


**TOTAL BUDGET**
TT$63.4 billion
Expenditure estimates, 2026/27

**FISCAL BALANCE**
–2.1% of GDP
Projected deficit of TT$3.6 billion

**PUBLIC DEBT**
86.5% of GDP
Adjusted general government, June 2026

CARIBBEAN TAX SERVICE DESK · SOUTHERN CARIBBEAN

# Trinidad and Tobago Budget Review 2026/27

*What the 2026/27 Budget means for businesses and individuals*

## CONTENTS


| | | |
|---|---|---|
| 01 | Budget at a glance | 3 |
| 02 | Economic context | 4 |
| 03 | Fiscal framework | 5 |
| 04 | Tax measures for businesses | 6 |
| 05 | Tax measures for individuals and households | 7 |
| 06 | Indirect taxes, customs and other revenue | 8 |
| 07 | Spending priorities and capital programme | 9 |
| 08 | Debt, financing and fiscal rules | 10 |
| 09 | What it means for your sector | 11 |
| 10 | Action points and key dates | 12 |
| 11 | How Dawgen Global helps | 13 |


## FOREWORD

The 2026/27 Budget sets out to halve the deficit while asking more of companies and non-resident investors, and it leaves the main tax rates unchanged.

The Budget rests on higher oil and gas price assumptions and on measures that broaden the corporate tax base: a cap on loss relief, withholding tax on services supplied remotely, higher withholding on dividends to non-residents and VAT on foreign digital services. Most take effect from 1 January 2027 and remain proposals until the Finance Bill is passed.

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

Trinidad and Tobago 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 Trinidad and Tobago. 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 Minister of Finance, Hon. Davendranath Tancoo, presented the 2026/27 Budget to the House of Representatives on 12 October 2026. It covers the fiscal year from 1 October 2026 to 30 September 2027 (fiscal 2027).

**TOTAL EXPENDITURE**
TT$63.4 bn
Up 3.5% on the revised 2025/26 figure of TT$61.2 billion

**TOTAL REVENUE**
TT$59.7 bn
Oil revenue TT$14.4 billion; non-oil TT$45.1 billion

**FISCAL BALANCE**
–2.1% of GDP
Deficit of TT$3.6 billion, from TT$7.0 billion in 2025/26

**PRICE ASSUMPTIONS**
US$77 / US$5
Oil per barrel; natural gas per MMBtu

**PUBLIC DEBT**
86.5% of GDP
Adjusted general government debt of TT$149.0 billion, June 2026

**DEVELOPMENT PROGRAMME**
TT$4.0 bn
Capital estimates, from TT$2.8 billion revised in 2025/26

### Five key messages

- **A smaller deficit.** The deficit is projected to halve, helped by higher energy prices and new revenue measures.
- **A broader corporate tax base.** Loss relief is capped at 75% of profits, and expenses of earning exempt income become non-deductible.
- **More tax on cross-border payments.** Dividend withholding rises to 10% and 5%, and services supplied remotely come within withholding tax.
- **VAT on digital services.** Non-resident suppliers of digital services are to charge VAT from 1 March 2027.
- **Support for households.** Social grants rise by TT$250 a month and alcohol excise falls by 25%.

Tax rates for companies and individuals are unchanged. Measures from 1 January 2027 are proposals until the Finance Bill is passed.

ECONOMY

# 02 Economic context

The economy contracted early in 2026 as energy output fell, but non-energy activity grew and inflation stayed low.

REAL GDP
**−1.8%**
January–March 2026, year on year; energy sector −2.8%

INFLATION
**0.6%**
Headline, July 2026; food inflation 1.7%

UNEMPLOYMENT
**5.4%**
January–March 2026; participation about 55%

RESERVES
**US$5.4 billion**
Net official reserves, 6.2 months of import cover

HERITAGE AND STABILISATION FUND
**US$6.58 billion**
31 August 2026, from US$5.98 billion in April 2025

CREDIT RATINGS
**BBB– / Ba2**
S&P affirmed July 2026; Moody's outlook stable from June 2026

## Energy

Natural gas supply is about 2.4 billion cubic feet a day, against a 2014 peak of 4.4. New fields include Ginger, with first gas expected early in 2027, and Manatee late in 2027; Mento is already producing.

## Non-energy activity

Non-energy manufacturing grew 11.6% in the first quarter of 2026, and 564,000 people were in work, 5,100 more than a year earlier. Government targets an extra US$2 billion of non-energy exports by 2027 and US$5 billion by 2030.

