

TOTAL BUDGET
XCG 635.9 m
Operating expenditure, 2026

BUDGET SURPLUS
XCG 11.2 m
Current service, about 1.7% of revenue

CAPITAL BUDGET
XCG 164.6 m
Capital investments, 2026

CARIBBEAN TAX SERVICE DESK · EASTERN CARIBBEAN

Sint Maarten Budget Review 2026

What the 2026 Budget means for businesses and individuals

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FOREWORD

The 2026 Budget is a budget of consolidation. It brings no new taxes, keeps the current service in surplus and sets the stage for tax reform and a timely 2027 budget.

Parliament adopted the 2026 Budget on 27 August 2026, with effect from 1 January 2026. Tax rates are unchanged. The proposed 10% dividend withholding tax and the tourism levy are not in force and are not in the revenue estimates. The main themes are tax compliance, health fund reform and capital investment.

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

Sint Maarten is served by 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 Sint Maarten. 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

Sint Maarten has its own national budget for the calendar year. The Minister of Finance, Hon. Marinka Gumbs, submitted the draft 2026 Budget to Parliament in June 2026. Parliament adopted it on 27 August 2026, by 10 votes to 5, with effect from 1 January 2026.

TOTAL REVENUE	OPERATING EXPENDITURE	CURRENT SURPLUS
XCG 647.1 m	XCG 635.9 m	XCG 11.2 m
About US$361 million; tax revenue XCG 478 million	Current service, 2026	About 1.7% of revenue

CAPITAL INVESTMENT	NEW TAXES	GROWTH
XCG 164.6 m	None	About 2%
Borrowing authorised up to XCG 42.1 million	Tax rates unchanged for 2026	Government projection for 2026

Five key messages

- **No new taxes.** Profit tax stays at 34.5% and turnover tax at 5%. No new revenue measures are included.
- **Proposals not in force.** The 10% dividend withholding tax and the tourism levy are not law and carry no revenue in the budget. The levy is now targeted for 1 January 2027.
- **Compliance is the revenue lever.** Tax audits and collection raised about XCG 30 million more in the first quarter of 2026 than a year earlier.
- **Health funds are the main risk.** The Board of Financial Supervision (Cft) has urged measures in the 2027 budget.
- **A late budget, an earlier 2027.** Nine amendments were adopted. Government aims to adopt the 2027 budget by 15 December 2026.

ECONOMY

02 Economic context

Tourism continues to drive growth, which is easing from the post-pandemic recovery. Inflation is moderate and the external deficit is narrowing.

REAL GDP, 2025	REAL GDP, 2026	INFLATION
3.4%	2.4%	2.3%
Central Bank estimate	Central Bank projection; Government about 2%	12-month average, 2026 (Cft)

UNEMPLOYMENT	CURRENT ACCOUNT	EXCHANGE RATE
7.8%	−7.2% of GDP	XCG 1.79 = US$1
2026 (Cft)	2026 projection, from −9.2% in 2025	Caribbean guilder pegged to the US dollar

Growth drivers

Stay-over and cruise tourism were strong in 2025, supporting transport, trade and construction. The Central Bank expects domestic demand to stay positive but slow from 2025 levels.

Risks

The Central Bank sees risks tilted to the downside. A sharp rise in oil prices would raise inflation, slow growth and put pressure on foreign reserves.

IMF view

The IMF's 2025 Article IV consultation expected growth to settle at about 2% over the medium term. It recommended the tourism levy and dividend tax, better compliance for short-term rentals and deeper health reforms, including general health insurance.

