



*Premier of Bermuda*

## **Pre-Budget Report Press Conference**

### **Remarks**

**Premier and Minister of Finance, the Hon. David Burt JP, MP**  
**18 December 2025**

Good morning,

The purpose of today's press conference is to announce the release of the 2026/27 Pre-Budget Report, opening of the Pre-Budget consultation period. Also, the launch of the Fiscal Responsibility Panel Report for 2025, provide a fiscal update to the country, and an overview of the Government's work for the end of the year.

The Pre-Budget Report outlines the Government's economic priorities and fiscal approach ahead of the upcoming Budget. It provides a clear view of the local and global factors that shape our decisions, and it gives the public a chance to provide feedback on policy proposals and engage on issues that matter to them before final proposals form the 2026/27 Budget.

The Pre-Budget Report is an important part of our commitment to transparency, collaboration, and sound financial management.

In addition to the 2026/27 Pre-Budget Budget Report, the Government will also be releasing the 2025 Annual Report of the Fiscal Responsibility Panel.

The panel's latest report provides a thorough assessment of our recent progress, including the introduction of the Corporate Income Tax, and outlines key recommendations to ensure long-term fiscal resilience.

Upon re-entering office in 2017, this Progressive Government made a commitment to return Bermuda to a position of fiscal strength by balancing our budget. I am proud to say that we have delivered on that promise. In the previous fiscal year of 2024/25, the Government of Bermuda recorded a budget surplus of \$29 million, the first budget surplus in over 20 years. For the first time in two decades, the Consolidated Fund, took in more money than was spent. This is an overwhelmingly positive development for Bermuda.

This view is strongly supported by the independent Fiscal Responsibility Panel. In their most recent report, the Panel stated, "*Bermuda's fiscal position is now stronger than at any time in two decades*".

Perhaps the most important thing is the fact that we have delivered this surplus while staying true to our mission of fairness. We have delivered this surplus while lowering taxes for workers and families, raising pensions for our seniors, increasing scholarships for students, investing in social services, and expanding childcare support for more Bermudian families.

And, it must be noted, that this budget surplus was achieved before a single dime of Corporate Income Tax was collected! No Corporate Income Tax was collected prior to this surplus.

This positive news did not end in 2024/25. This year, for fiscal year 2025/26, we are expected to deliver a surplus again. Yes, this surplus is somewhat due to CIT revenues, but it must be noted that non-CIT revenues are higher than estimated, indicating broader improvement of the economy.

The successful implementation of Bermuda's Economic Recovery plan, spear-headed by the Ministry of Economy and Labour has led to better than expected economic performance in every single year since the Pandemic.

And over the past 4 years, this PLP Government has used this better-than-expected performance to cut taxes for workers & small businesses, while reinvesting in key public services, such as healthcare, education, public safety, and community organisations.

Through the \$21.8 million Supplementary Estimate, recently passed in the House of Assembly, we increased support for our hospital, increased scholarships, digital upgrades, youth services, affordable housing, rehabilitation, more police, stronger borders, and essential government operations to make Government more efficient and work better for you.

We have allocated \$11 million to support salary agreements for Bermuda Hospitals Board staff, helping to retain and fairly compensate the professionals who care for our community.

We also provided funding for residential treatment services, increased support for seniors and persons with disabilities, and expanded youth and mental health programmes.

To improve public safety, we funded the hiring of new police officers and the purchase of modern equipment for our borders. In education, we are increasing scholarships and upgrading technology in public schools. We are also investing in affordable housing projects and improving public infrastructure, including roadways and parks.

On Monday, Ministers and MPs joined me as we awarded \$1.5 million in Capital Development Grants to Community and Sporting Clubs to support critical upgrades for their infrastructure. This funding included \$1 million allocated in the 2025/26 Budget and an additional \$500,000 from the Supplementary Estimate to increase the support our local clubs need and deserve.

These targeted investments are only possible because of the fiscal discipline we have maintained. They reflect this Government's continued commitment to using surplus funds responsibly, investing in services that matter to the people of Bermuda while staying focused on long-term financial sustainability and reducing our debt.

The new revenues that will be received through Corporate Income Tax will be managed with the same fiscal prudence and long-term focus that has returned us to surplus. The Government is proposing a clear, disciplined fiscal framework that ensures Corporate Income Tax receipts will be used to implement the recommendations of the Tax Reform Commission and reduce debt, build financial reserves, and make strategic investments that serve the long-term interests of Bermuda and its people.

Our forecast shows that net debt will fall from \$3.2 billion today to below \$2.5 billion by fiscal year 2027/28. That means less of your tax dollars going to interest payments and more being invested in things that matter like healthcare and infrastructure.

This proposed framework includes two key rules:

- Deficit rule: The current budget should remain in balance or surplus, excluding CIT revenues, capital spending, interest payments, and structural transformational investment/healthcare.
- Debt and Assets rule: Over a rolling period of three years, at least 70% of net CIT revenues should be devoted to paying debt interest, reducing net debt, or accumulating net financial assets.

