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January 2026

# Tax Alert

Guyana



## Focus on Guyana Budget 2026

### Proposed fiscal measures

On 26 January 2026, the Honourable Dr. Ashni Singh, Senior Minister in the Office of the President with responsibility for Finance, presented the National Budget for the Financial Year 2026 under the theme ***"Putting People First."*** The Budget introduces a range of fiscal, social, and economic measures aimed at increasing disposable income, easing cost-of-living pressures, strengthening business competitiveness, and supporting inclusive growth.



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# Macroeconomic indicators

19.3%	16.2%
Overall GDP growth 2025	Projected GDP growth 2026
261.1m	~307m
Crude oil production (barrels) 2025	Crude oil production (barrels) 2026 projected
830k bpd	~840k bpd
Average Stabroek Block output 2025	Average Stabroek Block output 2026 projected
14.3%	10.8%
Non-oil GDP growth 2025	Non-oil GDP growth 2026 projected

INDICATOR	2025 (ACTUAL)	2026 (PROJECTED)
<b>Central Government expenditure</b>	GYD 1.3t	GYD 1.6t
<b>Balance of Payments</b>	USD 338.2m surplus	USD 151.3m surplus (projected)
<b>Export Earnings (Total)</b>	USD 20.1b	USD 20.5b
<b>Crude Oil Export Earnings</b>	USD 17.8b	~USD 18b (projected)
<b>Non-Oil Export Earnings</b>	USD 2.3b	USD 2.5b (projected)
<b>FPSO Output</b>	Destiny: 134,300 bpd Unity: 249,500 bpd Prosperity: 255,200 bpd One Guyana: ~191,000 bpd	Combined output maintains ~840,000 bpd across existing FPSOs
<b>Bank of Guyana Reserves</b>	USD1.3b	No specific figure given
<b>Inflation Rate (End-Year)</b>	2.5%	Target: 2.5%
<b>Non-Financial Public Sector Deficit</b>	GYD 305.7b (5.4% of GDP)	GYD 442.9b (7.6% of GDP projected)
<b>Central Government Deficit</b>	GYD 308.9b (5.5% of GDP)	GYD 448.9b (7.7% of GDP projected)
<b>NRF Deposits</b>	USD 2.1b profit oil + USD 330.7M royalties + USD 15m bonus	~USD 2.4b profit oil + USD375.3m royalties + USD 17m bonus (projected)
<b>NRF Year-End Balance</b>	USD 3.3b	USD 3.7b (projected)



# Proposed fiscal measures

## INCOME AND PERSONAL TAX MEASURES

### Increase in Income Tax Threshold

The Government proposes to increase the monthly income tax threshold from GYD130,000 to GYD140,000, with effect from the year of income 2026.

This will increase the annual minimum personal allowance from GYD1,560,000 to GYD1,680,000.

### Removal of Net Property Tax on Individuals

Currently, Property Tax is levied on the net property value of individuals as follows:

On the first GYD40m of net property	Nil
For every dollar of the next GYD20m of net property	0.5%
For every dollar of the remainder of net property	0.75%

In alignment with Government's objective to support savings and asset accumulation, the Government proposes to abolish the net property tax on individuals, effective from the year of assessment 2026 (year of income 2025).

## BUSINESS, INVESTMENT AND ECONOMIC DIVERSIFICATION MEASURES

### Special Development Zones

The Government proposes to designate a number of areas as Special Development Zones, which will benefit from targeted fiscal incentives. This initiative is intended to promote geographically balanced development, as the zones identified will be based on access to raw materials, infrastructure and market connectivity. This proposal seeks to attract private investment and enhance the competitiveness of manufacturing and export-oriented activities. This measure complements the Government's wider strategy aimed at improving manufacturing competitiveness, including reductions in electricity costs to support large-scale and export-oriented production. This measure is in keeping with global best practice while not infringing global minimum standards regarding harmful tax policies.

### Agriculture and Agro-Processing

In support of food security and economic diversification, the Government proposes to remove corporate taxes on agriculture and agro-processing businesses. This measure is intended to increase retained earnings, encourage reinvestment, and expand production capacity across the agricultural value chain.

### Forestry and Value-Added Production

To further support value-added activities in the forestry sector, the Government proposes to:

- expand the export allowance regime to provide for reduced exposure to Corporation Tax in respect of exports of timber value-added products; and
- remove Value Added Tax (VAT) on locally manufactured furniture, including doors, mouldings, and beds.

