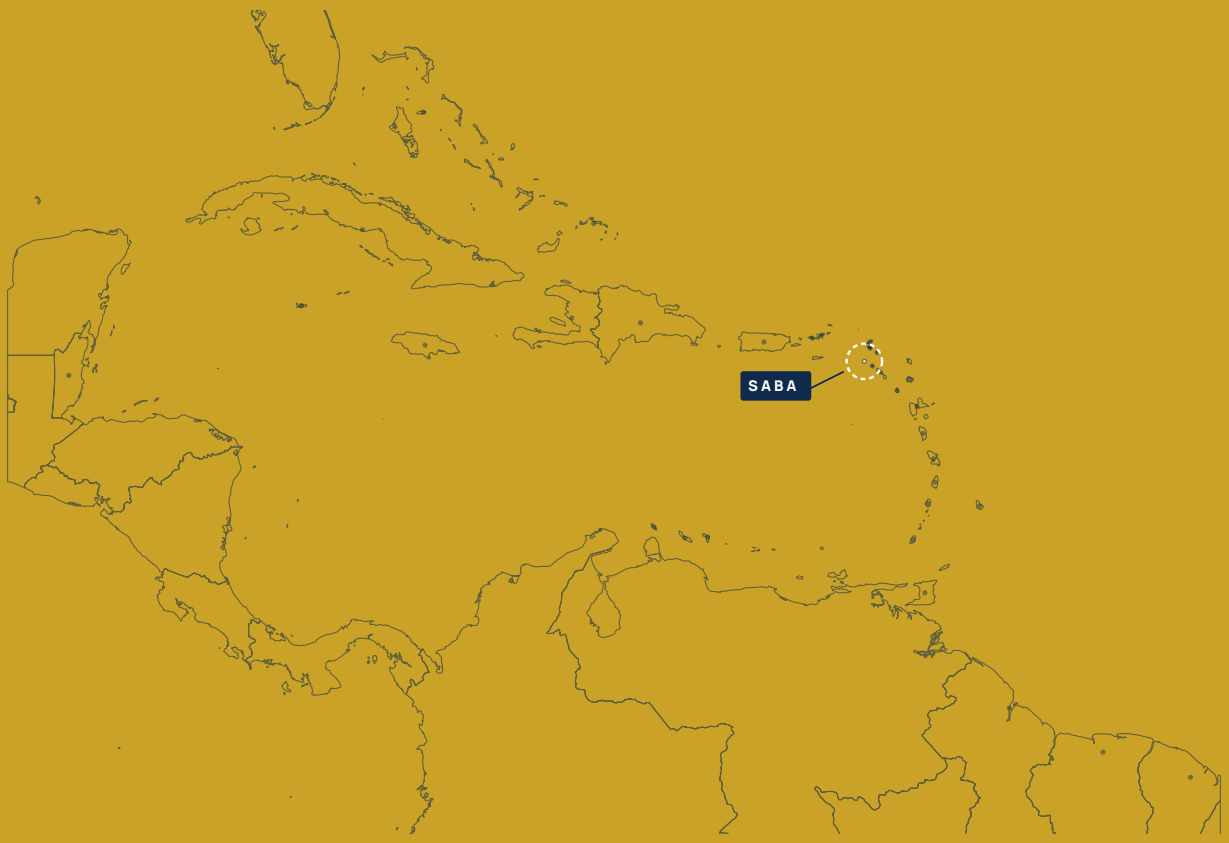


ISLAND BUDGET
USD 39.6 million
Draft 2026 budget, Public Entity Saba

COST OF LIVING
EUR 30m a year
Dutch package for the BES islands from 2027

INFLATION
5.2%
Saba, third quarter of 2026

CARIBBEAN TAX SERVICE DESK · CARIBBEAN NETHERLANDS

Saba
Budget Review 2026

What the 2026 Budget and the 2027 Tax Plan mean for businesses and individuals

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FOREWORD

Saba has no national budget of its own. Its 2026 tax rates were set by the Dutch Tax Plan 2026, the bills for 2027 are now before Parliament, and island services are funded by a public entity budget that rests largely on Dutch transfers.

