

STATES OF JERSEY



DRAFT FINANCE (2016 BUDGET) (JERSEY) LAW 201-

Lodged au Greffe on 20th October 2015
by the Minister for Treasury and Resources

STATES GREFFE



Jersey

DRAFT FINANCE (2016 BUDGET) (JERSEY) LAW 201-

European Convention on Human Rights

In accordance with the provisions of Article 16 of the Human Rights (Jersey) Law 2000, the Minister for Treasury and Resources has made the following statement –

In the view of the Minister for Treasury and Resources, the provisions of the Draft Finance (2016 Budget) (Jersey) Law 201- are compatible with the Convention Rights.

Signed: **Senator A.J.H. Maclean**

Minister for Treasury and Resources

Dated: 19th October 2015

REPORT

This draft Law gives effect to proposals described in the Draft Budget Statement 2016 (P.127/2015).

Financial and manpower implications

The financial and manpower implications are clearly identified within the Draft Budget Statement 2016.

Human Rights

The notes on the human rights aspects of the draft Law in the **Appendix** have been prepared by the Law Officers' Department and are included for the information of States Members. They are not, and should not be taken as, legal advice.

APPENDIX TO REPORT

Human Rights Notes on the Draft Finance (2016 Budget) (Jersey) Law 201-

These Notes have been prepared in respect of the Draft Finance (2016 Budget) (Jersey) Law 201- (the “draft Law”) by the Law Officers’ Department. They summarise the principal human rights issues arising from the contents of the draft Law and explain why, in the Law Officers’ opinion, the draft Law is compatible with the European Convention on Human Rights (“ECHR”).

These Notes are included for the information of States Members. They are not, and should not be taken as, legal advice.

The only substantive issue in respect of human rights is the retrospective effect of Article 12. This amends Article 118B of the Income Tax (Jersey) Law 1961 in respect of tax exemptions for non-residents in respect of preference shares.

A distinction in tax treatment has arisen due to a change of definition of “distributions” from companies to share-owners. Under the Income Tax (Amendment No. 43) (Jersey) Law 2013, which took effect on 1st January 2014, a dividend from “preference shares” was no longer included as a “distribution” under the Income Tax (Jersey) Law 1961. This change meant that separate provision for preference shares had to be made as regards the exemption legislation, as the reference to “distributions” in Article 118(1)(b) would no longer include preference shares. Article 118B(1)(ba) plugged this gap and took effect on 1st January 2014, but that provision itself created an unintended distinction between the treatment of preference shares and other dividends – as Article 118(1)(ba) did not include the caveat restricting the exemption where the dividend was paid out of taxed profits. By removing this unintended distinction retrospectively, the draft Law achieves qualitatively the same balance between the rights of taxpayers and the public revenue as was achieved when Article 38 of the Income Tax (Amendment No. 41) (Jersey) Law 2013 abolished a similar unintended distinction between dividends paid out of Schedule A and D income. That earlier provision was passed as being human rights compliant, and there are no reasons to justify seeing this legislation as being any different.

Explanatory Note

Part 1 amends the Income Tax (Jersey) Law 1961 (the “1961 Law”). Except where express provision is made to the contrary, the amendments commence on 1st January 2016 and, if relevant to a year of assessment, have effect for 2016 onwards.

Interpretation and standard rate of income tax

Article 1 provides for the interpretation of *Part 1*.

Article 2 sets the standard rate of income tax, for 2016, at 20%.

Allowances and reliefs

Article 3 amends Article 65B of the 1961 Law. The deduction allowed each year to a taxpayer in respect of his or her total assessable benefits in kind is reduced from £1,000 to £250.

Articles 4 and 5 are concerned with the marginal income deduction allowed in respect of interest payments on a person’s only or main residence. There are, currently, 2 restrictions on the interest eligible for relief. The interest can only relate to a loan or loans not exceeding £300,000. Of that interest, only £15,000 per annum is eligible for relief. *Article 4* reduces the cap on the amount of interest that is eligible for relief, year by year, from 2017 until 2025. In 2026, *Article 5* repeals the marginal income deduction for interest payments.

Article 6 increases the basic exemption threshold allowed in respect of persons who are under the age of 65.

