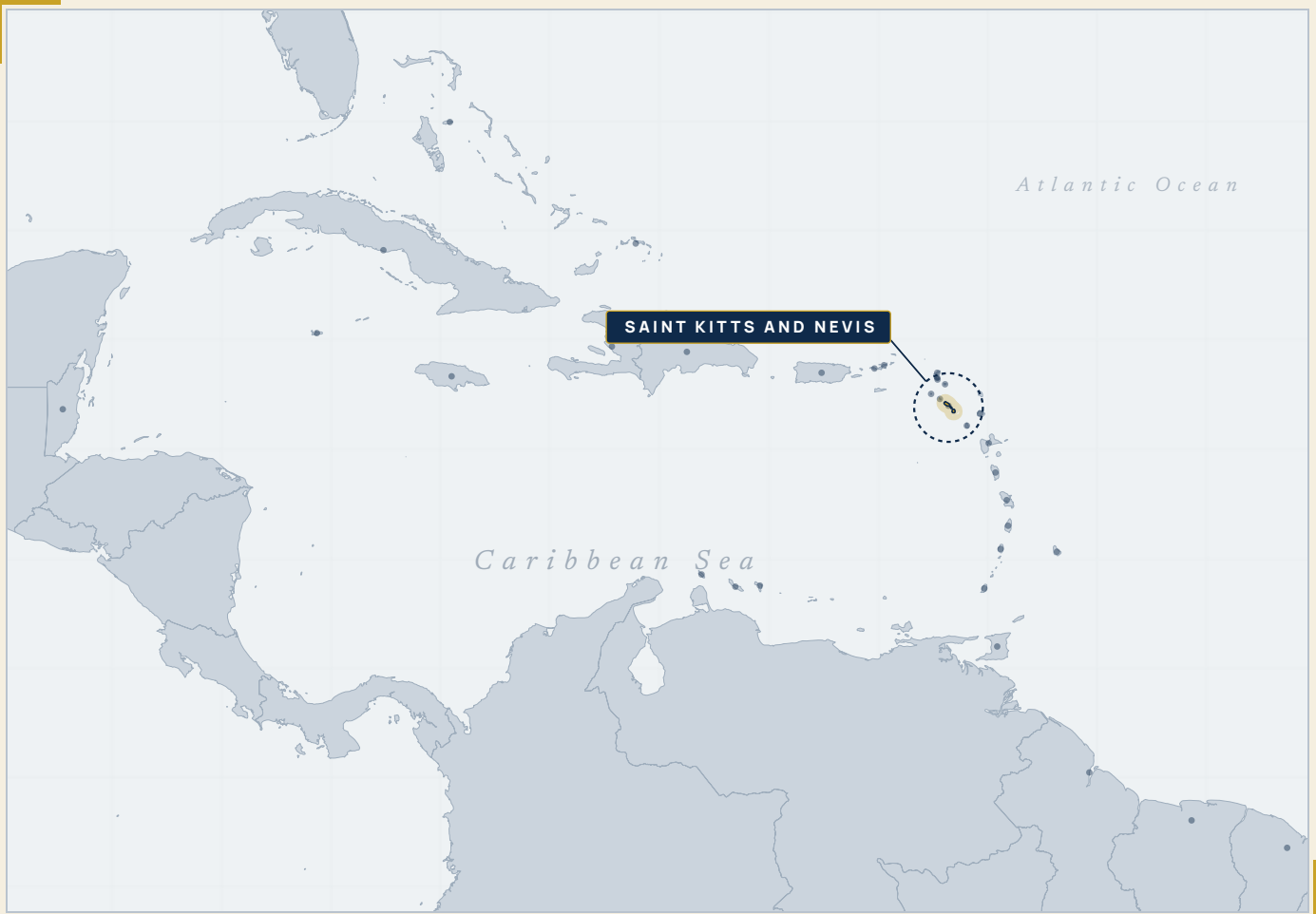




CARIBBEAN TAX SERVICE DESK · EASTERN CARIBBEAN

Saint Kitts and Nevis

Tax Guide

A guide to corporate, personal and indirect taxes in Saint Kitts and Nevis

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FOREWORD

Saint Kitts and Nevis has no personal income tax, a 25% corporate rate and a fixed exchange rate, yet its tax system still asks a great deal of businesses on both islands.

