

AMENDMENT TO MINISTRY PAPER # 17/26

ENTITLED REVENUE MEASURES FOR FINANCIAL YEAR 2026/2027

Ministry of Finance and the Public Service
28th April 2026

MINISTRY PAPER # 17/26

REVISED REVENUE MEASURES – FY 2026/2027

This Honourable House is being requested to take note of changes in respect of revenue measures for the Fiscal Year (FY) 2026/2027. The revised revenue measures reflect changes made to the measures presented to the Parliament on February 12th 2026, vide Ministry Paper # 17/2026.

These amendments include adjustments to the taxing regime for Non-Alcoholic Sweetened Beverages, the environmental protection levy and the Modification of the 20% Duty Concession on Motor Vehicles for Public Officials.

1. Revised tax framework for Special Consumption Tax (SCT) on Non-Alcoholic Sweetened Beverages

- The Honourable House is being advised that the imposition of a SCT on Non-Alcoholic Sugar Sweetened Beverages (NASBs) forms part of the Government's strategy to strengthen domestic revenue mobilisation while supporting improved public health outcomes. These beverages are widely consumed across income groups and are sold in high volumes in the Jamaican market. Notwithstanding this, they are currently subject only to the General Consumption Tax (GCT) at the standard rate of 15% and are not captured under the SCT regime, unlike comparable products such as alcohol and tobacco.
- Following further technical review and stakeholder consultations, the proposed measure has been modified from a volume-based approach to a sweetener-content-based framework. Under this revised approach, the SCT will be levied at \$0.22 per gram of added sweetener contained in the beverage. This design safeguards the tax burden: beverages with higher levels of added sweetener incur a higher tax, while those with lower levels incur a reduced tax.
- For this measure, added sweeteners means all added sugars and non-nutritive sweeteners incorporated during the manufacturing or preparation of a product, which includes the following:
 - i. Non-nutritive sweeteners (NNS) (This includes all artificial sweeteners): means high-intensity, zero or low-calorie sweetened substitutes that provide a sweet taste but add little to no calories to the body or only provide such a small amount that it has no meaningful impact. These substances typically contain negligible or no carbohydrates, fats, or proteins. Non-nutritive sweeteners typically include but are not limited to aspartame, saccharin, sucralose, neotame, acesulfame-potassium, advantame, stevia (steviol glycosides) and monk fruit extract. They are often found in "diet" or "sugar-free" products.

- ii. Added sugar: means all mono- and disaccharides, as well as sugar-containing ingredients used to sweeten beverages. This involves introducing sugars during the processing or preparation of foods, including sucrose and dextrose; sugars packaged as sweeteners (such as table sugar); and sugars from syrups, honey, and concentrated fruit or vegetable juices.
- Additionally, NASBs means all beverages containing less than 0.5% alcohol that are commercially produced, packaged, sealed or otherwise prepared in final form for retail sale, and intended for direct human consumption without further dilution, mixing or preparation, to which added sugar and/or non-nutritive sweeteners have been incorporated during manufacture or preparation. It is noted that certain fermented beverages may contain trace amounts of alcohol as a natural by-product of fermentation but remain below the applicable alcohol by volume (ABV) threshold and are therefore classified as non-alcoholic; such products fall within the scope of this measure. However, those fermented beverages that already attract the Special Consumption Tax based on the amount of pure alcohol are excluded, as they are subject to an existing SCT regime.
- The SCT will not apply to beverages where sweetening occurs at the point of retail or final preparation (e.g., restaurants, cafés, or similar establishments), as the measure is intended to target commercially produced, packaged beverages.
- Beverages exempted under the regime are as follows:
 - i. liquid whole, and skimmed milk;
 - ii. exported sugar beverages and shipped as stores; and
 - iii. juices to which no additional sugar has been added.
- The Honourable House is further advised that the SCT will apply on a neutral basis to both locally manufactured and imported beverages. For domestic manufacturers, the tax liability will arise at the point of removal of goods from the excise warehouse for local consumption, with the tax assessed at that stage and paid through periodic SCT returns. For imports, the tax will be payable at the point of importation or, where applicable, upon clearance from a bonded warehouse for home consumption.
- Manufacturers and Importers will be required to submit supporting documentation to substantiate the declared added sweetener content.
- The Honourable House is being advised that the legislative implementation of this measure will require amendments to the Second Schedule of the General Consumption Tax Act to incorporate Non-Alcoholic Sugar-Sweetened Beverages (NASBs) as prescribed goods subject to Special Consumption Tax (SCT) at a rate of \$0.22 per gram of added sweetener.