## Outlook

The IMF's 2026 Article IV consultation noted low inflation and unemployment, a sound banking sector and a current account surplus, but stagnant output from mature energy fields. It recommends sustained fiscal consolidation, as persistent deficits have raised debt.

### Foreign exchange

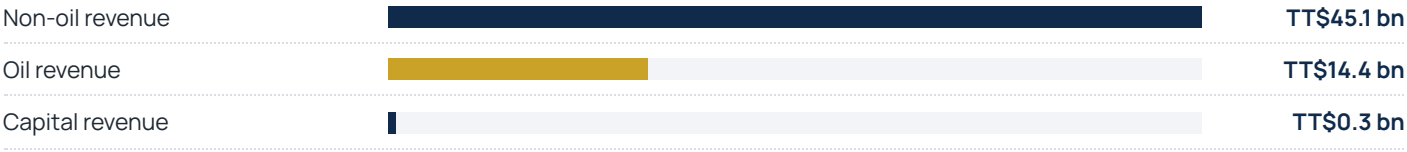
The TT dollar is managed at about TT$6.78 to US$1. Access to foreign currency remains a practical constraint for many businesses.

PUBLIC FINANCES

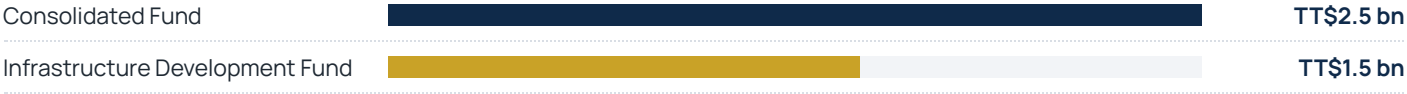
# 03 Fiscal framework

| TT$ billion | 2025/26 budget | 2025/26 revised | 2026/27 budget |
|---|---|---|---|
| **Total revenue** | 55.4 | 54.2 | 59.7 |
| of which oil | — | — | 14.4 |
| of which non-oil | — | — | 45.1 |
| **Total expenditure** | 59.2 | 61.2 | 63.4 |
| of which development programme | — | 2.8 | 4.0 |
| **Fiscal balance** | −3.9 | −7.0 | −3.6 |
| **Oil / gas price (US$)** | 73.25 / 4.25 | — | 77.00 / 5.00 |

### Where the money comes from: revenue TT$59.7 billion




### Funding the development programme: TT$4.0 billion




The rest of expenditure is recurrent: wages and salaries, goods and services, transfers and subsidies, and interest. The projected deficit of 2.1% of GDP is within the international benchmark of 3% cited in the Budget.

### Outturn against the previous budget

The 2025/26 Budget projected a deficit of TT$3.9 billion. Revenue came in slightly below estimate and spending above it, so the revised deficit rose to TT$7.0 billion, about 4.0% of GDP. Of about TT$5 billion budgeted for capital spending, about TT$3 billion was spent.

BUSINESS TAX

# 04 Tax measures for businesses

There are no changes to corporation tax rates. The measures limit reliefs and extend withholding tax. All are proposed, subject to the Finance Bill.

| Measure | What changes | Effective | Who is affected |
|---|---|---|---|
| **Loss relief cap** | Losses brought forward may offset only 75% of chargeable profits; the balance carries forward. Estimated yield TT$430 million. | 1 Jan 2027 | Companies with tax losses |
| **Expenses of exempt income** | Expenses incurred in earning exempt income become non-deductible. TT$75 million. | 1 Jan 2027 | Holding companies, investors |
| **Remote services** | Payments to non-residents for management, technical and other prescribed services supplied remotely come within 15% withholding tax. TT$300 million. | 1 Jan 2027 | Groups paying overseas providers |
| **Dividend withholding** | Distributions to non-residents from 8% to 10%; to a non-resident parent from 3% to 5% | 1 Jan 2027 | Foreign-owned companies |
| **Unemployment levy** | From 5% to 8% of profits for petroleum companies. TT$155 million. | 1 Jan 2027 | Oil and gas producers |
| **Electronic filing** | Filing through the BIR's online system becomes mandatory for all taxpayers | To be set | All taxpayers |
| **Registered clubs** | Taxes paid quarterly rather than annually | 1 Jan 2027 | Members' clubs |

### Unchanged

Corporation tax of 30%, or 35% for banks and petrochemical companies; business levy 0.6% and Green Fund Levy 0.3%; VAT at 12.5% with registration above TT$600,000.

### Other proposals

Transfer pricing legislation is targeted for 2026/27. Foreign Investment Act changes would exclude transactions up to US$100,000 and CARICOM nationals.

