



INTERNATIONAL EXECUTIVE SERVICES

Bahamas

Taxation of International Executives

TAX

The Bahamas: Taxation of International Executives

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Overview and Introduction

The Bahamas has no income, company, capital gains, wealth, succession, or gift taxes. The only direct taxes are real property tax and license fees. The majority of the tax revenue in the Bahamas is derived from import and excise duties; stamp duties, casino tax, and license fees.

The official currency of the Bahamas is the Bahamian Dollar (BSD).

For information on practical matters that employers and employees should consider with respect to an international assignment, please refer to the companion publication titled *Planning Your International Transfer*.

For the purposes of this publication, the host country refers to the country where the expatriate is going on assignment. The home country refers to the country where the expatriate lives when he/she is not on assignment.

Income Tax

Not applicable.

General Tax Credits

What are the general tax credits that may be claimed in your country? Please list below.

As there is no income tax in The Bahamas at present, there are no general tax credits to be claimed.

Special Considerations for Short-Term Assignments¹

Residency Rules

Are there special residency considerations for short-term assignments?

A work permit is required to take up residency.

Payroll Considerations

Are there special payroll considerations for short-term assignments?

Normal payroll requirements apply except that exchange control approval is required to remit a portion of salary to home country.

Taxable Income

What income will be taxed during short-term assignments?

No income tax; however, social security deductions applied to up to BSD 20,800 of income.

Additional Considerations

Are there any additional considerations that should be considered before initiating a short-term assignment in the Bahamas?

Consult prospective employer for documents required to be submitted with work permit application.

¹ For the purposes of this publication, a short-term assignment is defined as an assignment that lasts for less than one year.

Other Taxes and Levies

Social Security Tax²

Are there social security/social insurance taxes in the Bahamas? If so, what are the rates for employers and employees?

Employer and Employee

Type of Insurance	Paid by		Total Percent
	Employer Percent	Employee Percent	
National Insurance	5.4	3.4	8.8
Total Percent	5.4	3.4	8.8

Individuals working in the Bahamas are normally liable to pay national insurance on a maximum annual salary of BSD 20,800. For employees earning more than BSD 60 a week, the rate is 3.4 percent. Employers' contributions on the same earnings are at a rate of 5.4 percent.

The national insurance scheme is compulsory. It provides benefits in respect of sickness, maternity, retirement, or death.

Gift, Wealth, Estate, and/or Inheritance Tax

Are there any gift, wealth, estate, and/or inheritance taxes in the Bahamas?

These do not apply in the Bahamas.

Real Estate Tax³

Are there real estate taxes in the Bahamas?

Tax of between 0 percent and 2 percent is payable depending upon the value of the property and whether or not it is foreign owned.

² National Insurance Act, 1972, Chapter 320, The Statute Laws of the Bahamas, 1987 Revision, Volume VIII

³ Real Property Tax Act, Chapter 339, The Statute Laws of the Bahamas, 1987 Revision, Volume VII

Sales/VAT Tax

Are there sales and/or value-added taxes in the Bahamas?

No sales or VAT tax at present although hotel room nights are subject to taxes and levies.

Unemployment Tax

Are there unemployment taxes in the Bahamas?

No unemployment taxes at present.

Other Taxes

Are there additional taxes in the Bahamas that may be relevant to the general assignee? For example, customs tax, excise tax, stamp tax, etc.

Most imports are subject to customs duties and stamp tax at rates that vary. Property transactions are subject to stamp duties and property ownership is subject to property tax.

Work Permit Fees

All expatriates working in the Bahamas require work permits. Work permit fees are generally paid by the employer and can vary depending on the type of job.

Double Taxation Treaties

The Bahamas has not entered into any double taxation treaties.

KPMG in the Bahamas

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