Articles 7 and 8 amend Articles 92A, 95 and 98A of the 1961 Law regarding eligibility for child allowance under Article 95 in respect of a child under the age of 16 or at school, and the additional allowance under Article 98A. Currently, if a person is entitled to a deduction under Article 95 or 98A, the person’s exemption threshold is increased by the same amount. In 2016 the deduction will be reduced by one-third. In 2017 it will be reduced by a further one-third. From 2018 the deduction will be removed. However, this phasing out of the deduction does not affect the amount by which a person’s exemption threshold is increased if the person is entitled under Article 95 and 98A. Accordingly, Articles 95 and 98A are amended so as to set different amounts for the exemption threshold increase and the deduction to which a person is entitled under those Articles, preserving the exemption threshold and reducing, and then removing, the deduction. These amendments do not affect the exemption threshold increase and deduction allowed in respect of a child aged 17 or more and in full-time higher education (Article 95(1)(b) of the 1961 Law). Consequential amendments are made to Articles 90B and 92B of the 1961 Law.

Article 9 amends Article 92A of the 1961 Law. From 1st January 2017, the amendment restricts eligibility to the age enhanced exemption threshold to individuals who are aged 65 or more on 31st December 2016.

Article 10 revises the rule for increasing the tax exemption threshold to take account of a wife’s or civil partner’s earned income. Currently, where a husband’s total income includes that of his wife, his exemption threshold is increased by the amount of her income, subject to a cap of £4,500, irrespective of whether the husband is also

in receipt of earned income. The same rule applies to civil partners. The amendment has the effect that the increase in the exemption threshold will only apply where both spouses or civil partners are in receipt of earned income. As now, any income paid from one spouse or civil partner to another is disregarded for the purposes of the rule. The amount of the increase in the threshold will be determined by reference to the earned income of whichever of the spouses or civil partners has the lower income, subject, as now, to a cap of £4,500.

Article 11 amends the maximum exemption threshold increase allowed for child day care in respect of a child who is under 4 or attains that age in the year of assessment. The maximum is increased from £12,000 to £14,000.

Article 12 is also concerned with the exemption threshold increase for child day care. The rule for eligibility for the increase is revised so that, if the claimant is a spouse or civil partner, both the claimant and his or her spouse or civil partner must have qualifying income, unless one of them is totally incapacitated throughout the year. The rule that made a man ineligible for the increase if he lived with a woman as husband and wife is removed.

Article 13 is concerned with the taxation of an individual who is not resident in Jersey.

Paragraphs (1) and (3) alter the rules for giving allowances and reliefs to a non-resident. Currently, such an individual is entitled to allowances and reliefs under Part 12 of the 1961 Law, although the total amount of the allowances and reliefs given is restricted by Article 106 of that Law. As substituted, Article 106 will have the effect that a non-resident will only be entitled to allowances and reliefs under Part 12 for a year of assessment if he or she has, in that year, income arising from a trade, profession or employment exercised in Jersey and therefore taxable under Schedule D. The cap on allowances and reliefs that was formerly in Article 106 is removed, but Article 129A of the 1961 Law, as amended, will apply so that the amount of allowances and reliefs given is pro-rated, according to the portion of the year for which the individual is in Jersey.

Paragraph (2) amends Article 118B of the 1961 Law, which exempts non-residents from income tax on certain income. The amendment has the effect that, if a non-resident receives a dividend from which tax is deducted, in accordance with Article 88 of the 1961 Law, at the rate of 10%, the non-resident has no further liability to tax on the dividend.

Distributions by companies

Article 14 makes amendments associated with preference shares.

Paragraph (1) amends Article 62 of the 1961 Law so as to revise the scope of taxation under Case III of Schedule D. Currently, all dividends on preference shares declared by a company regarded as resident in Jersey are taxed under Case III(g). The amendment limits the application of Case III(g) to such dividends as are declared out of profits or gains taxed at a rate other than 20%. The consequence is that such dividends as are declared out of profits or gains taxed at 20% are brought within the definition “distribution” in Article 3AE of the 1961 Law. Distributions received by an individual are taxable under Case IX or Case III(f).

Paragraph (2) amends Article 118B of the 1961 Law so that exemption from tax is only allowed to a non-resident in respect of a dividend declared on preference shares of a company regarded as resident in Jersey if the dividend is

paid out of profits or gains of the company that are taxed on the company at the rate of 0%. It is proposed that this amendment to Article 118B is backdated to year of assessment 2014. The transitional provision added to Schedule 5 ensures that claims for exemption from tax that have already been made under Article 118B before the day this Law is lodged au Greffe (when this Article would be deemed to have come into force) are not affected by the backdating of the amendment to year of assessment 2014.

Article 15 amends Article 62 of and Schedule 5 to the 1961 Law so as to bring into taxation income arising from dividends of a company incorporated outside Jersey which are paid out of capital.