These measures are intended to enhance competitiveness, reduce production costs, and support local manufacturers expanding into regional and international markets.

## TRANSPORT AND VEHICLE-RELATED MEASURES

### Reduction of Import Duties on Double-Cab Pick-Ups

To reduce the cost of importing double-cab pick-ups, the Government proposes a reduction in import duties by introducing a flat tax regime, irrespective of vehicle age, as follows:

- GYD2 million on double-cab pick-ups below 2,000 cc; and
- GYD3 million on double-cab pick-ups between 2,000 cc and 2,500 cc.

### Removal of VAT on Small and Low-Emission Vehicles

The Government proposes to:

- remove VAT on new vehicles below 1,500 cc (vehicles less than four years old); and
- remove VAT on hybrid motor vehicles below 2,000 cc.



These measures build on earlier incentives for electric vehicles and are intended to reduce importation costs while encouraging environmentally friendly alternatives.

### Local Content

The Government proposes to amend the list of activities in the Schedule of the Local Content Act which will be subject to the local content requirements. The Government has also made a commitment to specific processing times for the processing of local content applications and renewals.

### Hinterland and Riverain Transport

The Government proposes to:

- remove all duties and taxes on all-terrain vehicles (ATVs) for use in mining, agriculture, forestry, manufacturing and the hinterland; and
- eliminate all taxes and duties on outboard engines up to 150 horsepower, to reduce the cost of transportation within hinterland and riverain communities.

### Local Jewellery Manufacturing

The Government proposes to remove VAT on locally produced jewellery, with the objective of supporting small and medium-sized enterprises, encouraging value-added production, and strengthening export potential in the jewellery-making sub-sector.

### Removal of Duty and VAT on Security Equipment

The Government proposes to remove duty and VAT on security equipment, including security cameras and alarm systems. This measure is intended to enhance community-level crime prevention and detection, improve situational awareness, and support faster response through strengthened collaboration between citizens and the Guyana Police Force.

## FINANCIAL EMPOWERMENT AND ACCESS TO CREDIT

### Establishment of the Guyana Development Bank

Recognising the critical role of micro, small, and medium-sized enterprises in job creation and economic development, the Government proposes to inject USD100 million into the Guyana Development Bank. The Bank will provide:

- Micro-credit loans of up to GYD3 million,

- Zero interest rates, and
- Zero collateral requirements,

targeting SMEs, young entrepreneurs, women, and persons living with disabilities. Loans will be paired with mentorship and technical support. Additionally, a co-investment framework will allow eligible borrowers to access up to an additional GYD7 million at preferential rates from participating commercial banks.

## HOUSING AND HOME OWNERSHIP

### Increase in Low-Income Mortgage Ceiling

The Government proposes to increase the low-income mortgage ceiling at commercial banks from GYD20 million to GYD30 million. This measure is intended to further reduce the cost of home ownership through reduced interest rates.

### Extension to Insurance Companies

In addition, the Government proposes to extend the GYD30 million low-income mortgage ceiling to approved insurance companies that offer housing loans under similar arrangements, thereby broadening access to affordable mortgage financing.

### Housing Improvement Subsidy

The Government proposes to allocate GYD7.5 billion to support homeowners in upgrading and improving their homes. This measure builds on earlier initiatives such as the steel and cement subsidy programme.

## COST-OF-LIVING RELIEF MEASURES

### Fuel Prices

The Government proposes to maintain the excise tax on petroleum products at zero percent, a measure in place since 2022.

### Freight Charges

The Government proposes to extend the use of pre-pandemic freight charges for the calculation of import taxes for a further 12-month period from 1 January 2026 to 31 December 2026.

### Targeted Cost-of-Living Support

The Government proposes to allocate GYD9 billion for additional interventions during 2026, to further ease cost-of-living pressures.

## **SOCIAL AND VULNERABILITY-FOCUSED MEASURES**

### **Because We Care Cash Grant**

The Government proposes to increase the Because We Care cash grant from GYD50,000 to GYD60,000 per child, benefiting approximately 206,000 children in public and private schools.

### **Annual Transportation Grant for School Children**

In keeping with the Government's 2025 manifesto promise, the Government proposes to introduce an annual transportation support grant of GYD20,000 per child.

These measures along with the existing uniform voucher allowance will amount to a total transfer of GYD85,000 per child.

