

STATES OF JERSEY

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GOODS AND SERVICES TAX: EXEMPTION OR ZERO-RATING FOR FOODSTUFFS AND DOMESTIC ENERGY (P.103/2008) – SECOND AMENDMENT

**Lodged au Greffe on 3rd September 2008
by Deputy S. Pitman of St. Helier**

STATES GREFFE

GOODS AND SERVICES TAX: EXEMPTION OR ZERO-RATING FOR FOODSTUFFS AND DOMESTIC
ENERGY (P.103/2008) – SECOND AMENDMENT

1 PAGE 2, PARAGRAPH (a) –

After sub-paragraph (ii) insert the following new subparagraph –

(*) school uniforms.

DEPUTY S. PITMAN OF ST. HELIER

REPORT

Even in bringing my proposition to exempt the very basis of healthy foodstuffs, i.e. vegetables, fruit and milk, I make no apologies for stating that it was still to be very much a poor second, as we in the Jersey Democratic Alliance (JDA) have consistently stressed since even before the 2005 election – there should be no GST on food at all! More than this, there should be no GST full stop! Not only is this a regressive and socially divisive tax – we simply do not need it, as Deputy Southern has provided the figures to demonstrate this.

As such, whilst I will be supporting the Deputy of Grouville's proposition and the amendments brought by Senator Norman, until such time that this Assembly can finally bring itself to acknowledge the error of its judgement and rescind GST altogether, I feel that given the belated recognition of the heavy impact of ever-spiralling costs on the income of ordinary working people, we now have the opportunity to go one step further.

School Uniforms

As I have outlined at length in my own proposition P.104/2008 (exempting GST on fruit, vegetables and milk) just as the States preach the necessity of Jersey people ensuring they, and more importantly, their children, consume the much-heralded 'five portions a day' of vegetables and fruit, yet with GST on food makes the affordance of this even more difficult, much can be said regarding the issue of school uniforms.

We, the States of Jersey, demand of parents that their children comply with school regulations' dress codes. Yet here, once again, we simultaneously place further strain on their pockets by taxing them for complying with our very demands.

Let it be fully acknowledged that this is no small taxation to many parents; I hope the figures (see Appendix) on the cost of school uniforms for 5 – 6 year-old children, will give Members a rough idea as to how much impact GST has on the expense of buying school uniforms.

As such, and bearing in mind that the Minister for Treasury and Resources has recently announced that GST will now raise £5 to £10 million more than was originally envisaged, I call on Members to acknowledge that such taxation on apparel is wholly unjust and support the amendment.

Financial and manpower costs

As to the loss of tax revenue from GST to the States: I foresee that if this exemption is successful, the loss will be relatively very small. If one considers the estimated loss of GST charged on foodstuffs as being £2.9 million (information provided by the Treasury to Deputy Labey for her proposition: P.103/2008); the fact that food is bought much more frequently than school uniforms; that a large proportion of Islanders do not have children attending school; and that the majority of them do not attend school themselves; I make the assertion that the GST lost on school uniforms will be considerably less than that lost on food.

As to the States recovering these costs, may I suggest that –

- The Treasury legislate for the additions of GST on: the building of conservatories and swimming pool maintenance.
- The negotiation between the Treasury and 1(1)(k) residents (900 – 1,000) should cease and their proportion of tax should become equal in real terms, to that of all taxpaying citizens in Jersey.
- Finally, I would like Members to also bear in mind when considering whether or not they should vote for this proposition, the words of Senator Shenton in his proposition of 26th October 2007 (GST: Zero-rating for Foodstuffs, Books, Newspapers and Magazines): *'remember a forecast deficit of £3 million has in fact, turned into a £38 million surplus! Do not rely too much on figures produced by a Department with such a poor forecasting record. What happens if we produce £41 million more than expected again next year?'*

Anyone of these options for the Treasury to gain lost tax revenue, would, I am sure, cover the additional administrative costs of exempting GST on school uniforms.

Primary school uniform costs –
based on one primary school for children aged 5 – 6

GIRL:**Winter**

Blouses	£3.50	x2
Pinafore	£10.00	x2
Skirt	£5.00	x2
Cardigan	£6.50	x2

Sports kit (Can only buy from one shop for this particular school's kit).

Shorts	£5.00	x2
T-Shirt	£5.00	x2
Bag	£4.00	x1
Plimsolls	£4.00	x1 or 2

Summer

Dress	£7.00	x2
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TOTAL: £160.00 (Includes – x2 shoes at £30.00 and x2 plimsolls).

PLUS 3% GST on each item

Miscellaneous

Tie	£4.00	x1
Shoes	£30 – £40.00	x1 or 2

(This does not include a coat, tights, socks – these items of clothing can be construed as not necessarily unique to wear for school. One should also consider that other necessities for school, such as a reading folder, lunch box, etc., are not taken into account here.)

BOY:**Winter**

Shirts	£3.50	x2
Trousers	£4.00	x2
Jumpers	£9.00	x2

Sports kit (Can only buy from one shop for this particular school's kit).

Shorts	£5.00	x2
T-Shirt	£5.00	x2
Bag	£4.00	x1
Plimsolls	£4.00	x1 or 2

Summer

Shorts	£4.00	x2
Polo shirt	£7.00	x2

TOTAL: £151.00 (Includes – x2 shoes at £30.00 and x2 plimsolls).

PLUS 3% GST on each item

Miscellaneous

Tie	£4.00	x1
Shoes	£30 – £40.00	x1 or 2

(This does not include a coat and socks – these items of clothing can be construed as not necessarily unique to wear for school. One should also consider that other necessities for school, such as a reading folder, lunch box, etc., are not taken into account here.)

Please note:

- The prices for these school uniforms (excluding the sports kits and shoes) were gathered from BHS, which is one of the cheapest retailers of such clothing in Jersey.
- The number of items of clothing (as above) are an absolute minimum – more realistically, parents have to buy more because children aged 5 to 6 grow very quickly, and by their nature, they tend to wear out clothes or shoes quickly or lose them.
- School shoes are worn every day for the full school year, so a child will need a well fitted and high quality shoe. Clarks shoes meet this criteria and this quote is their price for such shoes.
- Obviously the older the child – the bigger the clothes and the more expensive they become.
- Secondary schools require considerably more clothing and equipment for their pupils, e.g. specific sports kits for specific sports and personal stationery.