



2026/27 Budget Alert

Revenue Measures update: What you need to know

Jamaica



24 March 2026

Jamaica: 2026/27 Budget – An update

24 March 2026 - Kingston, Jamaica

Further to our Preliminary Review of the 2026/2027 Budget issued 12 February 2026, we wish to provide you with an update to certain Revenue Measures previously tabled in Parliament by the Honourable Fayval Williams, Minister of Finance and the Public Service, as part of her opening budget presentation.

Today Minister Williams closed her presentation to the 2026/2027 Budget Debate and sought to:

1. Defend the new Revenue Measures previously announced; and
2. Rebut alternative budget financing proposals which had been presented by the Parliamentary Opposition as part of its contribution to the Budget Debate.

In addition, Minister Williams noted that following meetings held with affected industry representatives, the Government of Jamaica now proposes modifications to two of the new Revenue Measures, originally announced as part of its financing of the 2026/2027 Budget.

The purpose of this Alert is to provide an update on the proposed modifications to these specific Revenue Measures and the context in which they are being made.

Imposition of Special Consumption Tax (SCT) on non-alcoholic sweetened beverages (NASBs)

In her opening budget presentation on 12 February 2026, Minister Williams announced that SCT would be imposed at the rate of JMD 0.02 per milli-litre (ml) on the importation or local manufacture of '*non-alcoholic beverages containing added sugar or other caloric sweeteners or artificial or non-nutritive sweeteners*'.

It was indicated that this measure would take effect in the first quarter of 2026/2027 and that it is projected to raise JMD 10.1 billion annually.

It was noted by Minister Williams that in addition to revenue generation, a major objective of this measure is to alter consumption behaviours in the interest of enhancing health outcomes for the population. The Ministry of Health has indicated that the prevalence of consumption of highly sweetened beverages in Jamaica is a significant contributor to certain non-communicable diseases (NCDs) such as diabetes, obesity, blood pressure and other cardiovascular diseases. It has further been noted that these illnesses place extensive pressure on Jamaica's healthcare system.

The following table illustrates typical levels of added sugar (in grams) and in teaspoons (based on a standard 4.2 grams) for a selection of soda categories etc. typically sold in Jamaica (using a uniform 600ml volume to facilitate comparison):

NASB (600ml)	Grams	Teaspoons
Local – Ginger Beer	94.6	22.5
Local – Grapefruit Soda	75	17.9
Local – Kola Champagne	70	16.7
Local – Energy Drink	69	16.5
Local – Cranberry Juice	57.3	13.6
Local – int'l brand soda	45	10.7
Local – Unsweetened OJ	42.5	10.1
Local – Juice/Water Mix	38	9
UK/IRL – intl. brand soda	27.6	6.6

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For comparison, the table also includes a local unsweetened orange juice (no added sugar) and examples of added sugar in some international soda brands sold locally as well as equivalent brands sold in the UK/Irish market (as illustration).

This suggests local soda beverages can contain 16-20+ teaspoons of sugar in each 600ml bottle which almost three times the sugar content of equivalent sodas in some international markets such the UK/Ireland. Although a 600ml bottle may state it contains 2.5 servings, it is not uncommon for some persons to drink multiple bottles daily.

What is happening internationally?

In 2023 the Pan American Health Organisation (PAHO) conducted a study of what jurisdictions in Latin America and the Caribbean imposed taxation on sugar sweetened beverages. It indicated that 22 jurisdictions had some form of excise tax – these were however primarily across Latin America – such a tax was less prevalent within the Caribbean.

Barbados imposes a 20% excise tax on the value of imported or locally manufactured sweetened beverages. An ad valorem tax does not however target the level of sugar content, so it is expected to be less effective in pursuing public health outcomes. In its favour, the regime in Barbados does not include non-calorific sweeteners.

We have included the UK (Soft Drinks Levy) and Ireland (Sugar Sweetened Drinks Tax) in the comparison as these regimes are tiered and impose a specific amount of tax per 100ml of sugar sweetened beverage: no tax levied on beverages below 5g (per 100 ml) of added sugar; a standard rate for beverages 5g and above with a higher rate kicking in from 8g (per 100 ml) and above.