INDIVIDUALS

# 05 Tax measures for individuals and households

Personal income tax rates and the main allowance are unchanged. The relief goes to pensioners and grant recipients.

| Personal income tax | 2026 | From 1 Jan 2027 |
|---|---|---|
| **Personal allowance** | TT$90,000 | TT$90,000 |
| **Pensioners' allowance** | TT$90,000 | TT$102,000 (proposed) |
| **Rate to TT$1 million** | 25% | 25% |
| **Rate above TT$1 million** | 30% | 30% |

Government estimates the cost of the higher pensioners' allowance at about TT$11 million.

## Social grants

From 1 January 2027, the Senior Citizens' Grant, Public Assistance Grant and Disability Assistance Grants each rise by TT$250 a month, for about 165,000 people, at a cost of about TT$555 million a year.

| Payroll item | Position |
|---|---|
| **National insurance** | 16.2% since January 2026, due to rise to 19.2% in January 2027 |
| **Split** | Employer two thirds, employee one third |
| **Health surcharge** | Unchanged |
| **Minimum wage** | TT$20.50 an hour, unchanged |

The NIS increase was set by the reform announced in the 2025/26 budget. Confirm the new contribution tables with the National Insurance Board.

### Household costs

Alcohol excise falls by 25%. A surcharge of 5 cents per kWh applies to home electricity use above 3,000 kWh a billing period, about 10% of households. New savings bonds start at TT$1,000.

INDIRECT TAXES

# 06 Indirect taxes, customs and other revenue

VAT is extended to foreign digital services, while excise on alcohol is cut. Several fees and penalties rise.

| Measure | Change (proposed) | Effective |
|---|---|---|
| **VAT on digital services** | Non-resident suppliers of digital and remote services charge VAT at 12.5%, with simplified registration. Estimated yield TT$18 million. | 1 Mar 2027 |
| **Zero-rated to exempt** | Selected zero-rated items become exempt: still no VAT at sale, but suppliers lose input tax recovery | 1 Jan 2027 |
| **VAT administration** | TT$100 penalty for each two months a return is outstanding; TT$100 fee for a VAT clearance certificate | 1 Jan 2027 |
| **Public bodies** | Bodies making no taxable supplies removed from the VAT register | First quarter of fiscal 2027 |
| **Alcohol** | Excise cut by 25% and extended to imports; customs duty moves to an ad valorem basis | 1 Jan 2027 |
| **Vaping products** | 20% customs duty; sales to under-21s and vaping in public places prohibited | 1 Jan 2027 |
| **Classic vehicles** | Motor vehicle tax up 100% (classic), 50% (antique), 25% (vintage) | 1 Jan 2027 |
| **Customs** | False declaration penalty from TT$125,000 to TT$250,000; currency declaration threshold from US$5,000 to US$10,000 | 1 Jan 2027 |

### Other revenue

A licence is proposed for imports of 800 or more cigarettes. The residential electricity surcharge is expected to raise TT$17.8 million to support low-use households.

### Administration

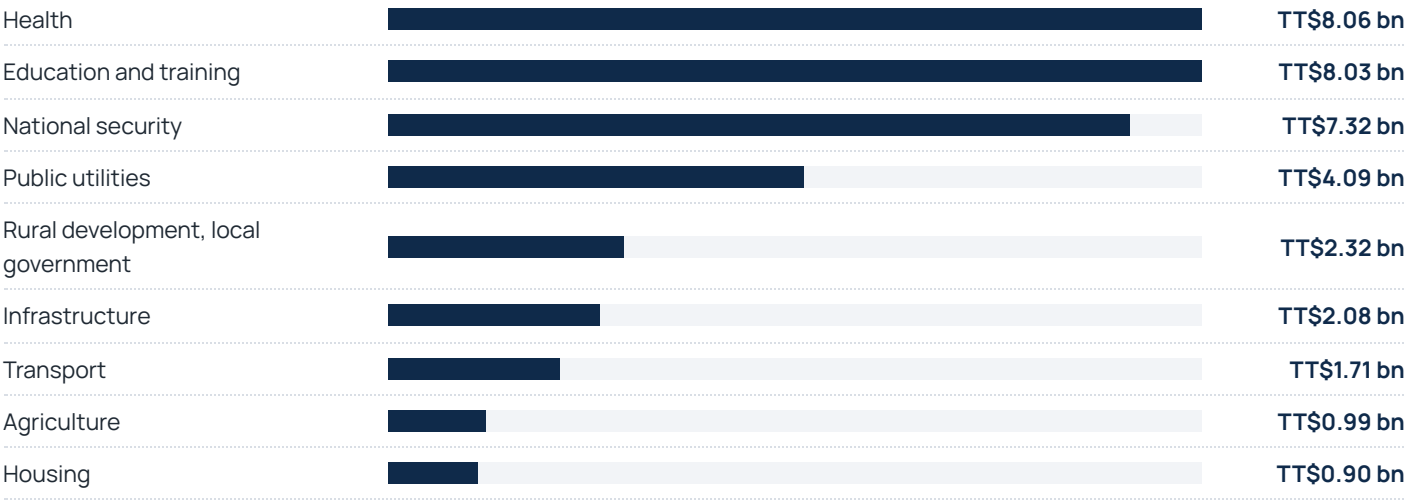
The tax processing system is being upgraded at a cost of TT$113.4 million, 102 new auditors are joining the Inland Revenue Division, and electronic filing is to become mandatory.