Article 16 is concerned with shareholder loans. The amount of such loans made in a year to a shareholder or a member of his or her family or household, net of any repayments of such loans made in the same year, is taxed on the recipient under Case VIII of Schedule D. Currently, a recipient is entitled to a deduction of up to £1,000 each year, reducing the amount brought into tax. The amendment removes the right to a deduction.

Article 17 amends Articles 88 and 133 of the 1961 Law.

Paragraph (1) amends Article 88. Article 88 provides that an entity declaring a dividend may deduct tax at the rate at which the entity itself is taxed on the profits or gains out of which the dividend is declared. Article 88 then provides that certain recipients of the dividend are entitled to a tax credit for the amount deducted. Currently, a recipient entitled to a repayment of management expenses under Article 133 of the 1961 Law is entitled to a credit that is capped by reference to the amount of the expenses of management. Article 88 is amended to remove the entitlement to a credit for such a recipient. Article 88 is further amended to revise the rule for calculating the credit where the recipient of a dividend is a company taxed at 10%.

Paragraph (2) amends Article 133. Article 133 entitles an investment holding company to a refund of tax paid by the company that is equal to the amount of tax paid on money paid out as expenses of management. The amendment has the effect that the entitlement to a refund does not apply to tax deducted, under Article 88, from a dividend paid to the company.

It is proposed that these amendments should apply to dividends paid on or after the day this draft Law is lodged au Greffe.

Companies

Article 18 narrows the descriptions of companies incorporated in Jersey that are regarded as resident in Jersey. Currently, a Jersey incorporated company that is managed and controlled in another jurisdiction, resident for tax purposes there, and in which any company may be taxed at a highest rate of tax of 20% or higher, is not regarded as resident in Jersey. The amendment reduces the tax rate limit to 10% or higher. Consequently, Jersey incorporated companies that are managed and controlled in another jurisdiction where the highest rate of tax applicable to any company has been reduced below 20% but remains 10% or higher will continue to be regarded as not resident in Jersey.

Pensions

Article 19 amends Article 62 and Part 19 of, and Schedule 1A to, the 1961 Law. These amendments affect the taxation of pensions and pension schemes.

The amendment made by *paragraph (1)* clarifies the scope of taxation under Case III of Schedule D. The amendment specifies that any lump sum paid from a pension scheme or similar arrangement is taxed under that Case, irrespective of the reason for the payment.

The amendments made by *paragraph (2)* add 2 circumstances in which benefits are deemed to have commenced from a pension scheme. The first is that the pension holder has attained the age of 75 (the age by which payments of pension income from an approved Jersey scheme must commence). The second is that the pension holder has transferred funds into the scheme from a scheme established outside Jersey in which benefits have already commenced. Whether or not benefits have commenced from a pension scheme affects the taxation of lump sums paid from the scheme – see Article 131L of the 1961 Law.

The amendments made by *paragraphs (3)(a) and (4) to (6)* clarify the provision that an approved Jersey scheme may include for the payment, following the death of a pension holder, of a pension to a dependant. If a person only qualifies as a dependant of the pension holder by reason of being the pension holder's child and under the age of 23 when the pension holder dies, the scheme must provide for pension payments to cease upon the person attaining that age.

The amendments made by *paragraphs (3)(b), (8) and (11)* allow a payment (other than a return of contributions) to be made out of a Jersey occupational pension scheme to the employer, in exceptional circumstances, such as the winding up of the scheme, and if the Comptroller approves. There is a right to appeal if the Comptroller does not approve the payment. The payment is taxed as a receipt of the employer's trade, profession or vocation.

Paragraph (7) provides that, when a scheme manager notifies the Comptroller of a transfer into an approved Jersey scheme from another scheme, the scheme manager must inform the Comptroller whether benefits have commenced from the scheme from which the transfer is made. This amendment is associated with the amendment made by *paragraph (2)*.

Paragraph (9) makes it clear that, subject to existing exemptions, any lump sum paid from an approved Jersey scheme is taxed at 10%, irrespective of whether the lump sum is paid by way of commutation or for any other reason. This amendment is associated with the amendment made by *paragraph (1)*.

Paragraph (10) makes it clear that any transfer that is permitted by the 1961 Law of fund value out of an approved Jersey scheme to another approved Jersey scheme or approved drawdown contract or to an equivalent scheme established outside Jersey is exempt from tax.

Paragraph (12) provides that the amendments have effect for the year of assessment 2016 onwards.

Collection and administration

Article 20 amends Article 13 of the 1961 Law. Article 13 already permits the disclosure of statistical information to the Minister for Treasury and Resources, the Chief Minister, and officers in their departments, for the purpose of estimating States revenue or any other purpose affecting the revenue of the States. The amendment has the effect that any information may be disclosed to officers for those purposes.

