

COLLECTIVITÉ BUDGET
€276.3 million
2026 budget, adopted 27 March 2026

INVESTMENT
€105.4 million
Investment section of the 2026 budget

TURNOVER TAX
4% TGCA
Unchanged; VAT does not apply

CARIBBEAN TAX SERVICE DESK · EASTERN CARIBBEAN

Saint Martin (French side) Budget Review 2026

What the 2026 Budget means for businesses and individuals

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FOREWORD

Saint Martin (French side) has its own tax code. The Collectivité's 2026 budget and the tax measures adopted by the Territorial Council in December 2025 shape the year, while French law still governs social security and the tax of newcomers under the five-year rule.

The Collectivité adopted a balanced budget of €276.3 million on 27 March 2026, with lower operating spending and €105.4 million of investment in schools, roads, culture, sport and waste. In December 2025 the Territorial Council set the 2026 tax rates, updated the transfer duty rules, introduced a capital gains exemption on certain property sales to free up land and updated the local tax relief regime. A wider reform of the local tax code is being prepared, with first changes expected in 2027.

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

Saint Martin 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 what it means for businesses and individuals in Saint Martin (French side). 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

Saint Martin is a French overseas collectivity with its own tax code. This review covers the Collectivité's 2026 budget, adopted by the Territorial Council on 27 March 2026, the tax measures it adopted on 19 December 2025, and the French measures that still apply: the Finance Law for 2026 (19 February 2026) and the draft Finance Law for 2027, presented on 1 October 2026.

TOTAL BUDGET	OPERATING SPENDING	INVESTMENT
€276.3 million	€170.9 million	€105.4 million
Collectivité, 2026, balanced	Down about €2 million on 2025	Against €107.7 million in 2025

TURNOVER TAX	CORPORATE TAX	TAX REFORM
4% TGCA	Set locally	From 2027
In place of VAT, unchanged	2026 rates fixed by the Territorial Council	First changes to the local code expected

Five key messages

- **A constrained budget.** Operating spending and the wage bill fall, and investment is slightly lower.
- **December tax measures.** 2026 rates, updated transfer duties, a land-release gains exemption and local relief.
- **Reform ahead.** A two- to three-year review of the local tax code starts with first changes in 2027.
- **French law for newcomers.** People not yet resident under the five-year rule are taxed by France.
- **2027 French measures are proposals.** The draft Finance Law is before Parliament.

ECONOMY

02 Economic context

The French side's economy rests on tourism and on trade with Sint Maarten. Reconstruction after Hurricane Irma is largely complete, and visitor numbers are close to their pre-pandemic level.

POPULATION About 31,500 INSEE estimate for 2022	VISITORS 97.4% Of the 2019 level, French side, 2024	BANK LENDING €484.1 million End-2024
COLLECTIVITÉ RESULT €5.7 million Surplus in 2024	CURRENCY Euro Sint Maarten uses the Caribbean guilder	FRENCH GROWTH 0.5% / 1.0% Government forecast for 2026 and 2027

After Irma

Hurricane Irma in September 2017 destroyed or severely damaged about 31% of buildings on the French side. Reconstruction has rebuilt much of the housing and hotel stock. The Collectivité continues to invest in schools, roads, flood prevention and waste management.

Outlook

The 2026 budget is balanced but constrained. Growth depends on tourism, on the open border with Sint Maarten and on public investment, supported by European and State funds.

The French context

Interest rates follow the European Central Bank. The French Government plans a €54 billion effort in 2027 to cut the national deficit to 5.0% of GDP.

