

A BILL

entitled

PAYROLL TAX AMENDMENT (NO. 2) ACT 2026

WHEREAS it is expedient to amend the Payroll Tax Act 1995, the Payroll Tax Rates Act 1995 and the Motor Car Act 1951 in relation to ridesharing permit holders;

Be it enacted by The King's Most Excellent Majesty, by and with the advice and consent of the Senate and the House of Assembly of Bermuda, and by the authority of the same, as follows:

Citation

1 This Act may be cited as the Payroll Tax Amendment (No. 2) Act 2026.

Inserts section 9BB into the Payroll Tax Act 1995

2 After section 9BA of the Payroll Tax Act 1995 insert—

“Special provision for ridesharing permit holders

9BB (1) In this section—

“Board” means the Public Service Vehicles Licensing Board established under the Motor Car Act 1951 (“the 1951 Act”);

“ridesharing operator” means a person granted a licence to operate a public service vehicle who provides a ridesharing service using a ridesharing vehicle;

“ridesharing permit” means a permit granted by the Board under section 35D of the 1951 Act to provide a ridesharing service.

(2) Notwithstanding the provisions of this Act or the Rates Act, a ridesharing operator shall not be liable to payroll tax at the employer's standard rate, or other rate prescribed under section 5 of the Rates Act, or employee's standard rate bands in relation to his remuneration as a ridesharing operator.

(3) A ridesharing permit holder shall be required to pay to the Commissioner a flat rate of payroll tax per annum of such amount as prescribed by the Rates Act for the purpose of this section before—

(a) a ridesharing permit may be issued by the Board;

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(b) the renewal of a ridesharing permit by the Board.

(4) Where a ridesharing permit is granted for a period of six months or less, the ridesharing permit holder shall be required to pay one half of the amount prescribed in subsection (3) before the ridesharing permit is issued by the Board.

(5) A ridesharing permit holder who—

- (a) has paid in full the amount prescribed under subsection (3); and
- (b) cancels his ridesharing permit six months or less after making such payment,

may apply to the Commissioner for a refund of one half of the amount prescribed in subsection (3), provided that the application is made during the tax period in which the ridesharing permit is cancelled.”.

Inserts section 4BB into the Payroll Tax Rates Act 1995

3 After section 4BA of the Payroll Tax Rates Act 1995 insert—

“Ridesharing permit holders

4BB \$400 is prescribed as the amount for the purposes of section 9BB.”.

Amends the Motor Car Act 1951

4 The Motor Car Act 1951 is amended—

- (a) in section 35D (Grant of ridesharing permit, refusal or request for further information), by inserting after subsection (6) the following—

“(7) No ridesharing permit shall be granted unless the applicant has paid in full to the Tax Commissioner the payroll tax due under section 9BB(3) of the Payroll Tax Act 1995.”;

- (b) in section 35G (Suspension or revocation of ridesharing permit) by deleting paragraph 35G(1)(a)(ii) and substituting the following—

“(ii) is convicted of an offence under this Act, or any other enactment or statutory instrument relating to motor cars or road traffic;”.

Commencement and transitional

5 (1) This Act shall be deemed to have come into effect on 24 April 2026.

(2) In subsection (3), “transitional period” means the period beginning on 24 April 2026 and ending on the day on which this Act receives Assent.

(3) Notwithstanding section 9BB(3) of the Payroll Taxes Act 1995 and section 35D(7) of the Motor Car Act 1951 (inserted by sections 2 and 4(a) of this Act), a

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ridesharing permit issued by the Public Service Vehicles Licensing Board during the transitional period—

- (a) shall be deemed to have been validly issued; and
- (b) shall remain valid during the period for which it is issued (unless otherwise revoked or suspended by the Board), provided that the ridesharing permit holder pays to the Tax Commissioner the sum payable under section 9BB(3) of the Payroll Taxes Act 1995 on or before 31 July 2026.

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EXPLANATORY MEMORANDUM

This Bill seeks to amend the Payroll Tax Act 1995, the Payroll Tax Rates Act 1995 and the Motor Car Act 1951 in relation to ridesharing permit holders.

Clause 1 provides the title of the Bill.

Clause 2 inserts new section 9BB into the Payroll Tax Act 1995 (special provision for ridesharing permit holders). A ridesharing permit holder shall be required to pay a flat rate of payroll tax per annum of \$400 (as prescribed by clause 3) before the issuance of a ridesharing permit by the Board under the Motor Car Act 1951.

Clause 3 inserts new section 4BB into the Payroll Tax Rates Act 1995 (ridesharing permit holders) to prescribe the flat rate of payroll tax per annum of \$400 payable for the purposes of section 9BB of the Payroll Tax Act 1995.

Clause 4 amends sections 35D and 35G of the Motor Car Act 1951. Paragraph (a) makes a consequential amendment to the Motor Car Act 1951 to specify that payroll tax payable under section 9BB of the Payroll Tax Act 1995 must be paid to the Tax Commissioner before the issuance of a ridesharing permit. Paragraph (b) clarifies in section 35G(1)(a)(ii) of Motor Car Act 1951 that the Board may suspend a ridesharing permit where satisfied that a ridesharing permit holder is convicted of an offence under the Motor Car Act or any other enactment in relation to motor cars or road traffic.

Clause 5 provides for commencement and transitional provisions. Clause 5(1) provides that the Bill shall be deemed to have come into effect on 24 April 2026, the date that the Motor Car (Ridesharing) Amendment Act 2026 came into force. Subsection (2) defines the transitional period as the period beginning on that date and ending on the day on which this Act receives Assent. Subsection (3) deems ridesharing permits issued during the transitional period to have been validly issued, and to remain valid provided the permit holder pays the payroll tax owing under section 9BB(3) of the Payroll Taxes Act 1995 on or before 31 July 2026.