Article 21 amends Article 17A of the 1961 Law so as to allow a company an additional 5 months in which to deliver a statement required under Article 16 of the 1961 Law.

Article 22 revises the arrangements for the adjustment of a person's liability to tax in a case where a person who has been given an exemption threshold increase, allowance, relief or deduction subsequently agrees to apportion it with another and, as a consequence, the person's tax liability has been under-assessed. Currently, the 1961 Law provides for the resultant underpayment of tax to be assessed and recovered under Case VI of Schedule D (as if the amount were profits or gains). This Article, combined with the amendment made by *Article 7(2)(g)*, has the effect that the underpayment will instead be recovered through the issue of a revised assessment. The amendment made by *Article 7(3)(g)* makes it clear that an agreement about the apportionment of additional child allowance under Article 98A of the 1961 Law may be made after an exemption threshold increase and deduction has been allowed to a person.

Article 23 revises the right for an employee to elect to make ITIS payments at an effective rate, or a combined effective rate, that exceeds the rate that would otherwise apply in his or her case. An employee will no longer be required to make an election in writing. Further, the cap on the maximum rate that the employee may ask to pay is removed. The employee has a right of appeal if the Comptroller does not agree the rate proposed in the employee's election. Spouses and civil partners also have a right to elect for the ITIS or combined effective rate applied to both of them to be adjusted so that one pays at a higher rate and one pays at a lower rate. The opportunity is taken to make it clear that there is a right of appeal if the Comptroller does not agree the rates proposed.

Part 2 amends the Stamp Duties and Fees (Jersey) Law 1998 (the "1998 Law") and the Taxation (Land Transactions) (Jersey) Law 2009 (the "2009 Law").

Article 24 provides for the interpretation of *Part 2*.

Article 25 amends, in the 1998 Law and 2009 Law respectively, the rules for the rate of stamp duty or land transaction tax ("LTT") payable on a loan secured against a residential property. The discounted rate is restricted to property below a specified value. The amendment increases this value threshold from £400,000 to £450,000. Currently, stamp duty or LTT is not payable on a loan of £300,000 or less. The amendment increases this exemption threshold to £350,000. As a consequence of this increase in the exemption and discount available in respect of all loans secured on residential property, the separate exemption and discounted rate for first time buyer loans is abolished. These amendments do not affect the relief from stamp duty or LTT allowed to a first time buyer in respect of the purchase of a property.

Part 3 amends the Customs and Excise (Jersey) Law 1999 (the "1999 Law").

Article 26 provides for the interpretation of *Part 3*.

Article 27 amends definitions in the 1999 Law. Firstly, the definition "small independent cider-maker" is amended so that the maximum amount of cider that a maker may produce per year and still fall within the definition is increased from 20,000 litres to 500,000. Secondly, the definition "small independent distiller of spirits" is substituted. Currently, an independent distiller falls within the definition if the distiller does not distil more than 2,000 litres of alcohol per year. The substituted definition has the effect that an independent distiller falls within the definition for a year if the distiller has not distilled more than 10,000 litres of alcohol in total during the preceding 5 years.

Article 28 increases excise duty, other than vehicle emissions duty.

Paragraph (a) increases duty on spirits.

Paragraph (b) increases duty on wines.

Paragraph (c) increases duty on beer produced by a small independent brewer, except that the rate for beer exceeding 1.2% volume but not exceeding 2.8% volume remains unchanged.

Paragraph (d) increases duty on all other beer. Again, the rate for beer exceeding 1.2% volume but not exceeding 2.8% volume remains unchanged.

Paragraph (e) increases duty on cider produced by a small independent cider-maker, except that the rate for cider exceeding 1.2% volume but not exceeding 2.8% volume remains unchanged.

Paragraph (f) increases duty on all other cider. Again, the rate for cider exceeding 1.2% volume but not exceeding 2.8% volume remains unchanged.

Paragraph (g) increases duty on other alcoholic beverages.

Paragraph (h) increases duty on tobacco.

Paragraph (i) increases duty on hydrocarbon oil.

Article 29 revises the rates for vehicle emissions duty (VED) payable when a motor vehicle is required to be registered under the Motor Vehicle Registration (Jersey) Law 1993. Every motor vehicle that has an established CO₂ mass emission figure will be subject to VED at a rate determined according to that figure. Any motor vehicle that does not have an established CO₂ mass emission figure will be subject to VED at a rate determined according to its engine capacity. A vehicle's CO₂ mass emission figure or engine capacity is recorded in the documentation that must be produced in order to register the vehicle. There will no longer be a discounted rate of VED applicable to a motor vehicle that, prior to its registration in Jersey, was registered in another jurisdiction a year or more before.