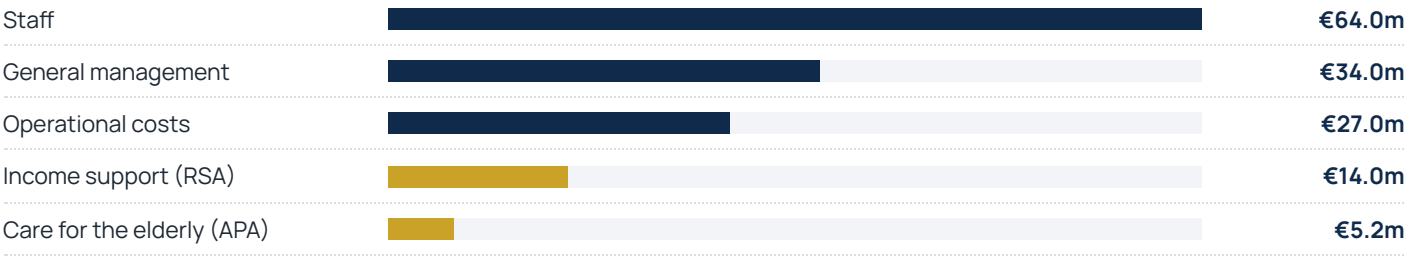
PUBLIC FINANCES

03 Fiscal framework

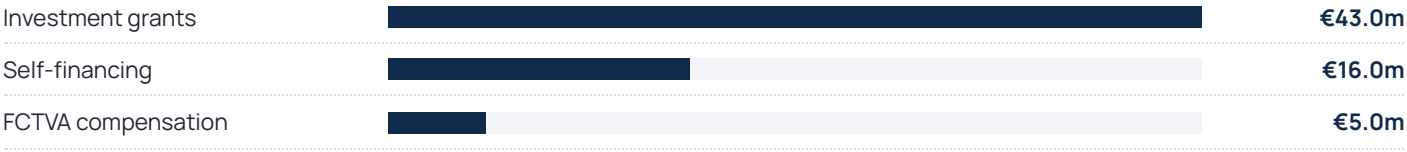
The Collectivité's 2026 budget balances revenue and spending at €276.3 million. Operating spending is lower than in 2025.

Collectivité, € million	2025	2026 budget	Change
Operating spending	172.3	170.9	About −2
Investment	107.7 committed	105.4	−2.3
Total budget, balanced	—	276.3	—

Operating spending, 2026, € million



Investment financing, 2026, € million



Gold bars show social benefits. The wage bill falls by €2 million against 2025. European and State funds finance the rest of the priority projects.

BUSINESS TAX

04 Tax measures for businesses

The Territorial Council adopted five tax deliberations on 19 December 2025, validated on 23 December 2025. Rates for the main taxes are fixed each year.

Measure	What changes	Effective	Who is affected
2026 rates and tariffs	Rates and tariffs for the main taxes and duties set for 2026	2026	All taxpayers
Business rental values	Rental values of business premises and guest houses updated	2026	Businesses, guest houses
Land release	Capital gains exemption on certain property sales that free up land, among other measures	2026	Property owners
Local tax relief	Regime for productive investment in priority sectors updated	2026	Investors
Transfer duties	Rules on paid transfers updated (articles 717 bis to 717 quater of the local code)	2026	Buyers of property and businesses
LODEOM	French relief from employer contributions, reformed from 2026	1 Jan 2026	Employers

Unchanged

TGCA at 4%; corporate income tax at a rate set by the Collectivité, with a reduced rate for small companies; the DLCP business licence and patente contribution; the affordable housing tax framework adopted in October 2025.

The five-year rule

A company becomes tax-resident only after five years' effective management on the island, or sooner if controlled by individuals who meet the five-year test. Until then it remains within the French tax system, where the Finance Law for 2026 applies.

INDIVIDUALS

05 Tax measures for individuals and households

Residents pay income tax under the local code. Newcomers from France stay within French tax for five years, and French social security applies to all.

Measure	Position
Local income tax	Progressive scale under the local code; rates fixed by the Territorial Council
2025 return	Deadline extended to 21 June 2026; form 2042-SM
Collection	Provisional instalments, not deduction from pay
Property gains	Exemption on certain sales that release land, from the December 2025 measures

The five-year rule

People who settled after 15 July 2007 become Saint Martin tax residents only after five years' residence. Until then they are taxed by France, so French measures such as the 31.4% flat tax on investment income, in force from 1 January 2026, and the indexed income tax bands apply to them.

