

POLICY NOTE

Reference No.	OGC: 09/2025
Title	Car Rental Levy and Discontinuation of Visitor Driving Permits
Subtitle	Levy Implementation and Permit Discontinuation
Purpose	This policy note serves to inform stakeholders, including vehicle rental companies, visitors, and residents, of the introduction of the Car Rental Levy ("the Levy"), effective October 15, 2025, as well as the abolition of the Visitor Driving Permit and related administrative changes. These measures support the Government of Barbados' broader strategy to modernise systems, reduce friction for travellers, and ensure equitable contribution to public infrastructure.

Car Rental Levy and Discontinuation of Visitor Driving Permits

As part of the measures outlined in the 2025/26 Budgetary Proposals and Financial Statement, presented by the Minister in the Ministry of Finance ("the Minister") on March 10, 2025, the Government of Barbados announced the introduction of the Levy. Following a policy review, the Minister announced revisions to the rate and related measures of the Levy on October 3, 2025.

To give effect to the Budget announcement and the revised measures, the Barbados Revenue Authority ("the Authority") issues this policy note to inform stakeholders of the key elements regarding the implementation of the Levy, as follows:

Levy Application

Effective October 15, 2025, the Levy shall be imposed on all vehicle rentals in Barbados, including those rented by:

- Residents of Barbados; and
- Non-resident visitors to Barbados.

The Levy shall apply per rental, not per driver.

Rate Structure

The rate of the Levy is BBD \$5.00 per day, with a cap applied to limit the maximum charge per rental to BBD \$35.00, which equates to 7 days.

If a rental period exceeds 7 days, no additional Levy will be charged beyond the sum of BBD \$35.00.

Abolition of Visitor Driving Permit

Effective October 15, 2025, the requirement for a Visitor Driving Permit is abolished, including the online application process previously administered by the Authority.

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This change means that non-resident visitors no longer need to apply for or hold a Visitor Driving Permit. However, to legally operate a vehicle in Barbados, visitors must hold a valid driving licence and present the same to the rental agency at the time of booking or vehicle pickup.

Rental companies are responsible for verifying that all licences presented are valid and current.

Administration of the Car Rental Levy

As announced by the Minister during the 2025/26 Budget presentation, the Authority shall be responsible for the administration of the Car Rental Levy.

This means that the Authority will oversee the collection of payments from car rental operators, ensure compliance with remittance schedules, and enforce the applicable legislation and regulations. Additionally, the Authority will provide the necessary forms and digital platforms to facilitate efficient reporting and payment submissions.

Through collaboration with other government agencies, the Authority will monitor and manage the implementation of the Levy to ensure transparency and effectiveness.

Collection and Payment of the Levy

Collection:

- Car rental operators will be responsible for collecting the Levy from renters at the time of vehicle rental.
- The Levy must be clearly itemised on receipts and invoices provided to customers. Thus, where a car rental operator quotes a price for rental services, the statement shall indicate the price and levy payable, and shall conform to the following example:

Base Price (rental service):	\$100.00
Car Rental Levy (not subject to VAT):	\$ 5.00
VAT @17.5% on \$100.00:	\$ 17.50
Total Price:	<u>\$122.50</u>

Remittance Schedule:

- Payments must be remitted to the Authority on a monthly basis.
- The first remittance will be due by November 15, 2025, covering rentals from October 15 to October 31, 2025.
- The second remittance, covering rentals from November 1 to November 30, 2025, will be due by December 15, 2025.

Example of remittance schedule

Rental Period	Remittance Due Date
October 15 – October 31, 2025	November 15, 2025
November 1 – November 30, 2025	December 15, 2025
December 1 – December 31, 2025	January 15, 2026

- Remittances will continue accordingly each month, with payments due by the 15th day of the following month.
- Where the 15th falls on a weekend or public holiday, the remittance shall be due by the next business day.

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Payments can be made online using the Authority's designated digital platform(s), or in person at any of the Authority's offices listed below, using cheque, cash, or card.

Locations	Opening Hours
Bridge Street Mall, Bridge Street, Bridgetown	7:30 a.m. - 3:30 p.m.
Warrens Tower II, Warrens, St. Michael	8:15 a.m. - 3:30 p.m.
Holetown Public Centre, Holetown, St. James	7:30 a.m. - 3:30 p.m.
Southern Plaza, Oistins, Christ Church	8:15 a.m. - 3:30 p.m.
Barbados Licensing Authority, Pine East-West Boulevard	7:30 a.m. - 4:30 p.m.

Required Records for Monthly Levy Filing

Car rental operators must file monthly returns, including details from each rental contract executed during the reporting period¹, using the Authority's designated form or digital platform. Returns must be submitted by the 15th day of the following month. If the 15th falls on a weekend or public holiday, the return will be due on the next business day. Each return must be accompanied by the corresponding levy payment.

The following information must be captured from each rental contract/agreement and submitted as part of the monthly filing process:

1. Name of Renter
2. Country of Residence
3. Nationality
4. Driver's License
5. Category of License
6. Country of Issue (Driver's License)
7. Expiration Date of License
8. Entry Date of Visitor
9. Renter's Intended Length of Stay
10. Receipt Number/ Contract Number
11. Contract Date
12. Vehicle Number
13. Start Date of Rental
14. End Date of Rental
15. Days Rented
16. Levy Days Rented (maximum of seven days)
17. Levy Charged

Revenue Allocation

Up to 50% of the revenue generated from the Levy will be allocated to the Barbados Oceans and Coastal Authority (BOCA) and Barbados Nature Conservancy Trust (BNCT). This funding will support these entities' efforts in coastal protection, marine conservation, and sustainable management of Barbados' ocean resources, gullies, and parks.

Policy Unit

Office of the General Counsel and Policy

Barbados Revenue Authority

October 15, 2025

¹ **Reporting Period:** The calendar month (or partial month, for the initial filing) during which rental contracts were executed and for which the Levy return and payment are due.