The federation's tax system rests on corporate income tax, value added tax, withholding tax on payments abroad, payroll contributions and the Housing and Social Development Levy, with stamp duty, property tax and the alien landholding licence on land. Nevis entities lost their statutory tax exemption from 2019, and the Inland Revenue Department now expects timely, electronic filing for every tax.

This guide explains the main taxes on companies and individuals in plain language, current to October 2026 and reflecting the 2026 Budget. It is written for investors, finance teams and individuals with interests in Saint Kitts and Nevis, including citizens by investment.

Tax matters are handled by Dawgen Global's Caribbean Tax Service Desk, managed from Kingston. We would be glad to help you plan, comply and resolve issues with confidence.

Dr. Dawkins Brown, Ph.D., MCMI, ACFE

Executive Chairman, Dawgen Global

How to use this guide

This guide summarises the main taxes that apply to companies and individuals in Saint Kitts and Nevis. It is general information, current to October 2026, and is not a substitute for advice on your circumstances. Rates and rules change; speak to us before you act. Our companion Doing Business guide covers set-up, employment and regulation.

FOUNDATIONS

01 Investment basics

The federation uses the Eastern Caribbean dollar, fixed to the US dollar, and IFRS-based reporting. Federal taxes are administered by the Inland Revenue Department (IRD) on both islands.

CORPORATE INCOME TAX**25%**

Fixed at 25% from 1 January 2024, down from 33%

VALUE ADDED TAX**17%**

10% on accommodation, restaurants and commercial rentals

PERSONAL INCOME TAX**None**

Abolished in 1980; a tiered levy applies to employment income

NON-RESIDENT WITHHOLDING**15%**

Dividends, interest, royalties, fees and branch remittances

SOCIAL SECURITY**5% + 5%**

Employer and employee, on earnings up to EC\$6,500 a month

CAPITAL GAINS**Short-term only**

Taxed only on assets sold within a year of purchase

Currency and foreign exchange

The Eastern Caribbean dollar (XCD) is issued by the Eastern Caribbean Central Bank and pegged at XCD 2.70 to US\$1. Trade payments and profit remittances are routine through banks; some capital transactions may need approval.

Accounting and audit

Companies prepare financial statements under IFRS and file them with the corporate income tax return. Check audit requirements for your entity with the Registrar of Companies on the relevant island.

Principal business entities

Company (Companies Act)

Nevis Business Corporation

Nevis LLC

Branch of an overseas company

Partnership

Sole trader

Companies are taxed as separate entities. Sole traders and partnerships pay unincorporated business tax on their supplies instead of income tax.

The tax system

The IRD administers income tax, VAT, withholding tax, unincorporated business tax, stamp duty and property tax. The Social Security Board collects contributions and the levy, and the Customs and Excise Department collects duties.

BUSINESS TAX

02 Corporate taxation

Resident companies pay tax on worldwide income; non-resident companies pay tax on income from Saint Kitts and Nevis, including branch profits.

Residence and basis

A company is resident if its central management and control is exercised in the federation. Since the 2021 amendments to the Income Tax Act, a company is taxed where it is resident or has a permanent establishment. A branch is taxed on its local profits like a subsidiary.

Taxable income

- ◆ Net profit before tax, adjusted for non-deductible items and allowable deductions
- ◆ Expenses incurred to earn taxable income are generally deductible
- ◆ Capital allowances replace book depreciation, reported in grouped schedules on the return
- ◆ Capital gains and losses are reported separately on the return
- ◆ Resident companies doing business only outside the federation are generally not taxed

Taxpayer	Rate
Resident companies	25%
Branches of overseas companies	25%, plus 15% on profits remitted
Nevis corporations and LLCs formed after 2018	25% where resident or with a permanent establishment
Approved manufacturing enterprises	Tax holiday of up to 15 years
Approved hotels	Income tax exemption of 5 or 10 years by size

Minimum tax and surtax

There is no surtax and no alternative minimum tax. The 25% rate was first introduced as a temporary reduction from 33% and was made permanent from 1 January 2024.

Capital gains

Gains are taxable only when an asset is disposed of within one year of purchase, at a rate set under the Income Tax Act. Gains on assets held for longer are generally not taxed. Confirm the rate for a particular disposal with the IRD.

BUSINESS TAX

03 Corporate taxation (continued)

Dividends

Dividends paid to residents are free of withholding tax; dividends paid to non-residents bear 15%. There is no participation exemption, and dividends received are generally brought into the computation of taxable income. Confirm the treatment of specific dividends with the IRD.