Payroll measure	From
SMIC €12.02 an hour	1 Jan 2026
SMIC €12.31 an hour, about €1,867 a month	1 Jun 2026
LODEOM reform	1 Jan 2026

Social security

French employer and employee social security rates apply, collected through the URSSAF network. The French Social Security Finance Law for 2027 was rejected by the National Assembly at first reading and goes to the Senate in November.

The France–Saint Martin tax convention of 2010 continues to settle residence and double taxation between the two systems.

INDIRECT TAXES

06 Indirect taxes, customs and other revenue

There is no VAT. The 4% TGCA applies to sales and services, the island is a free port, and the local tax code is under review.

Tax	Position	Status
TGCA	4% on turnover from sales and services; imports, exports and some sectors are exempt or outside scope	Unchanged
TGCA returns	Monthly, or quarterly for small amounts	Unchanged
DLCP	Declaration, fee and 50% advance due 15 July in 2026 (normally 30 June); balance 30 November	2026 dates
Customs	Free port: no customs duties on general imports; specific duties on petroleum products	Unchanged
Transfer duties	Local registration duties on property and business transfers, rules updated in December 2025	2026
VAT	Does not apply	—

Tax reform

Following seminars in early 2026, the Collectivité is preparing a reform to simplify the local tax code over two to three years, with first changes expected in 2027 and a public consultation. No measures have yet been adopted.

Administration

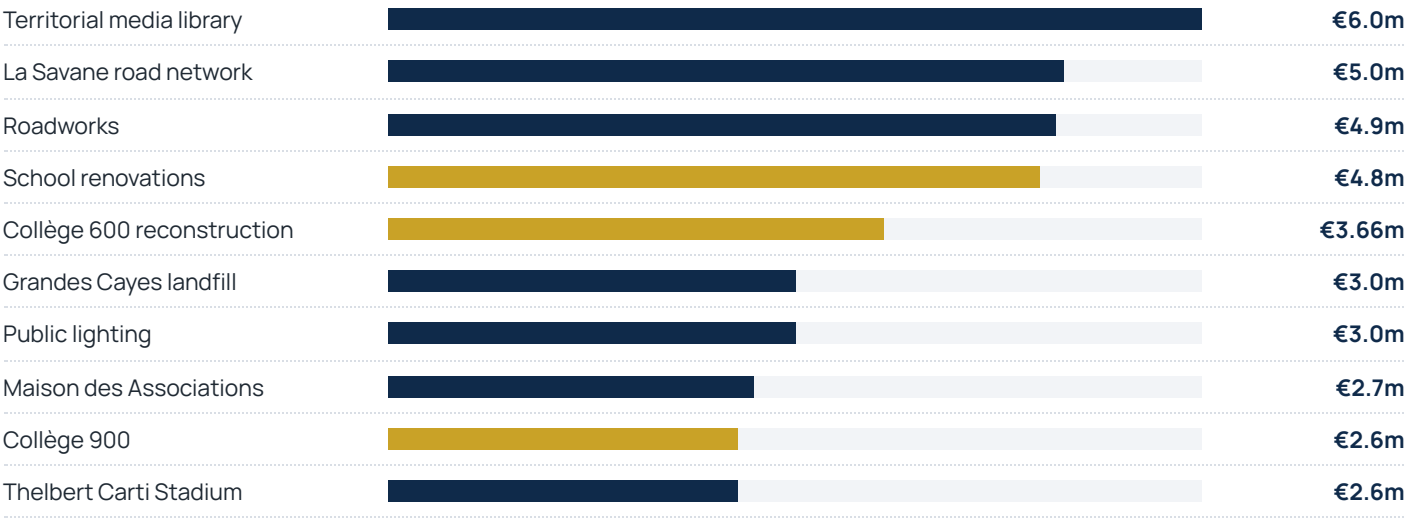
Forms for corporate tax, TGCA and the DLCP are downloaded and returns are filed electronically. The Collectivité plans a single tax platform and wider online filing.