The 2027 proposals are modest for business but worth planning for: a one-year cut in fuel duty, a higher tax-free kilometre allowance, an option for ABB fiscal unity within groups and ABB and transfer tax relief for farming. They sit alongside a new Dutch package of EUR 30 million a year to lower the cost of living on the three islands, including EUR 12 million for the energy transition on Saba and Sint Eustatius.

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

Saba is served through Dawgen Global's Caribbean Service Desk, managed from our headquarters in Kingston, with tax matters handled by our Caribbean Tax Service Desk. 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 Budget and 2027 Tax Plan and what it means for businesses and individuals in Saba. 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

As a special municipality of the Netherlands, Saba's tax law is made by the Dutch Parliament. On Budget Day, 15 September 2026, the Dutch government submitted the Tax Plan 2027 and the 2027 budget for Kingdom Relations and the BES Fund. A separate bill, the Fiscale verzamelwet BES eilanden 2027, carries most BES tax changes. Island services run on the Public Entity Saba's 2026 budget.

ISLAND BUDGET 2026
USD 39.6 million
Draft presented to the Island Council in October 2025

COST OF LIVING
EUR 30m a year
Dutch package for Bonaire, Sint Eustatius and Saba from 2027

ENERGY TRANSITION
EUR 12 million
For Saba and Sint Eustatius in 2027

BES FUND 2027
EUR 95.8 million
Proposed free allowances to the three public entities

FUEL DUTY
–4.19 US cents
Per litre on Saba, proposed for 2027 only

INFLATION
5.2%
Saba, third quarter of 2026, year on year

Five key messages

- **No change to the core system.** No profit tax, revenue tax at 7.5% and ABB at 6% and 4% all continue.
- **Targeted business measures.** ABB fiscal unity for wholly owned groups, relief for farming and a 12% hotel rate are proposed from 2027.
- **Relief at the pump and on the road.** A one-year fuel duty cut and a kilometre allowance of USD 0.22, back-dated to 2026, are proposed.
- **Help with living costs.** Utility subsidies continue in 2027, and the energy transition gets new funding.
- **Proposals, not yet law.** Both bills need the approval of the House and the Senate.

ECONOMY

02 Economic context

Saba's small economy rests on public services, the medical school and tourism. Output fell in 2024, and prices are still rising faster than in the European Netherlands.

REAL GDP	INFLATION	POPULATION
−4.4%	5.2%	2,270
2024, after −1.6% in 2023	Q3 2026, up from 5.0% in Q2	1 January 2026, up 5% in a year

MINIMUM WAGE	CURRENCY	NETHERLANDS GROWTH
USD 10.66	US dollar	1.4% / 1.2%
An hour from 1 January 2026, up 3.5%	Interest rates follow US conditions	Forecast for 2026 and 2027

What drove the fall

Statistics Netherlands links the 2024 decline mainly to education, where student numbers fell, and to public administration, where jobs fell 1.6%.

Prices

Prices rose just 0.1% in the third quarter of 2026. Transport fell 6.7% on cheaper air tickets and water charges fell, while electricity was unchanged after a new subsidy scheme.

Outlook

The new harbour at Black Rocks, the energy transition and a growing population support activity. The 2027 Kingdom Relations budget refers to a socio-economic development strategy for Saba and to a multi-year cooperation programme on infrastructure.

The Netherlands

Dutch inflation is forecast at 3.3% in 2026 and 2.7% in 2027. The Netherlands holds top-tier credit ratings.