Part 4 contains provision for the citation and commencement of this Law.



Jersey

DRAFT FINANCE (2016 BUDGET) (JERSEY) LAW 201-

Arrangement

Article

PART 1		15
	STANDARD RATE OF INCOME TAX SET FOR 2016 AND	15
	INCOME TAX (JERSEY) LAW 1961 AMENDED	15
	<i>Interpretation and standard rate of income tax</i>	<i>15</i>
1	Interpretation of Part 1	15
2	Standard rate of income tax for 2016	15
	<i>Allowances and reliefs</i>	<i>16</i>
3	Benefits in kind – Article 65B amended	16
4	Deduction for interest payments on only or main residence reduced from 2017 – Article 90AA amended	16
5	Deduction for interest payments on only or main residence withdrawn in 2026 – Article 90AA repealed and Articles 90AE, 92A, 92C and 131I amended	16
6	Basic exemption threshold – Article 92A amended	17
7	Child allowance in 2016 and 2017 – Articles 90B, 92A, 92B, 95 and 98A amended	17
8	Child allowance in 2018 – Articles 95 and 98A amended	20
9	Age enhanced exemption threshold closed from 2017 – Article 92A amended	21
10	Earned income allowance for spouse or civil partner – Article 92A amended	22
11	Exemption threshold increase for child day care – Article 92B amended	23
12	Eligibility for exemption threshold increase for child day care – Article 92B amended	23
13	Non-residents – Article 106 substituted and Articles 118B and 129A amended	24
	<i>Distributions by companies</i>	<i>25</i>
14	Preference shares – Articles 62 and 118B and Schedule 5 amended	25
15	Income arising from possessions out of Jersey – Article 62 and Schedule 5 amended	25
16	Shareholder loans – Article 81O and Schedule 5 amended	26
17	Dividends and distributions – Articles 88 and 133 amended	26

	<i>Companies</i>	27
18	Companies regarded as resident in Jersey – Article 123 amended	27
	<i>Pensions</i>	27
19	Pensions – Article 62, Part 19 and Schedule 1A amended	27
	<i>Collection and administration</i>	29
20	Disclosure of information – Article 13 amended.....	29
21	Time for delivery of company statement – Article 17A amended.....	30
22	Revised assessment following apportionment – Articles 24 and 92A amended	30
23	ITIS rate – Articles 41C, 41D, 41DA and 49B amended and Schedule 1A revised	30
PART 2		31
STAMP DUTIES AND FEES (JERSEY) LAW 1998 AND TAXATION (LAND TRANSACTIONS) (JERSEY) LAW 2009 AMENDED		31
24	Interpretation of Part 2.....	31
25	Schedules to 1998 Law and 2009 Law amended – secured debts and security interests on residential property	32
PART 3		32
CUSTOMS AND EXCISE (JERSEY) LAW 1999 AMENDED		32
26	Interpretation of Part 3.....	32
27	Small independent cider-makers and distillers of spirits – Article 1 amended.....	33
28	Excise duty (other than vehicle emissions duty) – Part 2 of Schedule 1 amended.....	33
29	Vehicle emissions duty – Part 2 of Schedule 1 amended.....	34
PART 4		36
CLOSING		36
30	Citation and commencement.....	36



Jersey

DRAFT FINANCE (2016 BUDGET) (JERSEY) LAW 201-

A LAW to set the standard rate of income tax for 2016 and to amend the Income Tax (Jersey) Law 1961, the Stamp Duties and Fees (Jersey) Law 1998, the Taxation (Land Transactions) (Jersey) Law 2009 and the Customs and Excise (Jersey) Law 1999

Adopted by the States [date to be inserted]

Sanctioned by Order of Her Majesty in Council [date to be inserted]

Registered by the Royal Court [date to be inserted]

THE STATES, subject to the sanction of Her Most Excellent Majesty in Council, have adopted the following Law –

PART 1

STANDARD RATE OF INCOME TAX SET FOR 2016 AND INCOME TAX (JERSEY) LAW 1961 AMENDED

Interpretation and standard rate of income tax

1 Interpretation of Part 1

In this Part, except where the context otherwise requires, a reference to an Article or Schedule is to the Article or Schedule of that number in the Income Tax (Jersey) Law 1961¹.

2 Standard rate of income tax for 2016

There shall be levied and charged in Jersey for the year 2016, in accordance with and subject to the provisions of the Income Tax (Jersey) Law 1961², income tax at the standard rate of 20 pence in the pound.

