

TOTAL BUDGET
US$550.8 million
Operating and capital spending, 2026/27

FISCAL BALANCE
US$0.4m surplus
Projected operating surplus, 2026/27

PUBLIC DEBT
Virtually nil
About US$0.3m in two CDB loans, May 2026

CARIBBEAN TAX SERVICE DESK · NORTHERN CARIBBEAN AND ATLANTIC

The Turks and Caicos Islands 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 steady-course budget. It introduces no new taxes, balances revenue against spending and keeps the Turks and Caicos Islands virtually free of public debt.

With no income tax, the islands raise their revenue from tourism, imports, land transactions, work permits and licences. The Budget relies on economic growth and better compliance rather than new taxes, while preparing for medium-term borrowing to fund ports, airports, digital services and housing.

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

We serve the Turks and Caicos Islands through our Caribbean Service Desk, managed from 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 the Turks and Caicos Islands. 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 Appropriation Estimates for 2026/27 were laid in Parliament on 2 April 2026 by the Premier and Minister of Finance, Economic Development, Investment and Trade, Hon. Charles Washington Misick. The Budget debate followed in April under the theme "Strong Today. Secure Tomorrow." The financial year runs from 1 April 2026 to 31 March 2027.

TOTAL EXPENDITURE
US$550.8 million
Recurrent, capital and non-recurrent, 2026/27

RECURRENT REVENUE
US$546.1 million
Plus about US$5 million of grants and land sales

CAPITAL SPENDING
US$62.2 million
Development projects, 2026/27

BUDGET BALANCE
US$0.4m surplus
Projected operating surplus

CASH RESERVES
US$420.8 million
All Government funds, 31 May 2026

PUBLIC DEBT
US$0.3 million
Two Caribbean Development Bank loans, 31 May 2026

Five key messages

- **No new taxes.** There is still no income tax. Revenue growth is to come from economic expansion and better compliance.
- **A balanced budget.** Revenue and spending are almost equal, leaving a small surplus.
- **Investment beyond Providenciales.** More than US$62 million was announced for roads, ports, utilities, housing and resilience on Grand Turk and the Family Islands.
- **Borrowing on the horizon.** Government plans prudent medium-term borrowing, for capital projects only and with safeguards.
- **Housing and health.** A mortgage corporation and credit union are planned, and the Treatment Abroad Programme is limited to Islanders from 1 April 2026.

ECONOMY

02 Economic context

Tourism drives the economy, which has nearly doubled in size since 2021. The Budget is framed around keeping that growth broad-based and sustainable.

REAL GDP GROWTH
3% to 4%
Government estimate for 2026

GDP
US$1.7 billion
Projected; about US$36,400 a head in 2026

INFLATION
About 2.7%
Average domestic inflation

UNEMPLOYMENT
Below 4%
Government projection

VISITORS
Nearly 2 million
Stayover and cruise visitors, 2025

CREDIT RATING
A– (S&P)
Stable outlook; upgraded from BBB+

Tourism and investment

Record tourism in 2025 underpinned revenue. Development agreements worth more than US$1 billion are cited in the Budget. Hotel and restaurant tax ran 18% above budget in April and May 2026.

Labour market

The local workforce is small, and growing businesses rely on work permits, which are budgeted to raise US$57.2 million in 2026/27.

Outlook and risks

S&P expects real growth of about 4% a year to 2029. The Ministry of Finance points to higher oil and shipping costs, imported inflation, energy price volatility and a possible slowdown in tourism source markets as the main risks.

A dollar economy

With the US dollar as legal tender, there is no central bank and no exchange control, and interest rates and prices follow US conditions. Fiscal discipline rests on the territory's own public finance law.

