

## Deloitte Budget Snapshot 2013 “A New Direction”



*“This budget marks the beginning of a new direction for the manner in which the economy of Bermuda and the finances of the Bermuda Government are managed.” – The Hon. E.T. Richards, JP, MP, Minister of Finance*

### Highlights

Government of Bermuda Summary of Consolidated Fund Estimates for 2013/14 (in thousands)				
Actual 2011/12		Original Estimate 2012/13	Revised Estimate 2012/13	Estimate 2013/14
914,182	Revenue	909,634	869,002	871,199
(990,146)	Current Account Expenditure (excl. debt & s/fund)	(939,767)	(971,968)	(983,883)
(67,592)	Interest on debt	(35,000)	(35,000)	(96,675)
(25,726)	Sinking Fund Contribution	(30,750)	(30,750)	(37,625)
(59,486)	Capital Expenditure	(76,190)	(74,833)	(84,609)
(228,768)	Budget Deficit	(172,073)	(243,549)	(331,593)

#### Public Debt

The statutory debt ceiling will be raised from \$1.45 billion to \$2.5 billion.

#### Payroll Taxes

There will be a 2 year payroll tax holiday for new Bermudian hiring.  
Payroll tax concessions for the hotel, restaurant and retail sectors will be extended.

#### Licence Fees

License fees for non-Bermudians will be reduced from 25% to 8% for purchasing Bermuda homes, from 18% to 6% for purchasing condominiums, and for Permanent Resident's Certificate holders, license fees will be reduced to 4%.

#### Duty

Duty on cigarettes, tobacco, beer, wines & other spirits will be increased.

#### Land tax

There will be an increase in rates on ARV bands higher than \$90,000

#### Vehicle License Fees

There will be an increase of 3% on all vehicles.

There will be a continuation of exemption for vehicles for seniors in Classes A to D, revoking exemption for E to H.

### **Corporate Services Tax**

The Corporate Service Tax Rate will be raised from 4% to 6%.

### **Other**

Government will also formally commence negotiations with the relevant unions regarding reduction in staff compensation.

There will be an increase in funding for police and prison services.

For more details please contact us directly, or visit any of the sites below:

#### **Mark Baumgartner**

Principal  
441 299 1322

#### **James Dockeray**

Tax Director  
441 299 1399

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[www.gov.bm](http://www.gov.bm)

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20 Parliament Street  
Hamilton HM12  
Bermuda

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