A BILL

entitled

PAYROLL TAX RATES AMENDMENT ACT 2026

WHEREAS it is expedient to amend the Payroll Tax Rates Act 1995;

Be it enacted by The King's Most Excellent Majesty, by and with the advice and consent of the Senate and the House of Assembly of Bermuda, and by the authority of the same, as follows:

Citation

1 This Act may be cited as the Payroll Tax Rates Amendment Act 2026.

Amends section 5

2 (1) In section 5 of the Payroll Tax Rates Act 1995 (rates for certain classes of employer), in Class B(f) of the Table (rate for an employer with an annual payroll of less than $200,000), delete "0.5%" and substitute "1.0%".

(2) The amendment made by subsection (1) applies for the tax period October to December 2026 and subsequent tax periods.

PAYROLL TAX RATES AMENDMENT BILL 2026

EXPLANATORY MEMORANDUM

This Bill seeks to amend the Payroll Tax Rates Act 1995.

Clause 1 gives the title.

Clause 2 increases from 0.5% to 1.0% the rate of payroll tax applicable for an employer with an annual payroll of less than $200,000 specified in Class B(f) of the Table in section 5 of the Payroll Tax Rates Act 1995. This reverses the reduction from 1.0% to 0.5% made in section 9(4)(d) of the Payroll Tax Amendment and Validation Act 2026 with effect from 1 April 2026. The rate of 1.0% applies for the tax period October to December 2026 and subsequent tax periods.