

STATES OF JERSEY



DRAFT BUDGET 2012 (P.159/2011): FOURTH AMENDMENT

Lodged au Greffe on 1st November 2011
by the Minister for Treasury and Resources

STATES GREFFE

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After the words “as set out in the Budget Statement” insert the words –

“except that the estimate from stamp duty, which includes land transaction tax, shall be decreased by £200,000 by increasing the ceiling up to which first-time buyers are eligible for relief from stamp duty and land transaction tax from £400,000 to £450,000”.

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After the words “as set out in the Budget Statement” insert the words –

“except that the estimate from stamp duty court fees shall be decreased by £2,000 by maintaining the fee for actions in the Petty Debts Court where the claim does not exceed £100, at £7 rather than increasing it to £15”.

MINISTER FOR TREASURY AND RESOURCES

NOTE:

This amendment has been lodged by the Minister for Treasury and Resources less than 14 days before the start of the debate in accordance with the provisions of Article 20(3) of the Public Finances (Jersey) Law 2005. Paragraphs (2) and (3) of Article 20 are in the following terms –

- (2) A draft or proposition to which this Article applies is not capable of being amended during a debate in the States on the draft or proposition except in accordance with an amendment lodged at least 14 days before the start of the debate.
- (3) Paragraph (2) does not apply to an amendment moved by the Minister if the States agree that the amendment may be debated forthwith or at a time approved by the States.

In accordance with the provisions of paragraph (3) the Minister for Treasury and Resources will seek the agreement of the States to debate this amendment during the debate on the Draft Budget Statement 2012.

REPORT

1. Stamp Duty and Land Transaction Tax for first-time buyers

First-time buyers are currently eligible for relief for Stamp Duty and Land Transactions Tax in respect of transactions regarding dwelling accommodation up to a maximum of £400,000. Above that point, duty or tax is charged at the standard rates applied to all transactions. The average price paid by a first-time buyer for a house is £431,000, based on the most recent data provided by the States of Jersey Statistics Unit.

It is proposed to increase the ceiling up to which first-time buyers are eligible for relief from Stamp Duty/Land Transactions Tax from £400,000 to £450,000. This represents relief of up to £6,500 for eligible individuals.

Relief will also be extended to include taxes payable on charges registered against properties of up to £450,000 for first-time buyers. This represents further additional relief of up to £1,875 per person.

It is proposed that the increase should be a temporary one, and should apply for a period of 12 months from 1st December 2011. The impact on the housing market will be kept under review and considered again at the time of the 2013 Budget.

There are no manpower implications. The maximum estimated revenues foregone are £200,000, of which the majority will be incurred in 2012.

2. Stamp Duty Court Fees

In the 2012 Budget proposal, the Minister for Treasury and Resources proposed to increase court fees under the Stamp Duties and Fees and the Land Transaction Laws, in line with a user-pays principle. One of the proposed changes relates to actions in the Petty Debts Court.

The current fee for actions in the Petty Debt Court where claims do not exceed £100 is £7. The proposal in the 2012 Budget was to increase this to £15 (Rate B). However, there is some concern that such an increase may cause additional financial hardship to individuals who are already overburdened with financial worries. Therefore the Minister proposes for this fee to remain at £7.

There are no manpower implications. The estimated revenue foregone from the original proposals is less than £2,000.