This approach is aligned with international best practice and continues the Government's consistent approach to tax reform which the Fiscal Responsibility Panel commented was *"swift, strategic, and executed with an impressive level of competence"*.

They also commended the work of the new Corporate Income Tax Agency, saying that its development and early operations have been *"very impressive and provide a sound foundation for a robust tax administration"*.

With this solid foundation in place, we must also use CIT revenue wisely to ease the cost of living and doing business in Bermuda which is key point of the press conference as the Pre-Budget Report sets out what the Government is seeking to do in the future.

To this end, the Government is considering a number of targeted policy proposals during this consultation period, recommended by the Tax Reform Commission & business stakeholders, and we are seeking feedback or alternative from all residents and taxpayers.

These proposals include:

- The new proposed fiscal rules that I mentioned earlier to ensure long-term sustainability, including a balanced current budget a three-year debt over asset rule.
- Customs duty reductions, including expanding the list of essential items and revising vehicle duty thresholds to reduce the cost of purchasing a private vehicle.
- Proposed 10% reduction in vehicle licensing fees included in last year's budget which will come into place 1 April, 2026.
- Further reductions in employer payroll tax, including eliminating it for employers who retain workers over 65.
- Increasing the local dividend tax exemption threshold from \$10,000 to \$25,000.
- Utility tax relief, including reducing or removing customs duties on electricity production even further, we have cut them by 80% with a view to eliminate them completely. Also considering a recommendation of the Tax Reform Commission of eliminating payroll tax on bulk generation, contingent on savings being passed on to consumers.
- Payroll tax reductions for lower- and middle-income workers or those making below \$96,000.
- The expansion of healthcare subsidies for seniors, low-income earners, and the underinsured also recommendations of the Tax Reform Commission.

As we prepare to deliver the Budget for 2026/27 on February 20<sup>th</sup> we would like to hear from you. The Pre-Budget Report provides an opportunity for members of the public, local businesses, and other stakeholders to engage in the Budget process.

It's about sharing ideas on the kind of country we want to build together. So, I encourage everyone to read the report, ask questions, and send feedback and suggestions either online at **forum.gov.bm** or email [openbudget@gov.bm](mailto:openbudget@gov.bm) before January 16, 2026. Your input will help to shape the final Budget.

As we close out 2025, it is also appropriate that we look back on what has been achieved for the people of Bermuda this year, following this Government's re-election in February.

In September, working with our union partners, the Government completed long-needed pension reform to the Public Service Superannuation Fund. That reform strengthened the long-term sustainability of the fund, protected the retirement security of public officers, and delivered real savings for taxpayers.

That same month, we also delivered an increase to the minimum wage, providing meaningful support to low-income workers at a time when cost-of-living pressures remain real. That decision reflects this Government's continued commitment to fairness and to ensuring that economic progress is shared.

During the budget we reduced a significant number of taxes. These actions have laid a strong foundation for an aggressive legislative agenda that we will continue to execute in 2026, starting with the Budget.

In addition to our legislative agenda, the Government has continued to execute on our promises. Work is being advanced by the Ministry of Youth, Social Development and Seniors on repurposing the former Gilbert Institute as the new seniors' daycare facility providing much needed support and relief for families.

The Ministry of Home Affairs has also taken concrete action to help ease cost-of-living pressures. In October, the Ministry launched the Affordable Basket Initiative, which provides targeted relief on essential grocery items and helps families manage everyday expenses.

The Ministry of Housing & Municipalities has continued to advance the Government's affordable housing agenda, with multiple Bermuda Housing Corporation projects progressing across the island at Battery Road, Harmony Terrace, Chelsea Apartments, and other sites. The Ministry of Public Works & Environment has continued to make steady progress on road improvements across the island, addressing a key frustration for motorists.

The Ministry of Health has continued to advance healthcare reform, with Phase One of Universal Health Coverage scheduled to begin in January 2026.

This will mean improvements to HIP and FutureCare including a free annual health exam, higher prescription limits, and the removal of the waiting period for Personal Home Care benefits.

The Ministry of Education has continued to advance the transformation of public education, including the reintroduction of Gifted and Talented Education Programme. The Ministry of National Security has continued to advance the National Violence Reduction Strategy, strengthening coordination across government departments and the community.

This Government came into office with a commitment to fiscal responsibility, economic fairness, and social progress. We've stayed focused, even when it was hard during the dark days of the pandemic and when naysayers said that what we had set out to achieve could not be done.

And now, this Government are seeing the results, but this is not for us, it is for the people of this country whose hard work and sacrifice means that they should enjoy the benefits of this economic progress.

The work is not done, and we understand there is more needed. Your input can help shape the future of what this next Budget will look like as your Government pledges to deliver more relief to you, your family, and your small business.

Thank you.