SPENDING

07 Spending priorities and capital programme

The 2026 investment programme continues the multi-year plan for schools, culture, sport, roads, public lighting and waste.

Main investment projects, 2026, € million



Gold bars show schools.

Other allocations

- €1.5 million for Vanterpool Stadium and €1.4 million for the Sandy Ground socio-cultural centre
- €1.4 million for video surveillance and €1 million for the Cul-de-Sac cemetery
- €800,000 each for a new disposal site and the sargassum response

Flood prevention and housing

Just over €1 million funds flood prevention studies. In December 2025 the council also approved social accreditation for a social housing programme in Cul-de-Sac.

DEBT

08 Debt, financing and fiscal rules

The Collectivité must balance its budget and may borrow only to invest. Grants and its own savings finance most of the investment programme.

How 2026 investment is financed

- €43 million of investment grants
- €16 million of self-financing from the operating section
- €5 million of FCTVA compensation
- European and State funds for priority projects

Fiscal rules

As a French local authority, the Collectivité adopts balanced budgets, borrows only for investment and is subject to State legality and budget control. Multi-year programme authorisations were introduced in December 2025.

Risks to watch

- Dependence on tourism and on cross-border trade
- The cost of social benefits and the wage bill
- Hurricane and sargassum risks
- Delivery of a multi-year investment plan through 2027

The French State

French public debt is projected at 121.7% of GDP in 2027, and the draft Finance Law targets a deficit of 5.0% of GDP. These matter on the island mainly through State grants, social security and French tax on newcomers.

The 2027 French timetable

The National Assembly's finance committee rejected the draft on 9 October 2026, and the floor debate began on 13 October. The Assembly has until 17 November to decide at first reading, after which the Senate examines the text.

SECTOR IMPACT

09 What it means for your sector

Sector	What the Budget means
Tourism and hospitality	Guest house rental values were updated for 2026. Hotel stays bear TGCA, which replaced the tourist tax in 2020.
Real estate	Updated transfer duty rules and a capital gains exemption on certain sales that release land. Check the current texts before signing.
Construction	Public works in roads, schools, culture, sport and waste, and a social housing programme in Cul-de-Sac.
Retail and distribution	TGCA unchanged at 4%; free port status for general imports.
Environmental services	Landfill, new disposal site and sargassum response contracts.
Investors	Local tax relief for productive investment was updated in December 2025.
Employers generally	Update payroll for the June 2026 SMIC rise and the LODEOM reform. Plan for the 15 July and 30 November DLCP dates.
New arrivals	Plan for French tax until the five-year rule is met.

ACTION PLAN

10 Action points and key dates

Businesses

- [ ] Apply the 2026 rates set in December 2025
- [ ] Check updated rental values for premises
- [ ] Review transfer duty on planned acquisitions
- [ ] Assess the updated local tax relief regime
- [ ] Pay the DLCP balance by 30 November
- [ ] Follow the tax reform consultation

Individuals

- [ ] Confirm when you meet the five-year rule
- [ ] Keep provisional instalments up to date
- [ ] Check the land-release gains exemption

Date	What happens
19 December 2025	Tax measures for 2026 adopted
1 January 2026	LODEOM reform; French flat tax 31.4%
27 March 2026	Collectivité 2026 budget adopted
1 June 2026	SMIC €12.31 an hour
21 June 2026	Extended deadline for 2025 income tax returns
15 July 2026	DLCP declaration, fee and 50% advance
17 November 2026	National Assembly deadline on the French 2027 draft
30 November 2026	DLCP balance
2027	First changes from the local tax reform expected

Check each year's local deadlines with the tax service.