Neither regime applies to non-calorific sweeteners.

This tiered regime in the UK and Ireland has resulted in international branded sodas being sold in these markets at a much lower sugar content than in Jamaica (e.g. at 4.6 grams per 100 ml) which just falls within the zero tax band.

The taste profile is managed through a combination of a reduced level of sugar combined with non-calorific sweeteners (such as Acesulfame K or Sucralose).

Limitations of originally proposed regime:

The original volume-based proposal tabled in February 2026 had several limitations in terms of the pursuit of desired public health outcomes:

1. By virtue of being based on beverage volume rather than added sugar content, the regime would be unlikely to drive a change in consumer behaviour as both high and low sugar content drinks would be equally impacted by the tax;
2. In a similar vein, the regime would not provide any incentive to manufacturers to reformulate and reduce sugar-content;
3. The inclusion of non-calorific sweeteners further limits options available to local manufacturers to reformulate their beverages in a manner to wean consumers off higher-sugar content drinks.
4. The proposal as announced has not indicated how certain categories of drinks should be dealt with (whether applicable or excluded) such as pre-mixed drinks, milk-based drinks, concentrates and powders etc. These products can have specific rules in other regimes.

The Parliamentary Opposition indicated that Government could mandate manufacturers by regulation to reformulate instead of imposing SCT- this could however have an unintended impact where high-sugar content beverages continue to be imported to meet consumers' sugar cravings.

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Revised SCT Proposal on NASBs:

Following further review by the Ministry of Finance as well as consultation with local beverages manufacturers, Minister Williams announced today that the proposed regime will initially be modified to impose SCT (with effect from 1 May 2026) on NASBs at the rate of JMD0.22 per gram of added sugar. This modification moves away from a beverage volume-based approach and ties the level of SCT imposed directly and proportionally to the level of added sugar content.

The design of the revised regime is more aligned to driving a change in consumer behaviour and incentivising local manufacturers to reformulate. We suggest that the regime does not treat non-caloric sweeteners in the same manner as sugar as this could limit options for local manufacturers in undertaking reformulation while seeking to meet consumer taste expectations.

The tiered approach used internationally by some regimes is administratively less burdensome than having a separate calculation based on the specific grams in each product. Minister Williams indicated that a further review is planned to consider a tiered approach in due course.

The following highlights a comparison of the original and revised regimes with the UK SDL regime:

NASB (600ml)	Grams	Original JMD	Revised JMD	UK JMD*
Local – Grapefruit Soda	75	12	16.5	32.63
Local – Other Soda	70	12	15.4	32.6
Local – OJ (no added sugar)	42.5	Nil	Nil	Nil
Local – Juice / Water Mix	38	12	8.36	24.44

Modification to Environmental Protection Levy (EPL) Regime

In her opening budget presentation, Minister Williams indicated that it was proposed that the EPL be increased with effect from 1 May 2026 from the current rate of 0.5% to 0.8% on imports and locally manufactured goods.

It was further indicated that the base for the calculation of the EPL on locally manufactured goods would be increased from 75% to 100% of the sales value of the goods. This would remove the 25% adjustment currently made by local manufacturers in computing their EPL liability.

The latter proposal was of particular concern to local manufacturers as it was felt that this would place them at a competitive disadvantage to importers and distributors of competing products.

This is legitimate concern. An importer/distributor is subject to EPL on the customs value of the goods imported. Other costs incurred (such as locally incurred distribution costs, salaries, overhead as well as sales margin) would not be subject to EPL. The 25% adjustment to sales price in respect of EPL imposed on local manufacturers would have represented an attempt to recognize this. Imposing EPL on local manufacturers on their full sales price would place them at a competitive disadvantage vis-à-vis competing importers.

In light of this and following consultation with the local manufacturing sector, Minister Williams announced that the 25% adjustment will be retained but that the rate of EPL will instead be increased from 0.5% to 0.85% (for both imports and locally manufactured goods) in an effort to maintain pursuit of the original revenue estimate of JMD3.37 billion.

Let's talk ...



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