Recovery funding

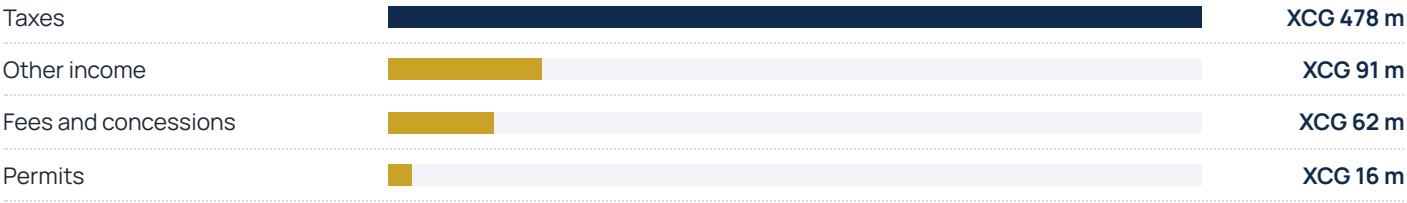
Post-Irma reconstruction is financed largely by the Netherlands through a trust fund administered by the World Bank, which is due to close in 2028.

PUBLIC FINANCES

03 Fiscal framework

2026 budget	XCG million	US$ million (approx.)
Total revenue	647.1	361.5
of which tax revenue	478.0	267.0
Operating expenditure	635.9	355.3
Current service surplus	11.2	6.3
Capital investments	164.6	92.0
Loans to third parties	5.3	2.9
Borrowing authorisation	42.1	23.5

Where the money comes from: revenue XCG 647.1 million



Profit tax is estimated at XCG 46 million. Gold bars show non-tax revenue. US dollar amounts use the fixed rate of XCG 1.79.

Recurrent and capital

The current service (operating revenue and spending) must at least balance. Capital investment is funded from loans, the surplus and project funding, with the Cft's advice on each borrowing request.

Outturn against the previous budget

The 2025 draft budget showed revenue of about XCG 574 million and expenditure of XCG 572 million. The 2025 preliminary result was a surplus of XCG 21 million, mainly because spending lagged. Investment reached XCG 97 million, leaving XCG 181 million of planned projects outstanding.

BUSINESS TAX

04 Tax measures for businesses

The 2026 Budget makes no changes to business tax rates. The changes for companies are in the pipeline: proposals not yet law, the tax reform programme and a stronger compliance drive.

Measure	Position	Timing	Who is affected
Profit tax	Unchanged at 34.5% (30% plus a 15% surcharge), including branches	2026	All companies
Dividend withholding tax	**Proposed:** 10%, creditable for local shareholders. Not in force and not in the 2026 revenue estimates.	Not set	Companies paying dividends
Tourism levy	**Proposed:** a levy on visitors, partly to support the health funds. Legislation still in preparation.	Target 1 Jan 2027	Hotels, villas, short-term rentals
Tax reform phase I	Bill to repeal the disused land tax and succession tax, before Parliament	Pending	Property owners, estates
Formal tax law	Revised General National Ordinance on National Taxes, committed for 2026	Pending	All taxpayers
Tax compliance	Joint audit and collection effort continues; new tax system budgeted at XCG 16.2 million	System in 2027	All taxpayers

Unchanged

No withholding tax on dividends, interest or royalties; participation exemption; fiscal unity; losses carried forward ten years; investment allowance of 8% or 12%; 1% foreign exchange licence fee.

Joint tax reform

Government and Parliament agreed a joint approach to tax reform. Government has said new revenue measures must come before any cut in profit or wage tax. It will also examine tax incentives for charitable giving.

INDIVIDUALS

05 Tax measures for individuals and households

There are no new taxes for individuals. Wage tax bands and premium ceilings were indexed for 2026 under the normal annual adjustment.

Taxable income, 2026 (XCG)	Rate
Up to 36,576	12.5%
36,576 to 54,864	20%
54,864 to 76,200	26.25%
76,200 to 114,297	33.75%
114,297 to 161,540	40%
Above 161,540	47.5%

Rates include the 25% surcharge. In 2026 the basic tax reduction is XCG 2,381 and the sole earner reduction XCG 1,590. Wage tax is not withheld on pay up to XCG 2,273.44 a month.