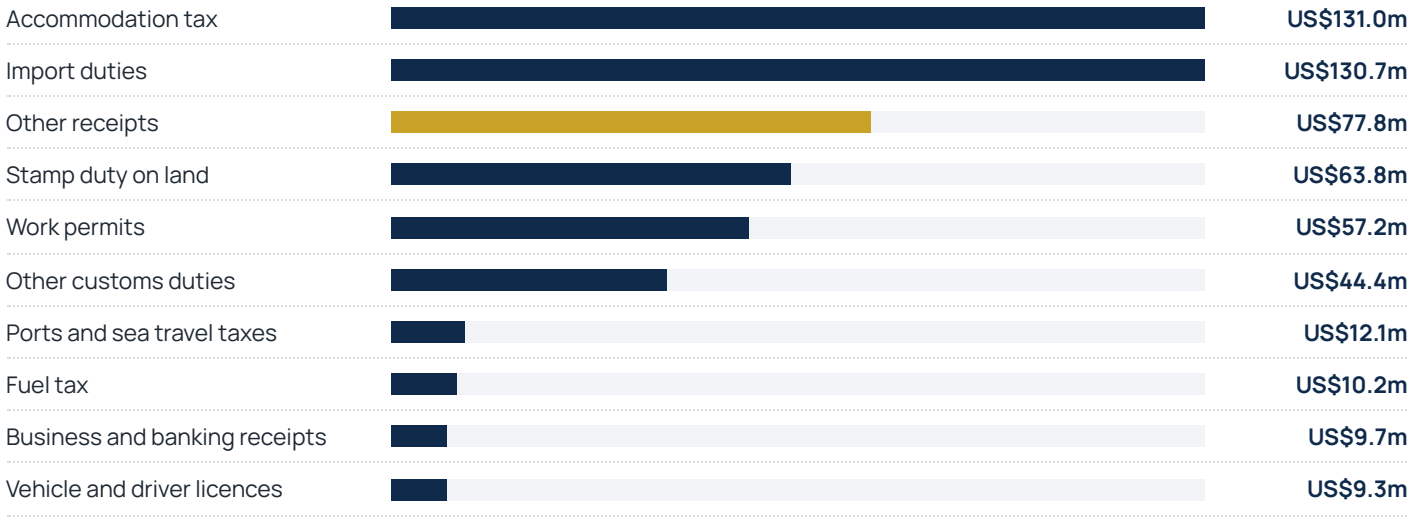
PUBLIC FINANCES

03 Fiscal framework

The 2026/27 Estimates balance revenue against spending. Recurrent spending takes almost nine-tenths of the total.

US$ million, 2026/27 estimates	Amount	Share of spending
Recurrent revenue	546.1	—
Recurrent expenditure	485.2	88%
Capital expenditure	62.2	11%
Non-recurrent expenditure	3.4	1%
Total expenditure	550.8	100%
Projected operating surplus	0.4	—

Where the money comes from: recurrent revenue, US$546.1 million



Outturn in 2025/26

To the end of February 2026, revenue was 5% above budget at US$514.0 million, although import duty and stamp duty on land fell short. Recurrent spending was 14% below budget.

First months of 2026/27

Revenue for April and May 2026 was US$103.5 million, 4% above budget, and recurrent spending was 26% below budget.

BUSINESS TAX

04 Tax measures for businesses

There is no corporate income tax, and the Budget introduces no new taxes. The changes for businesses concern licensing, compliance and the planning framework.

Measure	What changes	Effective	Who is affected
Tax rates	No new taxes or rate increases. Sector taxes, customs duty and stamp duty are unchanged.	2026/27	All businesses
Business Licensing Act 2026	New licensing law in force; revised licence categories were consulted on in March 2026	2026	All licensed businesses
Licence renewal	Licences expired on 31 March 2026. Licences not renewed were suspended from 1 May 2026.	1 May 2026	Late renewers
Health cover for work permit holders	The Treatment Abroad Programme is limited to resident Islanders and British Overseas Territories citizens. Work permit holders need private overseas cover through their employers.	1 Apr 2026	Employers of work permit holders
Tax compliance	Revenue growth is to come partly from better compliance. Recovery action is under way on unpaid duty on deferred bulk fuel imports.	Ongoing	Importers, sector taxpayers
Development Agreements	Concessions for significant projects continue under the Encouragement of Development Ordinance	Ongoing	Investors

Unchanged

No corporate, capital gains or withholding tax. Hotel and tourism tax at 12%, or 7.2% for qualifying large all-inclusive resorts; communications and financial services taxes at 12%; insurance premium tax at 2.5%.

Home-country rules

With no local profits tax, groups should check whether their home country taxes island profits under its own rules.