Losses

Losses may be carried forward for five years, but may offset no more than 50% of taxable income in any year. There is no carry-back.

Foreign tax credit

Credit is generally given only for tax paid in a Commonwealth country that grants similar relief, or where a tax treaty, including the CARICOM agreement, provides for it.

Holding companies and groups

There is no holding company regime and no group relief: each company files its own return.

Tax incentives in brief

Incentive	Main benefit
Fiscal Incentives Act	Tax holidays of up to 10, 12 or 15 years by local value added, with duty-free inputs and an export allowance afterwards
Enclave enterprises	Up to 15 years for production exported outside CARICOM
Hotels	Income tax exemption: 10 years above 30 bedrooms, 5 years for smaller hotels; duty relief under the Hotels Aids Act from 10 bedrooms
Special sustainability zones	Development agreements approved by Cabinet under the 2025 Act
Alternative energy	No VAT, import duty or customs service charge on solar equipment to 31 December 2026

Concessions on Nevis involve the Nevis Island Administration. Each regime has conditions, and approvals are needed before the investment.

CROSS-BORDER PAYMENTS

04 Withholding taxes and tax treaties

A resident paying a non-resident deducts 15% withholding tax and pays it to the IRD within 15 days after the end of each quarter.

Payment	Resident	Non-resident (company or individual)	CARICOM agreement
Dividends	None	15%	0%
Interest	None	15%	15%
Royalties	None	15%	15%
Management, technical and professional fees	None	15%	15%
Rents, commissions and non-life insurance premiums	None	15%	Check the agreement
Branch remittances	None	15% of profits remitted	Check the agreement

Amounts reinvested or credited in the accounts at the non-resident's direction are treated as paid. A business not registered locally is treated as non-resident. Quarters end in February, May, August and November.

Tax treaties

The bilateral network is small and mostly older, including the 1947 agreement with the United Kingdom. Confirm with the IRD whether a treaty applies before relying on it. Tax information exchange agreements are in place with about 20 countries.

CARICOM agreement

Covers Antigua and Barbuda, Belize, Dominica, Grenada, Guyana, Jamaica, Saint Lucia, Saint Vincent and the Grenadines, and Trinidad and Tobago. Dividends are exempt; interest, royalties and fees are taxed at 15%.

Claiming treaty rates

The payer may apply a reduced rate when it holds evidence of the recipient's residence. Without it, the 15% domestic rate applies. A late payment attracts a 10% penalty and interest of 1% a month, and the law protects the payer against claims by the recipient for tax properly withheld.

INTERNATIONAL RULES

05 Anti-avoidance and international rules

Saint Kitts and Nevis relies on a general anti-avoidance power, residence rules and information exchange, rather than detailed transfer pricing or interest limitation rules.

Transfer pricing

There are no specific transfer pricing rules or documentation requirements. Related-party pricing should still be commercial, since the anti-avoidance power can reach it.

Interest limits and CFC rules

There are no thin capitalisation, interest limitation, anti-hybrid or controlled foreign company rules.

General anti-avoidance

Where the main purpose of a transaction is to avoid or reduce tax, the Comptroller of Inland Revenue may direct just and reasonable adjustments.

Pillar Two

No global minimum tax rules have been introduced. Large multinational groups may still face top-up tax on local profits in their parent's jurisdiction.

Economic substance and Nevis entities

There is no separate economic substance law. Instead, the tax exemption for Nevis corporations and LLCs was repealed: entities formed after 31 December 2018 have none, and older entities kept it only to 30 June 2021.

Annual residence declaration (CIT-101)

International companies and Nevis corporations and LLCs file a CIT-101 declaring where they are tax resident, where records are kept and any multinational group details. Those with a permanent establishment also file the CIT-100 return. Failure to file is an offence.

Information exchange

- ◆ **FATCA:** intergovernmental agreement with the United States
- ◆ **CRS:** automatic exchange of financial account information
- ◆ **Multilateral Instrument:** not signed
- ◆ **Beneficial ownership:** kept by companies and registered agents

CORPORATE COMPLIANCE

06 Compliance for corporations

Companies self-assess and file electronically through the IRD's SMARTS online portal.

Tax year and returns

The tax year follows the company's financial year. There are no consolidated returns: each company files its own, with financial statements.

1

Quarterly instalments

15 MAR, JUN, SEP, DEC

Each a quarter of the tax on the latest return filed.