Pensioners and households

- Government is pursuing tax relief for pensioners and a pension supplement for elderly residents
- Calls for relief on electricity and fuel costs were raised in the debate; no measure has been set

Premium	Employee	Employer
AOV (old age)	6%	7%
AWW (survivors)	0.5%	0.5%
ZV (sickness)	4.2%	8.3%
OV (accidents)	—	0.5% to 5%

AOV and AWW apply to wages up to XCG 132,824.35 a year in 2026. ZV covers employees earning up to XCG 120,000. Confirm current rates with SZV.

General health insurance

The budget funds the drafting of general health insurance legislation, with a bill targeted to reach Parliament in late 2026. It would change how health cover and premiums work for employers and households, so watch for details.

INDIRECT TAXES

06 Indirect taxes, customs and other revenue

Indirect tax rates are unchanged. Sint Maarten remains a free port, and the levy proposals are deferred.

Tax or revenue	Position in 2026	Change
Turnover tax	5% on local supplies of goods and services; no threshold; monthly returns by the 15th	Unchanged
Room tax and car rental tax	Levied instead of turnover tax; Government plans to fold them into turnover tax under tax reform	Proposed
Tourism levy	Postponed from 2026; no revenue in the budget	Target 2027
Import duty	No general import duty; imports declared to Customs	Unchanged
Excise	Excise on fuel	Unchanged
Transfer tax	4% on real estate purchases, paid by the buyer	Unchanged
Foreign exchange fee	1% of payments to non-residents	Unchanged
Fees, permits, concessions	XCG 78 million in total	Estimate

Administration

The Tax Administration and audit bodies are working together on audits and arrears. A new tax system, budgeted at XCG 16.2 million, is due in 2027. Expect closer checks on filing and payment.

Under discussion

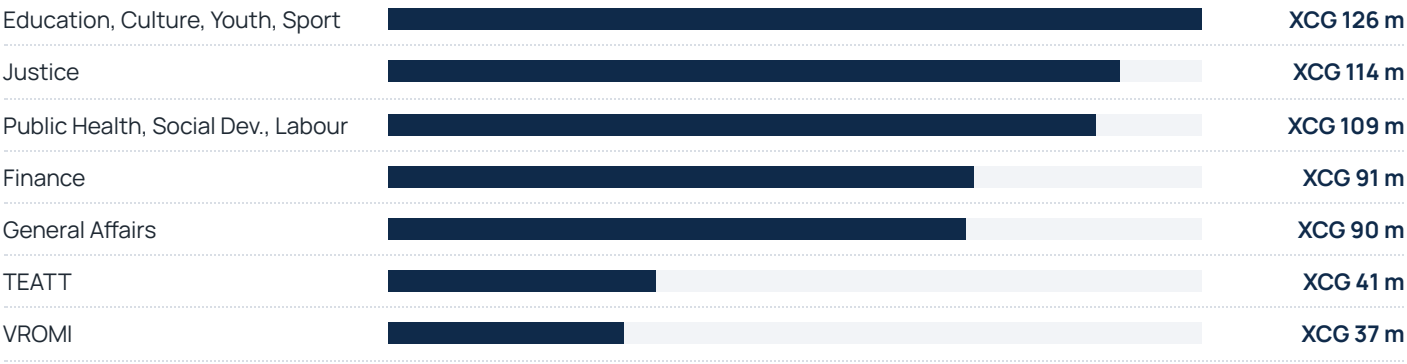
The IMF has suggested better compliance for short-term rentals and taxing casino turnover and winnings. These are not budget measures.

SPENDING

07 Spending priorities and capital programme

The 2026 Budget is the first phase of a move to policy-based budgeting, linking spending to objectives and results.

Ministry allocations, 2026 (XCG 608 million in total)



TEATT covers tourism, economic affairs, traffic and telecommunications; VROMI covers public housing, spatial planning, environment and infrastructure.

Priorities

- Governance reform
- Public service improvement
- Economic resilience
- Digital transformation
- Social protection
- Environmental sustainability
- Inclusive growth

The budget is aligned with the National Development Vision 2020–2030 and the Governing Programme 2025–2028.