INDIVIDUALS

05 Tax measures for individuals and households

There is no personal income tax, so there are no thresholds or allowances to change. The household measures focus on housing, health and education.

Payroll contribution	Employee	Employer
Income tax	None	—
NIB	5.5%	6.5%
NHIP	Shared; earnings up to US$7,800 a month	

Contribution rates are unchanged. NIB applies up to a monthly earnings ceiling set by the Board. The minimum wage remains US$8.00 an hour, or US$9.00 in security, manufacturing, construction, banking, financial services and insurance.

Other personal points

- Islanders may qualify for stamp duty relief on a first home
- Travellers keep a US$400 duty-free allowance
- No property, inheritance or wealth tax

Household measures announced

- A mortgage corporation and a credit union, targeted for the third quarter of 2026; the Mortgage Corporation Bill 2026 provides for long-term home finance
- 60 newly acquired lots for serviced subdivisions with roads, drainage and utilities
- Changes to the foreign purchase threshold, to protect affordable homes for local buyers
- Treatment Abroad Programme limited to resident Islanders and British Overseas Territories citizens from 1 April 2026
- A new polyclinic in Providenciales

INDIRECT TAXES

06 Indirect taxes, customs and other revenue

There is no VAT. Revenue comes from single-stage sector taxes, customs duty, stamp duty and fees, all unchanged in the Budget.

Revenue source	Rate and base	2026/27 position
Hotel and tourism tax	12% on accommodation, meals, drinks and tourism services; 7.2% for qualifying large all-inclusive resorts	Unchanged; the largest tax
Import duty	Many goods at 30% of CIF value; vehicles 35% to 55% by engine size	Unchanged
Customs processing fee	On most imports, including many duty-free goods, at a rate set by Customs	Unchanged
Stamp duty on land	Nil to 10% of the price by value band and island; 8% on land-holding company shares	Unchanged
Sector taxes	12% on communications, domestic financial services and vehicle hire; 2.5% on insurance premiums	Unchanged
Fees	Business licences, work permits, fuel tax, departure taxes and gaming tax	Unchanged

Early collections

In April and May 2026, hotel and restaurant tax ran 18% above budget and the customs processing fee 10% above. Import duty was 6% below and stamp duty on land 11% below.

Administration

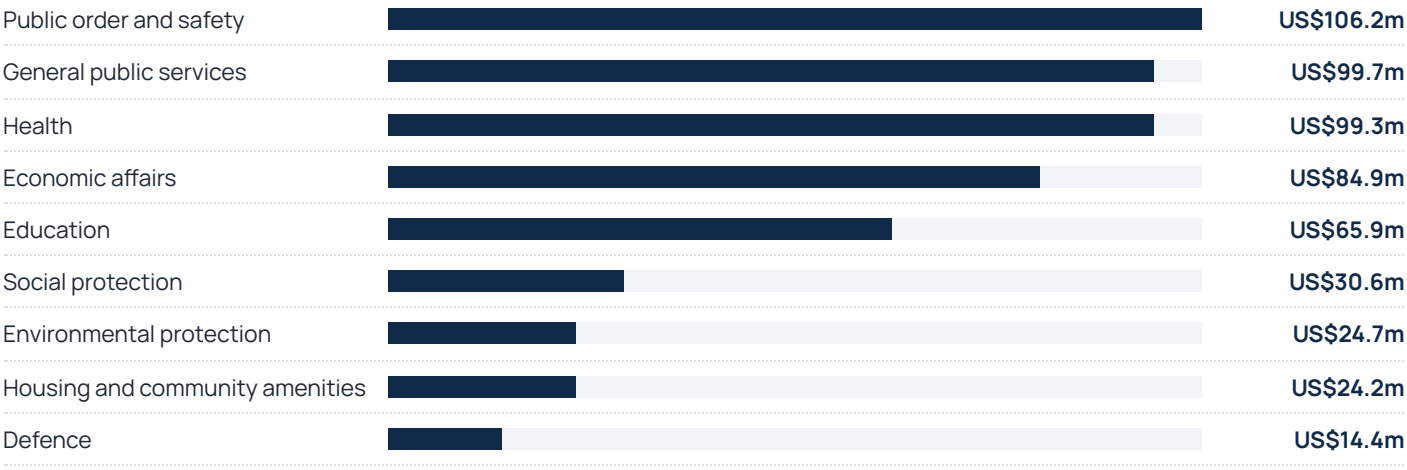
Customs clears imports through ASYCUDA World, and licences are renewed through the online business registration portal. Sector tax returns are due monthly, even when nothing is owed.