- At the \$0.22 rate, the estimated retail price impact for a beverage consumed in the market would be as follows:
 - i. 300 ml beverage:\$7.04
 - ii. 600ml beverage:\$14.08
 - iii. 2- litre beverage: \$47.08
- The proposed measure is scheduled to take effect on May 1st, 2026. The associated revenue is expected to be revenue neutral.

2. Increase in the Environmental Protection Levy rate from 0.8% to 0.85%

- The House may recall that via Ministry Paper No. 17/2026, it was proposed to increase the Environmental Protection Levy (EPL) rate to 0.8% from 0.5% for both imports and domestic goods, and to expand the base on which the domestic levy is charged from 75% of sales to 100%.
- The Ministry of Finance and the Public Service in further consultation with stakeholders, has revised the proposed measure.
- In light thereof, it is further proposed that the EPL rate be increased to 0.85% up from 0.8%, which was initially announced, and will be levied on the CIF value of imports and the current base value of domestically manufactured goods (value of sales). This measure is expected to reduce concerns highlighted by manufacturers. It also limits system reconfiguration burdens for both taxpayers and the administration
- This revision, is expected to be roughly revenue neutral. This measure is expected to take effect May 1st 2026.

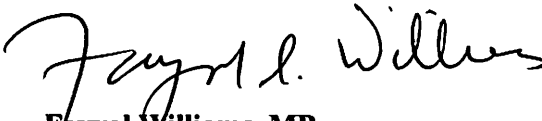
3. Modification of the “20% Duty Concession” on Motor Vehicles for Specified Persons

- The House may recall that, pursuant to Ministry Paper No. 17/2026, it was proposed that the “20% duty concession” framework be amended such that the 20% import duty would remain payable, the Special Consumption Tax (SCT) exemption would be retained and the General Consumption Tax (GCT) would become payable.
- It should be noted that Ministry Paper No. 17/2026 referenced public officials as defined under the Financial Administration and Audit (FAA) Act. This reference inadvertently suggested that the concession would apply only to that specific subset of persons.
- The revised concession framework is intended to include all categories of persons currently entitled to such relief under statute, specifically those listed at items 1 and 2 in Group 11 of the First Schedule to the General Consumption Tax Act.

- Accordingly, eligibility under the new concession framework will be in accordance with the categories set out in the General Consumption Tax Act. The revenue gain associated with the measure remains at \$1.3 billion. This measure is expected to take effect on May 1st 2026.

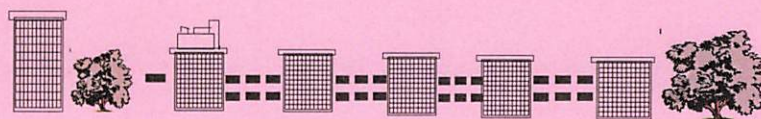
SUMMARY OF REVENUE MEASURES

	Revenue Impact JMS Billion
1. Revised tax framework for Special Consumption Tax (SCT) on Non-Alcoholic Sweetened Beverages	\$0
2. Increase in the Environmental Protection Levy rate from 0.8% to 0.85%	\$0
3. Modification of the “20% Duty Concession” on Motor Vehicles for Specified Persons	\$0
TOTAL	\$0


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Minister of Finance and the Public Service

April 28th 2026



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