Capital programme

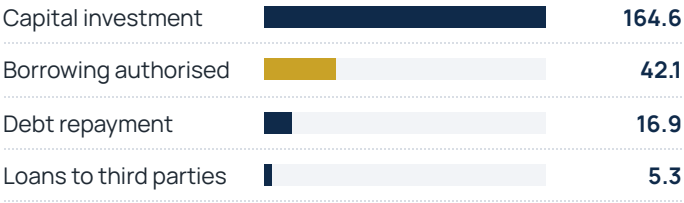
- XCG 164.6 million of capital investments in 2026
- XCG 16.2 million for the new tax system
- Funding for general health insurance legislation and tax reform
- XCG 181 million of 2025 projects were still outstanding, including XCG 76 million for GEBE generators

DEBT

08 Debt, financing and fiscal rules

Sint Maarten's public finances are supervised within the Kingdom by the Cft. Borrowing is limited to capital investment, and liquidity is tight.

Capital service, XCG million



Debt repayment falls from XCG 82.5 million in 2025. The Ministry expects repayments to average about XCG 22 million a year in coming years.

Fiscal rules

Under the Kingdom Act on Financial Supervision, the current service must at least balance, borrowing is only for capital investment, and interest costs are limited by a norm. The Cft advises on each budget and borrowing request.

Debt level

Public debt is moderate and expected to keep falling as a share of GDP. The ratio depends on the GDP series used; the Ministry uses the Central Bank's figures for borrowing decisions.

Liquidity

Free cash at end-2025 was about XCG 5 million, with payment arrears of XCG 142 million. The budget projects free cash of about XCG 5 million at end-2026.

Risks to watch

- **Health funds:** deficits of about XCG 35 million a year, with an accumulated shortfall of about XCG 500 million, covered so far from other social funds
- **Public entities:** liquidity pressures at TELEM and the postal service, and financial challenges at GEBE
- **Revenue measures** that have been postponed

SECTOR IMPACT

09 What it means for your sector

Sector	What the Budget means
Tourism and hospitality	No new taxes in 2026. The tourism levy is targeted for 1 January 2027; build it into rates and contracts for 2027 stays once the law is passed. Room tax may later be folded into turnover tax.
Short-term rentals	Expect a stronger focus on registration and compliance, in line with the compliance drive.
Financial services	No dividend withholding tax for now. Groups planning distributions should watch for its return.
Construction and real estate	A XCG 164.6 million capital programme, though delivery has lagged budgets. Transfer tax unchanged at 4%; land and succession tax repeal pending.
Retail and distribution	Turnover tax unchanged at 5% with no input recovery; free port status kept. Fuel and transport costs are a risk to margins.
Energy and utilities	GEBE generator replacement and tariff structure under review; calls for consumer relief, with no timeline set.
Healthcare	General health insurance legislation in preparation; health fund deficits are the main fiscal risk.
Gaming	The IMF has recommended taxing casino turnover and winnings; not a budget measure.
SMEs and employers	No change to payroll costs beyond indexation. Expect more audits and collection of arrears; keep filings current.

ACTION PLAN

10 Action points and key dates

Businesses

- [ ] Bring turnover tax, wage tax and premium filings up to date
- [ ] Plan dividends with the proposed withholding tax in mind
- [ ] Build the tourism levy into 2027 pricing once enacted
- [ ] File fiscal unity requests before 31 December
- [ ] Diary 31 March for the provisional profit tax return
- [ ] Follow the 2027 budget and tax reform bills

Individuals

- [ ] Check payroll applies the 2026 wage tax tables
- [ ] File the income tax return within two months of receipt
- [ ] Pensioners: watch for the promised relief

Date	What happens
1 January 2026	2026 Budget applies; new wage tax tables
10 February 2026	Draft budget approved by Council of Ministers
June 2026	Draft 2026 Budget to Parliament; draft 2027 budget to the Cft
27 August 2026	2026 Budget adopted, 10 votes to 5
15 December 2026	Target date to adopt the 2027 budget
31 December 2026	Fiscal unity requests for 2026
1 January 2027	Target start of the tourism levy (proposed)
31 January 2027	Report payments to contractors
31 March 2027	Provisional profit tax return for 2026
30 June 2027	Final profit tax return, unless extended

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 and proposals against your costs, prices and tax position.