*Allowances and reliefs***3 Benefits in kind – Article 65B amended**

- (1) In Article 65B(3) for the amount “£1,000” there shall be substituted the amount “£250”.
- (2) This Article shall have effect for the year of assessment 2016 and ensuing years.

4 Deduction for interest payments on only or main residence reduced from 2017 – Article 90AA amended

- (1) For Article 90AA(5)(b) there shall be substituted the following subparagraph and table –
 - “(b) that portion of the total interest payable that does not exceed the limit specified, for the year of assessment, in the Table.

Table	
Year of assessment	Limit on amount of interest
2016	£15,000
2017	£13,500
2018	£12,000
2019	£10,500
2020	£9,000
2021	£7,500
2022	£6,000
2023	£4,500
2024	£3,000
2025	£1,500.”.

- (2) This Article shall have effect for the year of assessment 2016 and ensuing years.

5 Deduction for interest payments on only or main residence withdrawn in 2026 – Article 90AA repealed and Articles 90AE, 92A, 92C and 131I amended

- (1) Article 90AA shall be repealed.
- (2) In Article 90AE –
 - (a) in the heading and in paragraphs (1), (2) and (5), for the words “Articles 90AA to 90AD” there shall be substituted the words “Articles 90AB to 90AD”;

- (b) paragraphs (3A) and (4) shall be deleted.
- (3) In Article 92A(10) for the words “Article 90AA, 90B or 90C” there shall be substituted the words “Article 90B or 90C”.
- (4) In Article 92C(2) for the words “Article 90AA, 90B or 90C” there shall be substituted the words “Article 90B or 90C”.
- (5) In Article 131I(3) for the definition “income” there shall be substituted the following definition –
 - “ ‘income’ means the pension holder’s total income for a year of assessment, before the deduction of the total approved pension contributions paid by the pension holder in the year of assessment (whether or not allowed as a deduction under paragraph (2)).”.
- (6) This Article shall come into force on 1st January 2026 and have effect for the year of assessment 2026 and ensuing years.

6 Basic exemption threshold – Article 92A amended

- (1) In Article 92A –
 - (a) in paragraphs (2)(ii) and (2A)(ii) for the amount “£22,800” there shall be substituted the amount “£23,000”;
 - (b) in paragraph (6)(b) for the amount “£14,200” there shall be substituted the amount “£14,350”.
- (2) This Article shall have effect for the year of assessment 2016 and ensuing years.

7 Child allowance in 2016 and 2017 – Articles 90B, 92A, 92B, 95 and 98A amended

- (1) In Article 90B(1)(a)(ii)(B) for the words “a deduction under Article 95,” there shall be substituted the words “an exemption threshold increase under Article 95,”.
- (2) In Article 92A –
 - (a) for paragraph (8) there shall be substituted the following paragraph –
 - “(8) The threshold applicable in an individual’s case shall be increased by –
 - (a) the amount of any such increase to which the individual is entitled under Article 95; and
 - (b) an additional amount, if the individual is entitled to such an increase under Article 95(1)(b) (having regard to Article 95(3)), including if the individual is entitled to an increase under Article 95(1)(b) by virtue of Article 95(2).”;
 - (b) for paragraph (9) there shall be substituted the following paragraph –

“(9) The threshold applicable in an individual’s case shall be increased by the amount of any such increase to which the individual is entitled under Article 98A.”.

- (3) In Article 92B(5) in the definition “qualifying child” for the words “a deduction under Article 95” there shall be substituted the words “an exemption threshold increase under Article 95”.
- (4) In Article 95 –
- (a) in paragraph (1)(a) for the words “be entitled in respect of each child to a deduction of £3,000; or” there shall be substituted the words –
- “be entitled in respect of each child to –
- (i) an increase in his or her exemption threshold of £3,000, and
- (ii) a deduction of –
- (A) for the year of assessment 2016, £2,000,
- (B) for the year of assessment 2017, £1,000; or”;
- (b) in paragraph (1)(b) for the words “be entitled in respect of each child to a deduction of £6,000.” there shall be substituted the words –
- “be entitled in respect of each child to –
- (i) an increase in his or her exemption threshold of £6,000, and
- (ii) a deduction of £6,000.”;
- (c) in paragraph (2) –
- (i) for the words “a deduction” there shall be substituted the words “an exemption threshold increase and deduction”,
- (ii) for the words “such a deduction,” there shall be substituted the words “such an increase and deduction,”,
- (iii) for the words “the same deduction” there shall be substituted the words “the same exemption threshold increase and deduction”;
- (d) for paragraph (3) there shall be substituted the following paragraph –
- “(3) In the case of a child who is entitled in the child’s own right to an income exceeding £3,000 a year, the exemption threshold increase and deduction under this Article in respect of the child shall each be reduced –
- (a) in the case of an increase and a deduction under paragraph (1)(a), by the amount of the excess; and
- (b) in the case of an increase and deduction under paragraph (1)(b), by £3 for every £2 of the excess.”;
- (e) in paragraph (4) –
- (i) for the words “a deduction” there shall be substituted the words “an exemption threshold increase and deduction”,