### **Support for Caribbean Examinations**

The Government proposes to continue paying examination fees for up to eight CSEC and CAPE subjects per child in both public and private schools.

### **Old Age Pensioners**

The Government proposes to increase the Old Age Pension from GYD41,000 to GYD46,000 per month, effective 1 January 2026.

### **Transportation Support Grant for Pensioners**

The Government proposes to introduce an annual transportation support grant of GYD20,000 to support the mobility of pensioners.

### **Public Assistance**

The Government proposes to increase monthly public assistance from GYD22,000 to GYD25,000, further strengthening support for vulnerable households.

### **Childcare and Elderly Care Services**

In line with the Government's commitment to improve the quality of life of children and senior citizens and to encourage private investment in elderly and child care facilities, the Government proposes to:

- Remove corporate taxes on companies providing childcare and elderly care services; and
- Allocate GYD1.5 billion for co-investment in such facilities, subject to agreed service-rate caps.

## **INCREASING DISPOSABLE INCOME**

### **Increase in Worker Stipends**

The Government proposes to increase monthly stipends from GYD40,000 to GYD50,000 for Pathway Workers, Community Enhancement Workers, Community Service Officers, and Community Policing Groups, with effect from 1 January 2026.

### **National Cash Grant**

The Government proposes to once again pay a GYD100,000 cash grant to every Guyanese citizen aged 18 years and older during 2026, continuing the national cash transfer initiative first introduced in 2025.

### **Removal of Residency Requirements for Destination Weddings**

The Government proposes to remove the fourteen (14) days residency requirement for destination weddings. This measure is expected to expand tourism related economic activity.

## Tax Services

### Business Tax Services

- Business tax compliance and advisory
- Tax planning
- Tax controversy/disputes
- Tax accounting

### Accounting compliance reporting

- Bookkeeping
- Financial Statement Close Process support
- Statutory reporting (including compilation)
- Payroll
- Financial advisory support

### Indirect Tax Services

- VAT compliance and advisory
- Property tax
- Insurance premium tax
- Hotel accommodation tax
- Stamp duty
- Financial services tax
- Credits and incentives

### People Advisory Services

- Expatriate tax compliance and advisory
- Global employment tax services
- Global business immigration services
- Work permits
- Personal tax services

### International Tax Services

- Cross-border corporate income tax advisory
- Double tax treaty analysis
- Tax-effective supply chain management
- Withholding tax

### Transaction Tax Services

- Evaluation of significant tax exposures
- International tax
- Tax structuring
- Identification of post-transactional tax reduction options

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**Ernst & Young Services Inc.**  
Suite 302  
Pegasus Suites & Corporate Centre  
Seawall Road  
Kingston  
Georgetown  
Tel: +011 592 225 2835  
+011 592 501 1990

## Contacts

### Colin Ramsey

**Tax Partner**  
+1 868 822 5016  
colin.ramsey@tt.ey.com

### Gregory Hannays

**Consultant**  
+1 868 822 5501  
gregory.hannays@tt.ey.com

### Gail Marks

**Associate Partner**  
+011 592 225 2835  
gail.marks@gy.ey.com

### Anna Richards

**Senior Manager**  
+011 592 225 2835  
anna.richards@gy.ey.com

### Amrita Prashad

**Senior Manager**  
+011 592 225 2835  
amrita.d.prashad@gy.ey.com

### Tremaine Alphonso-Clovey

**Manager**  
+011 592 225 2835  
tremaine.alphonso-clovey@lc.ey.com

### Anuradha Deodasingh

**Manager**  
+011 592 225 2835  
anuradha.deodasingh@gy.ey.com

### Aminah Stokes

**Manager**  
+011 592 225 2835  
aminah.stokes@gy.ey.com

## ASSURANCE

**Sham Ramnarain**  
**Chartered Accountant**  
+011 592 225 2835  
sham.ramnarain@gy.ey.com

## EY-PARTHENON

**Sean Pemberton**  
**Senior Analyst**  
+011 592 225 2835  
sean.s.pemberton@parthenon.ey.com

## BUSINESS CONSULTING

**Binode Bajnath**  
**Partner**  
+1 868 822 6156  
binode.bajnath@tt.ey.com

## BUSINESS DEVELOPMENT

**Nicholas Yearwood**  
**Manager**  
+592 624 4422  
nicholas.yearwood@gy.ey.com

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This Tax Alert is based on the presentation delivered by the Honourable Minister in the National Assembly on 26 January 2026.

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