YOUR PARTNER

11 How Dawgen Global helps

Our Caribbean Tax Service Desk, managed from Kingston, helps businesses and individuals on the French side apply the local code and the French rules that still reach them.

Budget impact assessment

Modelling local and French measures against your costs, prices and tax position.

Tax planning and restructuring

Five-year rule planning, property transactions and group structures.

Compliance updates and payroll changes

TGCA, DLCP, income tax instalments, SMIC changes and social contributions.

Incentives and concessions

Local tax relief for investment, LODEOM and the land-release measures.

Cash flow and pricing reviews

Forecasts, TGCA in pricing, and working capital.

Engagement with the tax authority

Correspondence with the Saint Martin tax service and the French tax administration.

Start with a conversation

Tell us how the 2026 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 **saintmartin@dawgen.com** or **info@dawgen.global**, or call (876) 926-5210.

Talk to the Caribbean Tax Service Desk about the 2026 Budget

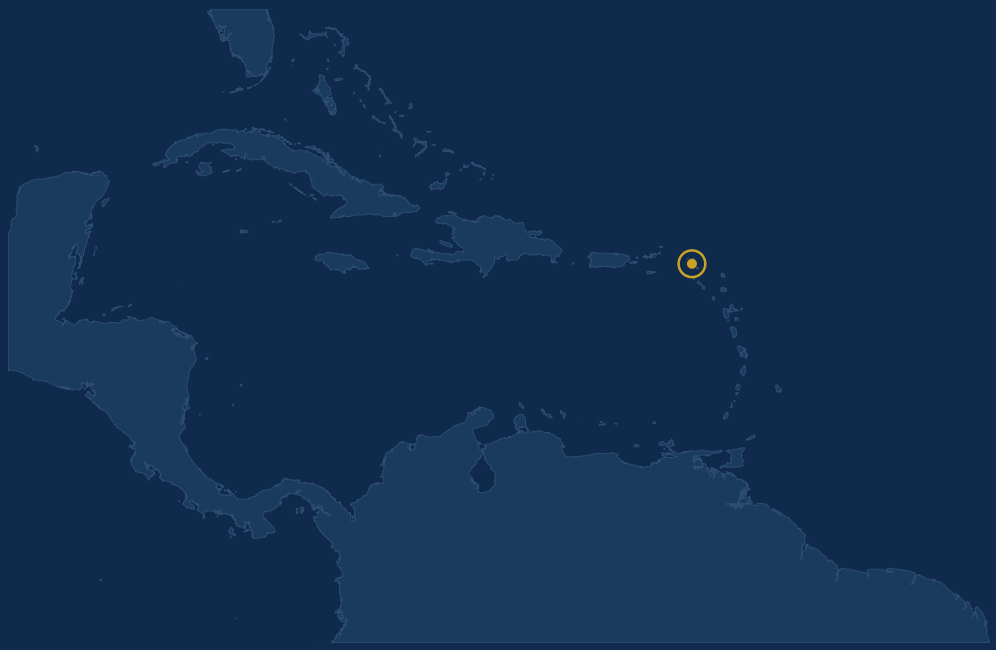
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Key official sources

- Collectivité de Saint-Martin (com-saint-martin.fr)
- Saint-Martin tax service (impots-saint-martin.fr)
- Ministry of the Economy and Finance (economie.gouv.fr)
- National Assembly (assemblee-nationale.fr)
- French tax administration (impots.gouv.fr)
- URSSAF (urssaf.fr)
- Préfecture de Saint-Barthélemy et de Saint-Martin (saint-barth-saint-martin.gouv.fr)
- IEDOM (iedom.fr)



This publication contains general information only, current to October 2026, and is not professional advice. Budget figures are estimates, Saint Martin (French side) sets many of its own taxes and rates are fixed by the Territorial Council each year, and the draft French Finance Law and Social Security Finance Law for 2027 were still before Parliament at the time of writing. 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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