- (ii) for the words “the deduction” there shall be substituted the words “the increase and deduction”;
- (f) after paragraph (4) there shall be inserted the following paragraph –
 - “(4A) The exemption threshold increase and deduction must be apportioned in the same proportion.”;
- (g) for paragraph (5) there shall be substituted the following paragraph –
 - “(5) An apportionment may be made under paragraph (4) notwithstanding that an exemption threshold increase and deduction in respect of the child in question have already been allowed to any individual.”.
- (5) In Article 98A –
 - (a) in paragraph (1) –
 - (i) for the words “a deduction under Article 95” there shall be substituted the words “an exemption threshold increase under Article 95”,
 - (ii) for the words “the individual shall, subject to paragraphs (2) to (5), be entitled to a deduction of £4,500.” there shall be substituted the words “the individual shall be entitled as described in paragraph (1A).”;
 - (b) after paragraph (1) there shall be inserted the following paragraph –
 - “(1A) Subject to paragraphs (2) to (5), the individual shall be entitled to –
 - (a) an increase in his or her exemption threshold of £4,500; and
 - (b) a deduction of –
 - (i) for the year of assessment 2016, £3,000,
 - (ii) for the year of assessment 2017, £1,500.”;
 - (c) in paragraph (2) for the words “one deduction” there shall be substituted the words “one exemption threshold increase and one deduction”;
 - (d) in paragraph (3) –
 - (i) in sub-paragraph (b) for the words “a deduction under paragraph (1),” there shall be substituted the words “an exemption threshold increase and a deduction under paragraph (1A),”;
 - (ii) for the words beginning “neither of them” to the end of the paragraph there shall be substituted the words “neither of them shall be entitled to such an increase and deduction except in respect of the youngest of the children in respect of whom either would be entitled to an increase and deduction.”;
 - (e) in sub-paragraph (3A) –
 - (i) in sub-paragraph (b) for the words “a deduction under paragraph (1),” there shall be substituted the words “an

- exemption threshold increase and a deduction under paragraph (1A),”
- (ii) for the words beginning “neither of them” to the end of the paragraph there shall be substituted the words “neither of them shall be entitled to such an increase and deduction except in respect of the youngest of the children in respect of whom either would be entitled to an increase and deduction.”;
- (f) in paragraph (4) for the words “the deduction under paragraph (1)” there shall be substituted the words “the increase and deduction under paragraph (1A)”;
- (g) after paragraph (4) there shall be inserted the following paragraphs –
- “(4A) The exemption threshold increase and deduction must be apportioned under paragraph (4) in the same proportion.
- (4B) An apportionment may be made under paragraph (4) notwithstanding that an exemption threshold increase and deduction in respect of the child in question has already been allowed to any individual.”;
- (h) for paragraph (5) there shall be substituted the following paragraph –
- “(5) Where for any year of assessment an individual is entitled under this Article to apportioned amounts in respect of 2 or more children –
- (a) the exemption threshold increase to which the individual is entitled shall be equal to the sum of those amounts, or the amount referred to in paragraph (1A)(a), whichever is the lesser;
- (b) the deduction to which the individual is entitled shall be equal to the sum of those amounts or the amount referred to in paragraph (1A)(b) for the year of assessment, whichever is the lesser.”.
- (6) This Article shall have effect for the year of assessment 2016 and ensuing years.