PUBLIC FINANCES

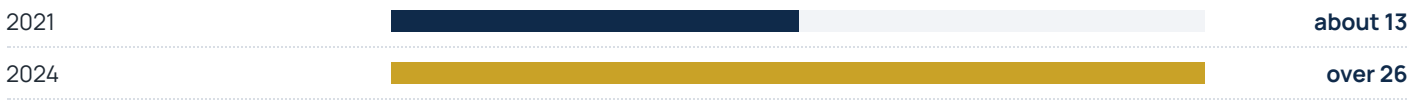
03 Fiscal framework

Three budgets matter: the Dutch national budget, the BES Fund and the Public Entity Saba's own budget.

Item	2026	2027 proposed
BES Fund (EUR million)	96.4	95.8
Cost-of-living package (EUR million)	—	30.0
Netherlands general government balance (% of GDP)	−2.7%	−2.2%
Netherlands government debt (% of GDP)	46.1%	46.7%
Public Entity Saba budget (USD million)	39.6 (draft)	In preparation

The 2026 BES Fund figure is as updated in the 2027 budget. Island taxes and fees stay with the public entity; national taxes go to the Dutch Treasury.

Free allowance to Saba, USD million



The free allowance, the island's main source of general funding, roughly doubled in three years. The island government has said it is important for personnel costs, and that it will keep pressing for structural national funding.

Approval and supervision

The draft Multi-Annual Budget 2026–2029 was presented to the Island Council on 16 October 2025. The College financieel toezicht BES (Cft) gave positive feedback with suggestions for improvement. For 2024, all three islands received an unqualified audit opinion for the first time.

BUSINESS TAX

04 Tax measures for businesses

The 2027 bills leave the profit-free system intact. The changes affect groups, farming, hotels and payroll.

Measure	What changes	Effective	Who is affected
ABB fiscal unity	**Proposed:** a parent and its 100% subsidiaries (NV or BV) may file as one; supplies within the group fall outside ABB. Granted by decision on joint request.	1 Jan 2027	Groups of companies
Farming inputs	**Proposed:** ABB exemption for locally produced goods used in farming, livestock, horticulture and fishing, matching the import exemption	1 Jan 2027	Farmers and suppliers
Farmland transfers	**Proposed:** transfer tax exemption for land used in farming, including long lease	1 Jan 2027	Buyers of farmland
Hotel property tax rate	**Proposed:** 12% of the deemed yield for hotels not owned by individuals	1 Jan 2027	Hotel owners
Usual salary	**Proposed:** the standard amount for director-shareholders set at twice the 2026 tax-free sum, then indexed	2027	Owner-managers
Kilometre allowance	**Proposed:** tax-free maximum USD 0.20 to 0.22 per km; employers need not pay it	Back-dated to 1 Jan 2026	Employers
Shared company cars	**Proposed:** optional final levy for cars used in turn by several employees	1 Jan 2027	Employers

Unchanged

No profit tax for companies with a place-of-establishment decision; 7.5% revenue tax on distributions; ABB at 6% and 4%; employer premiums of 10.3%; transfer tax at 5%; property tax at 0.7% of value, with no island surcharge.

INDIVIDUALS

05 Tax measures for individuals and households

The main changes for 2026 are already in force. The 2027 bills add a higher kilometre allowance and cheaper fuel, while Dutch support for living costs continues.

Income tax	2025	2026
Up to the Belastingdienst threshold	30.4%	29.4%
Above the threshold	35.4%	38.4%
Tax-free sum	USD 21,373	USD 21,956
Elderly allowance	USD 1,616	USD 1,678

Rates include the AOV and AWW premiums and the health contribution, and are the same on all three islands. The tax-free sum follows the minimum wage; the 2027 bill confirms it is linked to the highest of the three islands' minimum wages.

2027 proposals

- Kilometre allowance and car expense deduction up to USD 0.22 per km, from 2026
- Fuel duty cut by 4.19 US cents a litre for 2027

Saba, 2026	Amount
Minimum wage	USD 10.66 an hour
Child benefit	USD 238 a month per child
Full AOV pension	USD 1,571 a month

The minimum wage rose 3.5% in 2026. Amounts for 2027 are set by the RCN from 1 January.

