tax due
1 May 2026	SCT on drinks, alcohol and cigarettes; levy at 0.85%
1 July 2026	Minimum wage J$17,000 a week
31 December 2026	Enhanced capital allowances end
Early 2027	GCT on foreign digital services (proposed)
15 March 2027	Estimated returns; individuals' returns
31 March 2027	Fiscal rule suspension ends
1 April 2027	Threshold J$2,003,496; GCT on tourism 15%
15 April 2027	Company returns for 2026 due

Dates assume a calendar year-end.

YOUR PARTNER

11 How Dawgen Global helps

Our Caribbean Tax Service Desk, managed from Kingston, helps businesses and individuals turn the Budget into a plan.

Budget impact assessment

Modelling the measures against your costs, prices, margins and tax position.

Tax planning and restructuring

Investment timing for capital allowances, group structure and dividends.

Compliance updates and payroll changes

New deadlines, threshold changes, SCT licensing, GCT and payroll systems.

Incentives and concessions

Special economic zones, capital allowances and project relief.

Cash flow and pricing reviews

Forecasts, repricing for GCT and SCT changes, and working capital.

Engagement with the tax authority

Rulings, objections, audits and correspondence with TAJ and Customs.

Start with a conversation

Tell us how the 2026/27 Budget affects your plans, and we will set out the steps for your situation. Some regulated services are performed by affiliated firms; we will advise you of the arrangements when you make a request. Fees are tailored to each client's circumstances and set out in an engagement letter. Email **info@dawgen.global** or call (876) 926-5210.

Talk to the Caribbean Tax Service Desk about the 2026/27 Budget

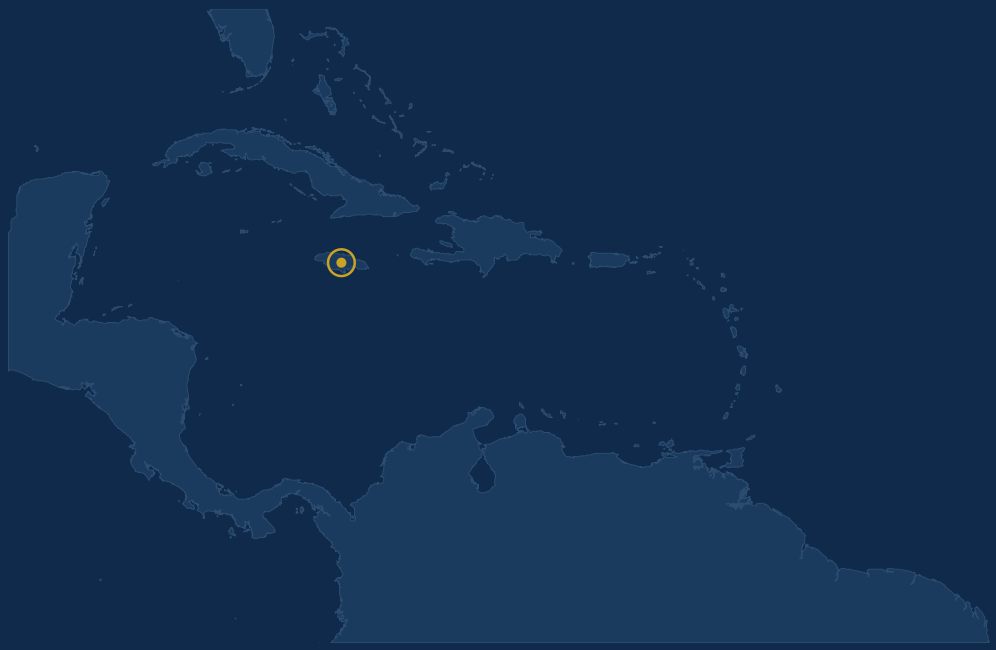
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Key official sources

- Ministry of Finance and the Public Service (mof.gov.jm)
- Houses of Parliament (japarliament.gov.jm)
- Tax Administration Jamaica (jamaicatax.gov.jm)
- Jamaica Customs Agency (jcal.gov.jm)
- Bank of Jamaica (boj.org.jm)
- Statistical Institute of Jamaica (statinja.gov.jm)
- Planning Institute of Jamaica (pioj.gov.jm)
- International Monetary Fund (imf.org)



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