2

Annual return and balance

15 APR

CIT-100 with financial statements, by the 15th day of the fourth month after year-end.

3

Residence declaration

ANNUALLY

CIT-101 for international companies and Nevis entities.

Penalties and interest

Late filing costs 5% of the tax due plus EC\$100 a month, and late payment 10% of the unpaid tax. Interest runs at 1% a month on unpaid tax and penalties.

Rulings and records

Rulings may be requested from the IRD. Keep accounting records and supporting documents for the period the law requires, and tell the IRD where records are held.

Objections and appeals

Object to the Comptroller within one month of the notice of assessment. Unresolved objections go to the Tax Commissioners, then to a judge of the High Court within 14 days of their decision. Time limits are strict.

Leaving the federation

A registered company that ceases business must file a final return and obtain a tax clearance certificate.

Practical points

Instalments are based on the latest return, so a growing business should expect a balance on filing. Reconcile VAT, withholding tax and payroll filings to the accounts before the annual return, and if SMARTS calculates a different balance, request an administrative review promptly.

BEYOND INCOME TAX

07 Other taxes on corporations

Tax	Rate and base	Who pays
Social Security	5% employer and 5% employee, on earnings up to EC\$6,500 a month	Employer, plus employee share
Employment injury	1% of earnings, within the same ceiling	Employer
Severance Payment Fund	1% of earnings	Employer
Housing and Social Development Levy	3% of earnings; employees pay tiered rates above EC\$520 a week	Employer, plus employee share
Unincorporated business tax	4% of supplies above EC\$12,500 a month (goods) or EC\$2,000 (services), filed quarterly	Sole traders and partnerships
Property tax	Annual, 0.2% to 0.3% of market value by use and location	Owner
Stamp duty on land	6% to 10% by value and location; higher in some development areas	Usually the seller
Alien landholding licence	10% of the property value (minimum EC\$750)	Foreign buyer
Stamp duty on shares	2% of the value transferred	Seller
Capital duty	None	—
Insurance premium tax and registration fee	Tax on premiums for local risks; fee of 0.2% of the sum insured, up to EC\$30 a policy	Insurers
Excise tax	Specific rates on fuel and other products	Importers, manufacturers

The IRD also collects quarterly hotel and restaurant, travel and Island Enhancement Fund charges where they apply. Approved citizenship by investment property does not need an alien landholding licence.

INDIVIDUALS

08 Personal taxation

Saint Kitts and Nevis has no personal income tax. Individuals meet their main obligations through payroll contributions and the levy.

Basis of taxation

- ◆ **Residents:** no income tax on employment, investment or foreign income
- ◆ **Non-residents:** 15% withholding tax on dividends, interest, rents, fees and other payments from the federation
- ◆ **Self-employed:** unincorporated business tax on supplies above the exempt amounts

Residence

With no income tax, residence matters mainly for withholding tax on payments to non-residents and for treaty claims abroad. Citizens by investment are not taxed here on their worldwide income.

Filing status

There are no individual income tax returns, joint or separate.

Housing and Social Development Levy

Weekly employment income	Employee levy
Up to EC\$520 (EC\$27,040 a year)	Nil
Above EC\$520	Tiered statutory rates, rising with earnings

The levy-free amount rose to EC\$520 a week in 2025. Employers deduct the levy each pay period and also pay 3% of earnings. Confirm the current bands with the IRD or the Social Security Board.

Allowances

There are no personal allowances, since there is no personal income tax. The levy-free wage is the main threshold.

INDIVIDUALS

09 Personal taxation (continued)

Capital gains

Gains on assets held for more than a year are generally not taxed. Short-term disposals and land and share transfers should be reviewed with the IRD, and stamp duty applies when land or shares change hands.

Deductions and reliefs

- ◆ No income tax deductions are needed for individuals
- ◆ The levy-free wage of EC\$520 a week shelters lower earnings
- ◆ Social Security applies only up to EC\$6,500 a month
- ◆ Pension and benefit entitlements follow Social Security contributions

Employment benefits

Benefits are not subject to income tax, but cash payments, including bonuses, generally count as earnings for Social Security and the levy. Check the treatment of benefits in kind with the IRD.