Household costs

Subsidies that keep energy, telecom and water bills lower continue in 2027, with extra funds for parents who cannot meet childcare contributions. A new island childcare ordinance took effect on 1 January 2026.

INDIRECT TAXES

06 Indirect taxes, customs and other revenue

ABB rates do not change. The bills reshape how groups and farmers account for ABB and give temporary relief on fuel.

Measure	Change	Effective
ABB fiscal unity	**Proposed:** optional for a parent and wholly owned subsidiaries; ABB is levied on the parent, and subsidiaries are jointly liable	1 Jan 2027
ABB on farming inputs	**Proposed:** exemption for local supplies, including aquaponics	1 Jan 2027
Fuel excise	**Proposed:** cut by 4.19 US cents a litre on Saba and Sint Eustatius	1 Jan to 31 Dec 2027
ABB rates	Unchanged: 6% goods and imports, 4% services, 5% insurance, 25% passenger cars	—
Excise	Unchanged: on Saba, excise applies to petrol only	—

Island revenue

Island taxes, fees and licence charges are set by the Public Entity Saba. Visitor taxes were among the topics raised by the Island Council in the 2026 budget debate.

Collection and administration

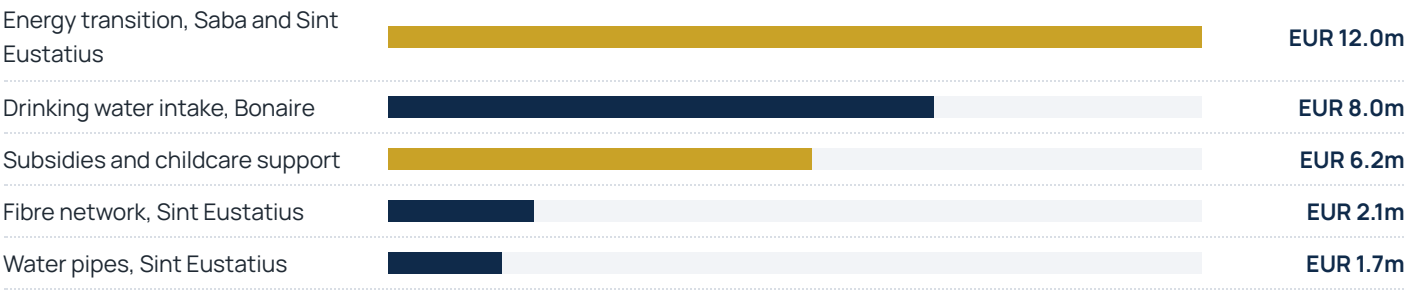
Proposed: vehicles of owners with enforced tax debts may be stopped and seized; enforcement writs may be served by post; the payroll summary statement moves into the wage tax law.

SPENDING

07 Spending priorities and capital programme

Dutch spending on the islands now focuses on the cost of living and utilities. On Saba, the new harbour is the largest project.

Cost-of-living package 2027: EUR 30 million, all three islands



Gold shows the lines that include Saba. The package follows the recommendations of the Social Minimum Committee, with longer-term measures from 2028.

Black Rocks Harbour

Construction of the hurricane-resistant harbour by Ballast Nedam began in November 2025, funded by Dutch ministries. The breakwater is due by the end of 2026, and the harbour is to become Saba's main port of entry, with Fort Bay remaining in use.