SPENDING

# 07 Spending priorities and capital programme

Health, education and national security take the largest shares. Capital spending rises after a year of slow delivery.

### Allocations by sector, 2026/27




Sector totals as stated in the Budget Statement. Tobago receives TT$3.47 billion in all, including TT$2.76 billion for the Tobago House of Assembly.

### Development programme

The largest capital allocations are for public utilities (TT$536 million), health (TT$345 million), rural development and local government (TT$305 million) and education (TT$289 million).

- Water and utilities repairs
- Chaguanas Ring Road
- San Fernando Supreme Court
- Drainage and irrigation
- School equipment

### People and programmes

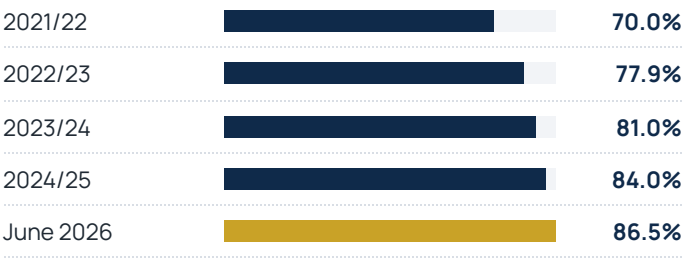
- About TT$2.5 billion for public sector wage settlements and arrears
- TT$555 million a year for higher social grants
- TT$16.3 million to expand technical and vocational education
- Agricultural internships expanded from 30 to 100

DEBT

# 08 Debt, financing and fiscal rules

Public debt has risen with successive deficits. There is no statutory fiscal rule; the Ministry proposes to develop a framework.

### Public debt, % of GDP




Debt was TT$149.0 billion at the end of June 2026.

### Fiscal rules

The Ministry will explore a national fiscal responsibility and resilience framework and consider publishing an annual fiscal strategy statement. The IMF recommends sustained fiscal consolidation.

### Financing

About TT$21 billion was borrowed over 18 months to refinance debt, and about TT$70 billion falls due over the next five years.

- Government savings bonds in TT and US dollars, from TT$1,000
- Retail government securities from TT$5,000
- A third National Investment Fund bond, expected to raise about TT$1 billion

### Buffers and ratings

The Heritage and Stabilisation Fund stood at US$6.58 billion in August 2026. CariCRIS affirmed CariAA with a stable outlook.

### Risks to watch

Energy prices and production, delays to gas projects, foreign exchange pressures and refinancing.

SECTOR IMPACT

# 09 What it means for your sector

| Sector | What the Budget means |
|---|---|
| **Energy** | Unemployment levy up to 8% and the 75% loss cap from 1 January 2027 (upstream losses are already capped). New gas from Ginger and Manatee in 2027. |
| **Financial services** | Exempt dividend and interest income loses related expense deductions. Higher dividend withholding for foreign owners. New retail government securities. |
| **Manufacturing and distribution** | Alcohol excise cut and ad valorem duty: update pricing and costing. Zero-rated items moving to exempt lose input VAT recovery. Vaping duty and tobacco import licences. |
| **Tourism and hospitality** | Government targets tourism at 12% of GDP by 2030, from about 6%. Tobago receives TT$3.47 billion in all. |
| **Construction and real estate** | Development programme of TT$4.0 billion, up from TT$2.8 billion revised, with roads, flood mitigation and utilities works. |
| **Technology and digital** | VAT on non-resident digital services from 1 March 2027. Withholding tax on remote services. Mandatory electronic filing. |
| **Agriculture** | TT$0.99 billion allocation, a farm business formalisation programme and more agricultural interns. |
| **SMEs** | VAT threshold unchanged at TT$600,000. New VAT penalties and fees make timely filing more important. |
| **Employers generally** | NIS rises in January 2027 and the maximum fine for unpaid contributions doubles to TT$8,000. Review payments to overseas service providers. |