Tax	Position for individuals
Social Security (employee)	5% of earnings up to EC\$6,500 a month
Housing and Social Development Levy	Nil to EC\$520 a week, then tiered rates
Stamp duty on land	6% to 10%, usually paid by the seller
Alien landholding licence	10% of value (minimum EC\$750) for foreign buyers
Stamp duty on shares	2%, paid by the seller
Property tax	0.2% to 0.3% of market value a year
Inheritance and estate tax	None
Net wealth tax	None
Gift and capital acquisitions tax	None

Self-employed persons contribute to Social Security on their own earnings at the rate set for them.

INDIVIDUAL COMPLIANCE

10 Compliance for individuals

Most individuals have no tax returns to file. Employers, the self-employed and property owners have regular obligations.

Employees and payroll

Employers register with the Social Security Board, deduct the employee's Social Security and levy each pay period, and pay them with the employer's share every month. Employees do not file returns.

Self-employed and property owners

When	What
15 March, June, September, December	Unincorporated business tax return and payment for the quarter just ended
30 June	Property tax for the year
15th of each month	VAT, if registered

Returns are filed through SMARTS. Late filing and payment attract penalties and interest.

Non-residents and expatriates

- ◆ Pay for work done in the federation is free of income tax, but Social Security and the levy apply through payroll
- ◆ Payments to non-residents, such as fees and rent, bear 15% withholding tax
- ◆ Foreign staff need a work permit from the Department of Labour before arrival
- ◆ OECS nationals may work freely; qualified CARICOM nationals may use a Skills Certificate
- ◆ Foreign owners of land need an alien landholding licence
- ◆ Your home country may tax your income here; check treaty relief there

Departure and clearance

Individuals registered with the IRD, including citizens by investment, may need to file a final return and obtain a tax clearance certificate when they leave.

INDIRECT TAXES

11 VAT and customs

Value added tax is charged on most goods and services supplied in the federation and on imports, and is administered by the IRD.

Rate	Applies to
17% standard	Most goods, services and imports
10%	Hotel accommodation, restaurant supplies and commercial rentals
5% on set days	Eligible goods on announced discounted VAT rate days, at approved businesses
Zero-rated	Exports and certain basic foods
Exempt	Insurance, water, electricity, education and most medical services

Registration and returns

Registration is required once taxable supplies exceed EC\$150,000 in 12 months, or EC\$96,000 for professional services. Voluntary registration is at the Comptroller's discretion. Returns and payment are due by the 15th of the next month.

VAT changes in 2025 and 2026

The standard rate was cut to 13% for January to June 2025 and returned to 17% on 1 July 2025. Discounted VAT rate days continue in 2026, and solar and alternative energy equipment is free of VAT, duty and the customs service charge until 31 December 2026.

Input tax recovery

Registered businesses credit VAT on business purchases and imports against output tax. Input tax on exempt supplies cannot be recovered, and mixed businesses apportion.

Imported and digital services

A registered recipient self-accounts for VAT on imported services. Check with the IRD how VAT applies to digital services supplied from abroad to consumers.

Customs and excise

Import duty follows the CARICOM Common External Tariff on customs value, plus a 6% customs service charge and VAT, with excise tax on fuel and some other goods.

Penalties

Late VAT returns cost EC\$100 a month; late payment 10% plus interest of 1.25% a month.

ADMINISTRATION

12 Tax calendar and administration

Main tax laws

Income Tax Act; Value Added Tax Act, 2010; Housing and Social Development Levy Act; Fiscal Incentives Act; Hotels Aids Act; Special Sustainability Zones Authorisation Act, 2025; the Nevis Business Corporation and Limited Liability Company Ordinances; and the social security, stamp duty, property tax, alien landholding and customs laws.

Authorities

The IRD administers federal taxes on both islands, and the Customs and Excise Department collects duties. Appeals go to the Tax Commissioners, then the High Court.

Recent and upcoming changes

- ◆ **2025:** VAT at 13% from January to June; levy-free wage raised to EC\$520 a week
- ◆ **2026 Budget:** presented on 16 December 2025 and passed on 19 December, focused on resilience and the cost of living; Nevis's 2026 budget added no new taxes
- ◆ **2026:** fuel tax relief from 20 April to 31 July; solar exemption and discounted VAT days continue
- ◆ **Ahead:** reforms to citizenship by investment; confirm current options with the CIU

When	What
15th monthly	VAT return and payment for the previous month
Each month	Social Security, severance fund and levy contributions
15 March, June, September, December	Corporate income tax instalments; quarterly withholding tax, unincorporated business tax, insurance premium tax and excise returns
15 April	Corporate income tax return and balance (calendar year-end)
30 June	Property tax
Each year	CIT-101 declaration; annual return to the Registrar; Nevis entity fees

Dates assume a calendar year. When a date falls on a weekend or public holiday, payment is due on the next working day; in 2026, for example, the March quarter fell due on 16 March.

