



Tax Advantages of Buying Belize Property

Buying real estate in Belize is very easy and your agent will assist you throughout the process. You do not even have to be in Belize. After the Buyer and the Seller have signed a Sales Agreement agreeing on a price and any particular terms or conditions (which is emailed to you) the buyer is asked to place a deposit into an escrow account – in North America or Belize.

The Tax System In Belize

Belize is not only known for its beautiful beaches, landscapes, and its friendly and welcoming people, it's also commonly known as a tax haven for foreigners since it has a favorable regimen on its fiscal system for citizens and residents.

Belize welcomes expats. It's a small, safe and stable country to establish foreign residency—**foreign residents pay no tax in Belize on non-Belize income.**

No Capital Gains Tax

One amazing benefit of buying a property in Belize is there's no capital gains tax. If you purchase land, develop it, and then sell it for a hefty profit, you keep every penny. If you buy a condo and resell it, you keep all the profits.

QRP

If you're age 45 or older, then you should be able to get into the Qualified Retired Persons incentive program if you also enjoy a steady income. The QRP program offers investment incentives and tax incentives for those who wish to buy in Belize. The program was made specifically to attract retirees and expatriates who have financial stability and can contribute to the Belize Economy.



Qualified Retired Persons are exempted from payment of all taxes on income received from outside the jurisdiction of Belize.

Very Low Annual Property Taxes

Belize also has very low property taxes. A property worth \$250,000 US might have property taxes as low as \$500 to \$1000 a year. Less developed areas may have even lower tax rates.

Development

Annual Property Tax is assessed based on the undeveloped value of the land rather than on the value of what exists or is being built on that land. Adding even more value to the proposition is the fact that the tax rate varies from 1% to 1.5%. It's a conscious choice by the Belizean government to encourage development, and it can particularly benefit anyone who's willing to buy up land and then wait for the infrastructure and interest to roll in down the line.

IBC

An IBC is an International Business Company. It's similar to an LLC or Corporation in US or Canada. An IBC operates in foreign markets as an international entity. When you purchase a property in Belize using an IBC, you own the IBC and the IBC owns the property with a fee simple title.

The advantages are;

- Tax optimization as the buyer doesn't have to pay stamp or transfer tax allowing you to sell it at a higher price
- Improved liquidity and asset protection
- Faster transfer of ownership



Fees, Taxes, and Other Costs of Buying Real Estate in Belize

You must pay the following fees and taxes with every real estate transaction.

- Government Stamp Title Transfer Tax: About 8% of the purchase price (first \$10K US exempt).
- Attorney's fees: About 2% of the purchase price.
- Title search: \$250.
- General Sales Tax (for new residential properties only): 12.5% of the purchase price (almost always paid by the seller/included in the price).
- Deposit: You will typically pay a 10% deposit once you agree to purchase a property.