SPENDING

07 Spending priorities and capital programme

Public order and safety, general public services and health take the largest shares. Capital spending targets ports, airports and the Family Islands.

Largest allocations by function, 2026/27



Citizens' Guide to the Budget 2026/27. The cost of the Treatment Abroad Programme rose from US$40 million in 2024 to US$61 million in 2025.

Capital projects announced

- US$30 million for airport arrivals upgrades
- US$30 million for South Dock port, phases 3 and 4
- US$22 million for a fuel discharge mooring system
- Over US$62 million for Grand Turk and the Family Islands

Some projects run over several years and may be funded by borrowing.

Other priorities

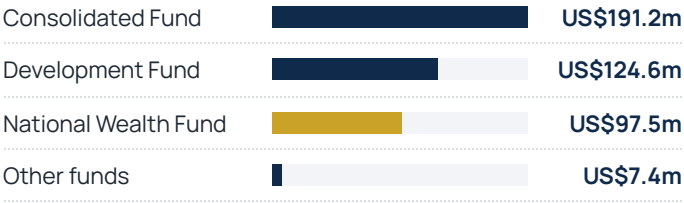
National ID · Fibre network · Solid waste management · Affordable housing · Raymond Gardiner High School · Public marina at the Conch Farm · Providenciales polyclinic

DEBT

08 Debt, financing and fiscal rules

The Government has almost no debt and holds substantial cash reserves. It now plans to borrow over the medium term to fund capital projects.

Cash reserves, 31 May 2026



Total US$420.8 million. Other funds are the National Forfeiture Fund and the Destination Enhancement Fund. A further US$38.8 million of public sector pension assets is held in escrow. The National Wealth Fund includes US$20.1 million set aside for the Mortgage Corporation.

Fiscal rules

Borrowing and reserves are governed by the territory's public finance law and the fiscal framework agreed with the United Kingdom. When revenue exceeds the estimates by 5% to 20%, half of the excess goes to the National Wealth Fund.

Debt and financing

Public debt was about US$0.3 million at 31 May 2026: two Caribbean Development Bank loans for further education and solid waste management. Cash reserves equal about 23% of GDP.

- Government plans to borrow on the capital markets for the first time
- Medium-term borrowing, for capital projects only and with safeguards
- Priorities: infrastructure, digitisation including a fibre network and national ID, solid waste and housing

Risks to watch

The Ministry of Finance points to rising healthcare costs, potential claims against Government, slow capital delivery, fuel and shipping costs, and hurricanes.

SECTOR IMPACT

09 What it means for your sector

Sector	What the Budget means
Tourism and hospitality	No change to the 12% hotel and tourism tax. Airport arrivals upgrades will support growth. Demand in source markets and airlift remain the key risks.
Real estate and construction	A pipeline of port, airport, Family Islands and housing works, plus serviced lots. Stamp duty is unchanged, but the foreign purchase threshold affects lower-priced homes.
Financial services	A new mortgage corporation and credit union will add competition in home lending. Sector taxes of 12% and 2.5% are unchanged.
Retail and distribution	Import duty is unchanged. Expect closer Customs scrutiny of deferred duty and declarations.
Energy and utilities	A fuel discharge mooring system, support for renewable energy and utility works in the Family Islands.
Technology and telecoms	Government plans a national digital ID and a fibre network, which may create supplier opportunities.
Marine and logistics	South Dock port phases 3 and 4, and a public marina planned at the Conch Farm.
SMEs	New licensing law and categories; check your category and renew on time. Local lending options widen.
Employers generally	Payroll contributions and the minimum wage are unchanged. Arrange private overseas medical cover for work permit holders, and keep NIB and NHIP current for permit renewals.