Island priorities 2026

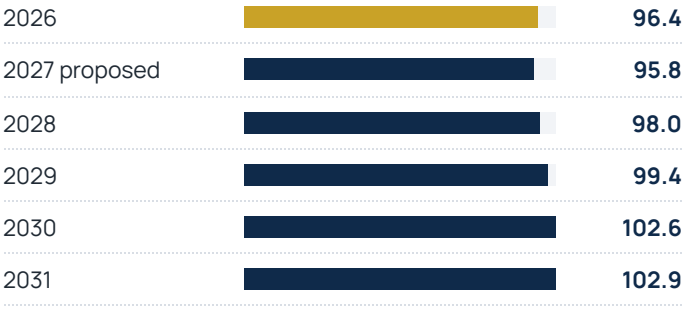
- Seven affordable owner-occupied homes in The Bottom, through an interest-free loan
- Childcare permits and quality standards
- Food security, transport, connectivity and parking
- A larger Island Council from 2027

DEBT

08 Debt, financing and fiscal rules

The island's budget is funded mainly by the Dutch State and must balance. National borrowing is carried by the Netherlands.

BES Fund, EUR million



Multi-year estimates in the 2027 budget, for all three islands. The fund is fed from national tax revenue.

Island rules

Under the FinBES Act the island budget is supervised by the Cft and approved by the State Secretary for Kingdom Relations. Revisions of the FinBES and WolBES Acts go to the House in the first quarter of 2027.

Balance sheet

Saba's equity stood at about USD 27.7 million in its 2024 accounts. Large special grants, paid in advance by Dutch ministries for specific projects, sit alongside the free allowance.

The Netherlands

The deficit is forecast at 2.7% of GDP in 2026 and 2.2% in 2027, within the 3% reference value, with debt of about 46% to 47% of GDP.

Risks to watch

Funding for personnel and structural costs, delivery of the harbour on time, dependence on Sint Maarten for imports, and the cost of energy and transport on a small island.

SECTOR IMPACT

09 What it means for your sector

Sector	What the measures mean
Tourism and hospitality	Hotel property tax rate of 12% proposed from 2027. Air fares fell in the third quarter of 2026. Visitor taxes are on the island agenda.
Education	Falling student numbers weighed on output in 2024. No tax changes are specific to the sector.
Construction and real estate	The Black Rocks harbour, affordable housing and energy projects. Transfer tax stays at 5%, with a proposed exemption for farmland.
Retail and distribution	ABB fiscal unity could simplify group structures. Cheaper fuel in 2027. Most goods still arrive through Sint Maarten.
Agriculture and fisheries	Proposed ABB exemption for local farming inputs and transfer tax exemption for farmland; food security is an island priority.
Energy and utilities	EUR 12 million for the energy transition on Saba and Sint Eustatius; utility subsidies continue in 2027.
SMEs and owner-managers	Check the usual salary for 2027, the kilometre allowance and the effect of 5.2% inflation on costs.
Employers generally	Update payroll for the kilometre allowance and the 2027 minimum wage, and consider the shared-car final levy.

ACTION PLAN

10 Action points and key dates

Businesses

- [ ] Assess ABB fiscal unity for wholly owned groups
- [ ] Review ABB on farming inputs and land deals
- [ ] Model the 12% hotel rate in 2027 budgets
- [ ] Set 2027 usual salary for director-shareholders
- [ ] Update the kilometre allowance policy
- [ ] Plan around harbour works and freight costs

Individuals

- [ ] Claim the higher car expense limit for 2026
- [ ] Check payroll applies the 2027 tax-free sum
- [ ] File the 2026 return by the date on the invitation

Date	What happens
1 January 2026	Rates 29.4% and 38.4%; minimum wage USD 10.66; kilometre allowance USD 0.22 (proposed, back-dated)
15 September 2026	Tax Plan 2027 and budget presented
By end-2026	Votes in the House and Senate; harbour breakwater due
1 January 2027	Hotel rate 12%, ABB fiscal unity, farming reliefs, fuel duty cut (all proposed); new minimum wage
First quarter 2027	FinBES and WolBES revisions to the House
17 March 2027	Island council elections
Spring 2027	2026 income tax returns
30 September 2027	2026 annual accounts due
31 December 2027	Fuel duty cut ends

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 2027 measures into a plan.