Tax planning and restructuring

Dividend planning, group structure, fiscal unity and participation exemption.

Compliance updates and payroll changes

Turnover tax, wage tax tables, SZV premiums and filing catch-up.

Incentives and concessions

Tax holidays, investment allowance and rulings.

Cash flow and pricing reviews

Forecasts, pricing for the tourism levy and working capital.

Engagement with the tax authority

Audits, objections, arrears and voluntary disclosures with the 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 **sintmaarten@dawgen.com** or **info@dawgen.global**, or call (876) 926-5210.

Talk to the Caribbean Tax Service Desk about the 2026 Budget

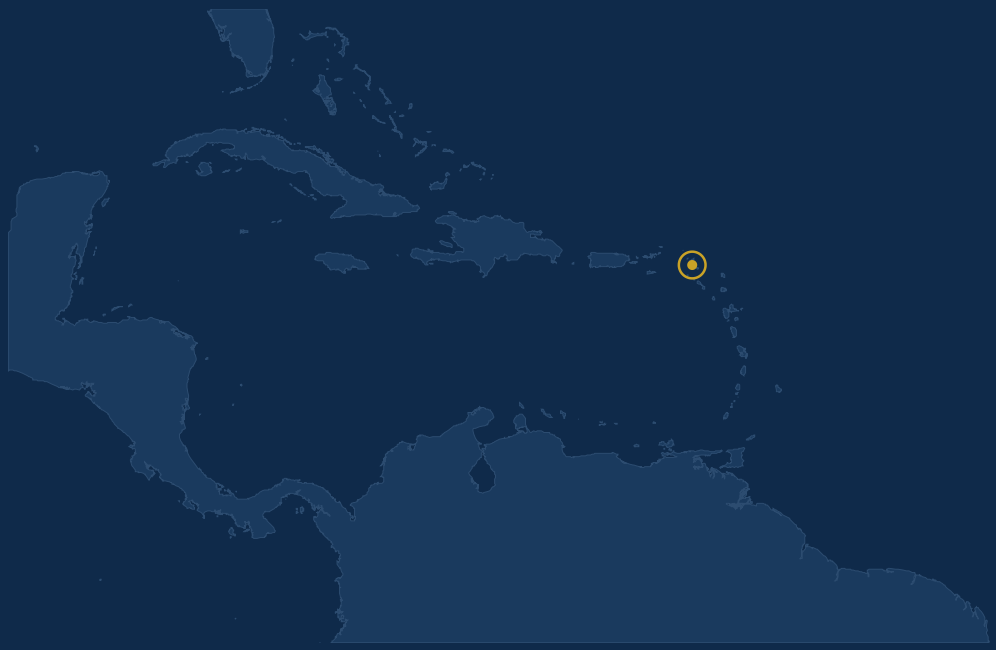
Contact

sintmaarten@dawgen.com

Dawgen Global, Dawgen Towers
47-49 Trinidad Terrace, Kingston 5, Jamaica
(876) 926-5210 · (876) 630-2011
(876) 929-3670 · (876) 929-3870
US toll free 855-354-2447
info@dawgen.global · dawgen.global

Key official sources

- Ministry of Finance, Government of Sint Maarten (sintmaartengov.org)
- Parliament of Sint Maarten (sxmparliament.org)
- Tax Administration, Government of Sint Maarten (sintmaartengov.org)
- Board of Financial Supervision Curaçao and Sint Maarten (cft.cw)
- Central Bank of Curaçao and Sint Maarten (centralbank.cw)
- Department of Statistics Sint Maarten (stat.gov.sx)
- Social and Health Insurances SZV (szv.sx)
- International Monetary Fund (imf.org)



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