ACTION PLAN

10 Action points and key dates

Businesses

- [ ] Confirm your licence category under the 2026 Act
- [ ] Renew 2027/28 licences between February and 30 April 2027
- [ ] Review customs entries and any deferred duty
- [ ] File every monthly sector tax return
- [ ] Position for Government capital projects
- [ ] Arrange overseas medical cover for work permit holders

Individuals

- [ ] Check NIB and NHIP records are complete
- [ ] Review home finance as new lenders open
- [ ] Check stamp duty relief before buying land

Date	What happens
31 March 2026	2025/26 business licences expire
1 April 2026	Treatment Abroad Programme limited to Islanders
2 April 2026	Estimates laid in Parliament
1 May 2026	Unrenewed business licences suspended
Third quarter 2026	Mortgage corporation and credit union targeted
Monthly	NHIP by the 14th; NIB and financial services taxes by the 15th; hotel and tourism tax within 21 days
February to 30 April 2027	2027/28 licence renewals
31 March 2027	Government year end; licences expire

The next Budget, for 2027/28, is expected in the spring of 2027.

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 Budget against your costs, prices, projects and tax position.

Tax planning and restructuring

Structures, stamp duty on land and shares, and home-country tax effects.

Compliance updates and payroll changes

Licensing under the new Act, sector tax returns, NIB and NHIP.

Incentives and concessions

Development Agreements and customs and stamp duty concessions.

Cash flow and pricing reviews

Forecasts, pricing, financing plans and working capital.

Engagement with the tax authority

Queries, assessments, penalties and correspondence with the Revenue Department 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 **turksandcaicos@dawgen.com** or **info@dawgen.global**, or call (876) 926-5210.

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

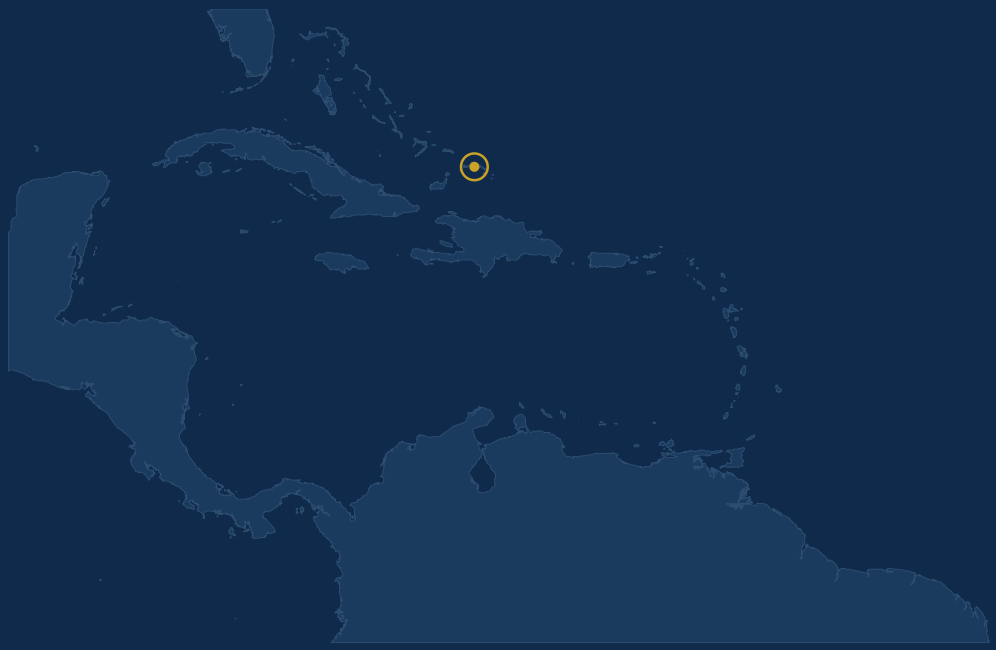
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Key official sources

- Ministry of Finance, Economic Development, Investment and Trade (gov.tc/mof)
- Office of the Premier (gov.tc/premier)
- Government Press Office (gov.tc/pressoffice)
- Revenue Department (gov.tc/revenue)
- Customs Department (customs.gov.tc)
- National Insurance Board (tcinib.tc)
- National Health Insurance Board (tcinhip.tc)
- Invest Turks and Caicos (investturksandcaicos.tc)



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