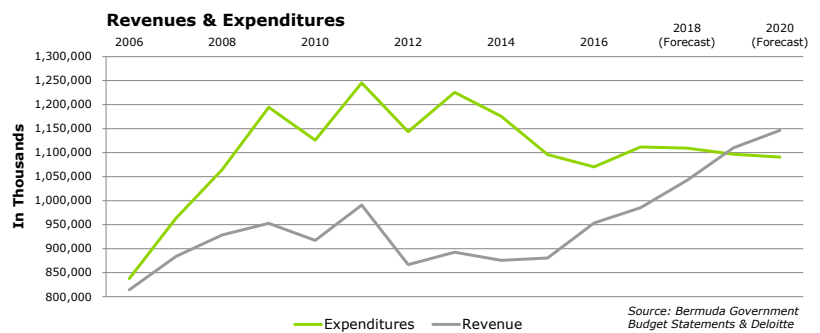
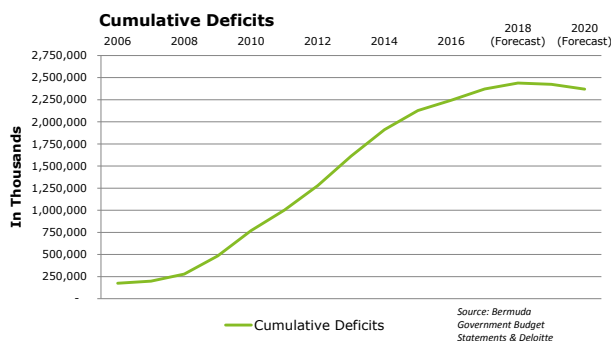




Bermuda Budget 2017 Snapshot

“Keep us moving forward” — The Hon. E.T (Bob) Richards

In delivering the 2017 Budget Statement, Minister Richards stated “the aim was to press every button, pull every lever and work every angle to restore Bermuda’s economic health and extend recovery into every home and give people hope for better days.” Also stated were plans for a comprehensive reform of Bermuda’s tax system through broadening the tax base and creating a more equitable overall tax structure.



Payroll Tax

- Introduction of bands:

Salary	Employee Current Rate	Employee 2017-18 Rate	Employee 2018-19 Rate	Employer Rate*
≤ \$48,000	6%	4.75%	4.25%	10.25%
\$48,001 - \$96,000	6%	5.75%	5.50%	10.25%
\$96,001 - \$235,000	6%	7.75%	9.00%	10.25%
\$235,001 - \$900,000	6%	8.75%	11.00%	10.25%

*Annual employer payroll > \$1,000,000 (2016: 9.5%)

- Payroll Tax cap increase from \$750,000 to \$900,000



Financial Services Tax

- Effective April 1, 2017
- Tax on banks, local insurance and money service businesses
- 0.02% tax on bank’s assets
- 2.5% of non-health gross premiums earned
- For money service businesses, tax of 5% on aggregated incoming and outgoing transmission volume



General Services Tax (GST)

- No changes in proposed scope - levied on most services by service providers to the public
- Consultation process will continue
- Will not be implemented prior to April 1, 2018



Government Budget

- 2017/18 deficit to be \$135 million
- 2017/18 interest on debt of \$186 million
- Current account surplus of \$119 million



Other

- Annual Government fees on Permit Companies that fall into the class of “investment/ holding/trading” from \$1,995 to \$25,000
- Land taxes unchanged
- Fuel taxes to increase by 5 cents per litre
- Alcohol and cigarette taxes to increase
- Imposed excise duties to increase



Tourism

- Total arrivals increased by 11%
- Hotel occupancy increased by 10%
- Air and cruise visitor spending increased by 18%