ACTION PLAN

# 10 Action points and key dates

## Businesses

- [ ] Model the 75% loss cap in 2027 instalments
- [ ] Review service contracts with non-residents for withholding
- [ ] Plan dividends to non-resident owners before 1 January
- [ ] Check VAT status of zero-rated product lines
- [ ] Reprice alcohol and update customs valuations
- [ ] Prepare for mandatory electronic filing

## Individuals

- [ ] Check payroll applies the January 2027 NIS rates
- [ ] Pensioners: confirm the higher allowance applies
- [ ] File 2026 returns by 30 April 2027

| Date | What happens |
|---|---|
| **12 October 2026** | Budget presented |
| **By December 2026** | Public bodies removed from the VAT register |
| **31 December 2026** | Final 2026 tax instalment |
| **1 January 2027** | Most proposed measures; social grants and pensioners' allowance rise |
| **January 2027** | NIS contributions rise to 19.2% |
| **1 March 2027** | VAT on non-resident digital services (proposed) |
| **31 March 2027** | First 2027 instalment, reflecting the loss cap |
| **30 April 2027** | 2026 returns and balances due |
| **30 September 2027** | Fiscal year ends |

Dates assume a December 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

Loss utilisation, dividend timing, holding structures and cross-border service charges.

### Compliance updates and payroll changes

Withholding tax, VAT changes, electronic filing and NIS payroll updates.

### Incentives and concessions

Special economic zones, SME listing, tourism projects and enhanced allowances.

### Cash flow and pricing reviews

Forecasts, repricing for excise and VAT changes, and working capital.

### Engagement with the tax authority

Rulings, objections, audits and correspondence with the BIR 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

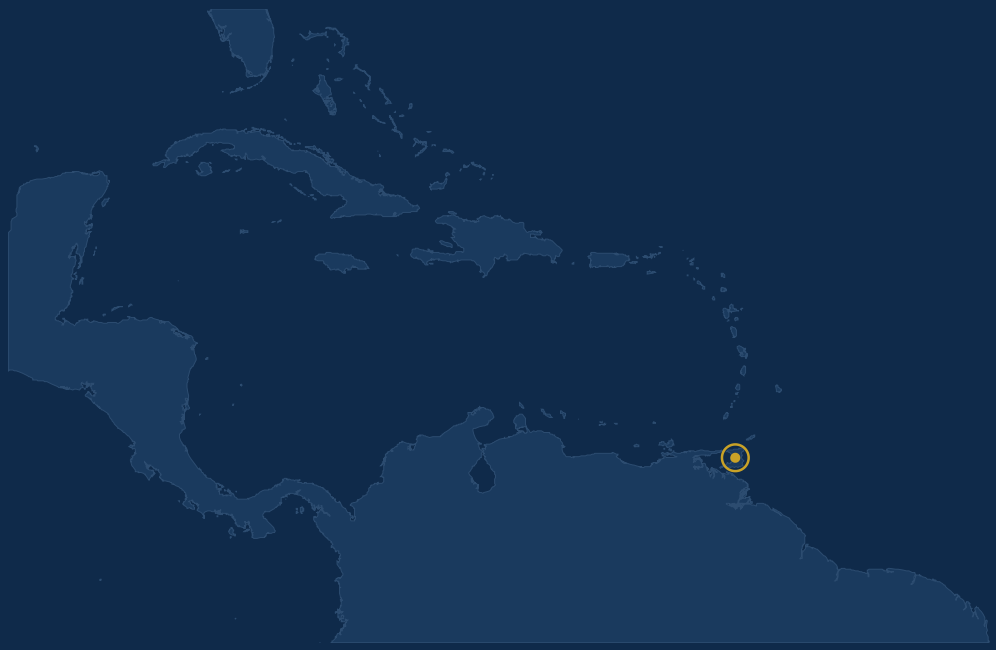
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## Key official sources

- Ministry of Finance (finance.gov.tt)
- Parliament of Trinidad and Tobago (ttparliament.org)
- Board of Inland Revenue, Inland Revenue Division (ird.gov.tt)
- Customs and Excise Division (customs.gov.tt)
- Central Bank of Trinidad and Tobago (central-bank.org.tt)
- Central Statistical Office (cso.gov.tt)
- National Insurance Board (nibtt.net)
- International Monetary Fund (imf.org)



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