YOUR PARTNER

13 How Dawgen Global helps

Our Caribbean Tax Service Desk, managed from Kingston, supports companies and individuals with every tax in Saint Kitts and Nevis, from registration to dispute.

Tax compliance

Corporate returns, instalments, CIT-101 declarations and clearance certificates.

Corporate tax advisory

Structuring, residence, capital allowances, losses and transactions.

International tax and transfer pricing

Withholding tax, treaty and CARICOM claims, Nevis entities and related-party pricing.

Indirect taxes (VAT and customs)

VAT registration, returns, refunds, imported services and customs reviews.

Payroll and employment taxes

Social Security, the levy, severance fund and employer reviews.

Tax disputes and authority engagement

IRD audits, objections, Tax Commissioners appeals and settlement of arrears.

Incentives and investment planning

Fiscal incentives, hotel concessions and alien landholding licences.

Private client and expatriate tax

Citizens by investment, property, home-country tax and assignees.

Tax technology and reporting

Tax calendars, provisions, SMARTS filing and reporting processes.

Start with a conversation

Tell us about your plans or your tax question in Saint Kitts and Nevis, and we will set out the steps and timeline 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 stkitts@dawgen.com or info@dawgen.global, or call (876) 926-5210.

Talk to the Caribbean Tax Service Desk about Saint Kitts and Nevis

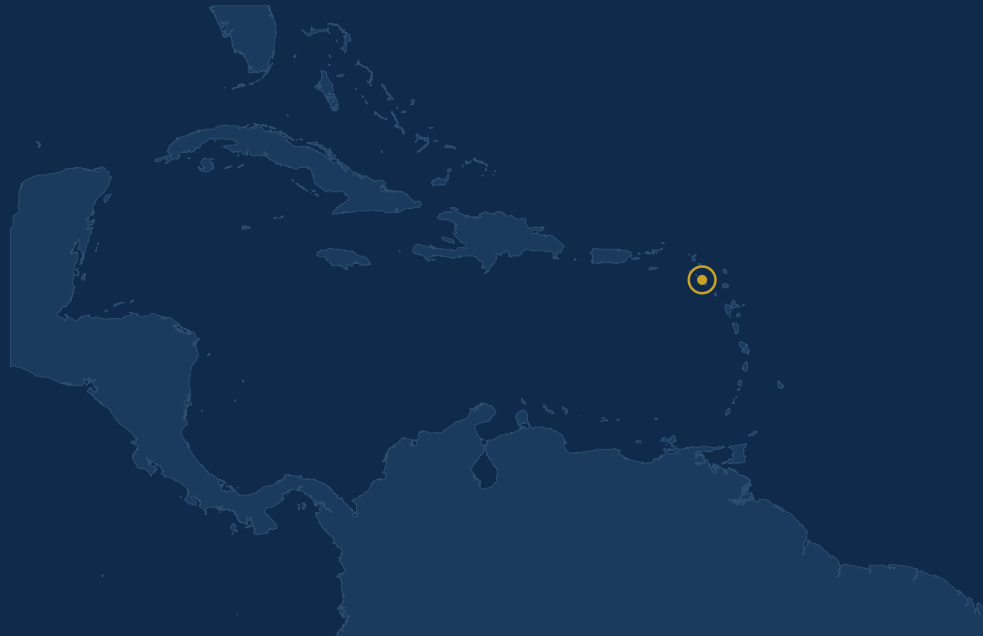
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Key official sources

- Inland Revenue Department (sknird.com)
- Government of Saint Kitts and Nevis (gov.kn)
- Nevis Island Administration (nia.gov.kn)
- Financial Services Regulatory Commission (fsrc.kn)
- Nevis Financial Services Regulation and Supervision Department (nevisfsrc.com)
- Social Security Board (socialsecurity.kn)
- St Kitts Investment Promotion Agency (investstkitts.kn)
- Citizenship by Investment Unit (ciu.gov.kn)



This publication contains general information only, current to October 2026, and is not professional advice. Tax rates, thresholds and procedures change frequently, often with each budget, and some rules differ between Saint Kitts and Nevis; confirm the current position with Dawgen Global or the Inland Revenue Department 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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