Budget impact assessment

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

Tax planning and restructuring

ABB fiscal unity, group structure, distributions and owner-manager pay.

Compliance updates and payroll changes

Kilometre allowance, usual salary, wage tax, premiums and ABB returns.

Incentives and concessions

Property tax exemptions, hotel rate, farming reliefs and island licences.

Cash flow and pricing reviews

Forecasts, repricing for energy and freight costs, and working capital.

Engagement with the tax authority

Requests, objections and correspondence with the Belastingdienst Caribisch Nederland.

Start with a conversation

Tell us how the 2027 measures affect 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 **saba@dawgen.com** or **info@dawgen.global**, or call (876) 926-5210.

Talk to the Caribbean Tax Service Desk about the 2026 Budget and 2027 Tax Plan

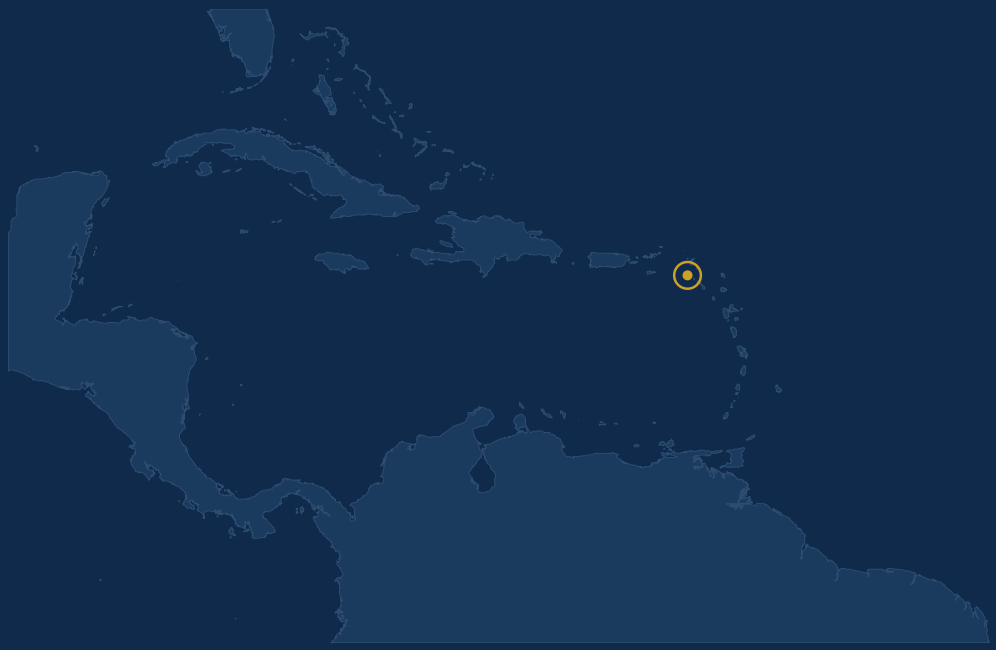
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Key official sources

- Government of the Netherlands, Ministry of Finance (rijksoverheid.nl)
- House of Representatives of the Netherlands (tweedekamer.nl)
- Belastingdienst Caribisch Nederland (belastingdienst-cn.nl)
- Rijksdienst Caribisch Nederland (rijksdienstcn.com)
- Public Entity Saba (sabagov.nl)
- College financieel toezicht BES (cft.cw)
- Statistics Netherlands (cbs.nl)
- Central Government Finances (rijksfinancien.nl)



This publication contains general information only, current to October 2026, and is not professional advice. Budget figures are estimates, and the 2027 tax measures were still bills before the Dutch Parliament at the time of writing; they may change before they become law. Confirm the current position with Dawgen Global or the relevant authority before acting. Some regulated services are performed by affiliated firms; we will advise you of the arrangements when you make a request.

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