8 Child allowance in 2018 – Articles 95 and 98A amended

- (1) In Article 95 –
- (a) in paragraph (1)(a) for the words beginning “be entitled in respect of each child” to the end of the sub-paragraph there shall be substituted the words “be entitled in respect of each child to an increase in his or her exemption threshold of £3,000; or”;
- (b) in paragraphs (2), (4), (4A) and (5) after the word “deduction”, in each place that it appears, there shall be inserted the words “(if any)”;
- (c) for paragraph (3) there shall be substituted the following paragraph –

- “(3) In the case of a child who is entitled in the child’s own right to an income exceeding £3,000 a year –
- (a) the exemption threshold increase under paragraph (1)(a) shall be reduced by the amount of the excess;
 - (b) the exemption threshold increase and deduction under paragraph (1)(b) shall each be reduced by £3 for every £2 of the excess.”.
- (2) In Article 98A –
- (a) for paragraph (1A) there shall be substituted the following paragraph –
- “(1A) Subject to paragraphs (2) to (5), the individual shall be entitled to an increase in his or her exemption threshold of £4,500.”;
- (b) in paragraph (2) the words “and one deduction” shall be deleted;
 - (c) in paragraph (3) –
 - (i) in sub-paragraph (b) the words “and a deduction” shall be deleted,
 - (ii) the words “and deduction”, in each place that they appear, shall be deleted;
 - (d) in paragraph (3A) –
 - (i) in sub-paragraph (b) the words “and a deduction” shall be deleted,
 - (ii) the words “and deduction”, in each place that they appear, shall be deleted;
 - (e) in paragraph (4) the words “and deduction” shall be deleted;
 - (f) paragraph (4A) shall be deleted;
 - (g) in paragraph (4B) the words “and deduction” shall be deleted;
 - (h) for paragraph (5) there shall be substituted the following paragraph –
- “(5) Where for any year of assessment an individual is entitled under this Article to apportioned amounts in respect of 2 or more children, the exemption threshold increase to which the individual is entitled shall be equal to the sum of those amounts, or the amount referred to in paragraph (1A), whichever is the lesser.”.
- (3) This Article shall come into force on 1st January 2018 and have effect for the year of assessment 2018 and ensuing years.

9 Age enhanced exemption threshold closed from 2017 – Article 92A amended

- (1) In Article 92A –
- (a) paragraph (A1) shall be deleted;
 - (b) in paragraph (2)(i) for the words “at the commencement of the year of assessment, either he or his wife was the relevant age or older,”

there shall be substituted the words “on 31st December 2016, either he or his wife was aged 65 or older.”;

- (c) in paragraph (2A)(i) for the words “at the commencement of the year of assessment, either he or she, or his or her civil partner B was the relevant age or older,” there shall be substituted the words “on 31st December 2016, either he or she, or his or her civil partner B, was aged 65 or older.”;
 - (d) in paragraph (6) for the words “at the commencement of the year of assessment, he or she was the relevant age or older,” there shall be substituted the words “on 31st December 2016, he or she was aged 65 or older.”.
- (2) This Article shall come into force on 1st January 2017 and have effect for the year of assessment 2017 and ensuing years.

10 Earned income allowance for spouse or civil partner – Article 92A amended

- (1) In Article 92A –
- (a) in paragraph (2A) for the words “paragraphs (4A), (5A), (8) and (9)” there shall be substituted the words “paragraphs (4A), (5), (8) and (9)”;
 - (b) for paragraphs (4), (4A), (5) and (5A) there shall be substituted the following paragraphs –
 - “(4) Where –
 - (a) an individual to whom paragraph (2) applies receives earned income for a year of assessment; and
 - (b) the individual’s wife also receives earned income for the year of assessment, which is included in the total income of the individual,
 the threshold applicable in the individual’s case shall be increased by whichever is the lowest of –
 - (i) £4,500;
 - (ii) an amount equal to his earned income; or
 - (iii) an amount equal to his wife’s earned income.
 - (4A) Where –
 - (a) an individual to whom paragraph (2A) applies receives earned income for a year of assessment; and
 - (b) the individual’s civil partner B also receives earned income for the year of assessment, which is included in the total income of the individual,
 the threshold applicable in the individual’s case shall be increased by whichever is the lowest of –
 - (i) £4,500;
 - (ii) an amount equal to his or her earned income; or
 - (iii) an amount equal to civil partner B’s earned income.

- (5) For the purposes of paragraphs (4) and (4A), ‘earned income’ shall not include earned income received or receivable by an individual from his or her spouse or civil partner.”.
- (2) This Article shall have effect for the year of assessment 2016 and ensuing years.

11 Exemption threshold increase for child day care – Article 92B amended

- (1) In Article 92B(1)(c) and (d) for the amount “£12,000” there shall be substituted the amount “£14,000”.
- (2) This Article shall have effect for the year of assessment 2016 and ensuing years.

12 Eligibility for exemption threshold increase for child day care – Article 92B amended

- (1) For Article 92B(1)(b) there shall be substituted the following sub-paragraphs –
 - “(b) in the case of a claimant who is an eligible claimant by virtue of sub-paragraph (a) of the definition ‘eligible claimant’ in paragraph (5), whichever is the lower of –
 - (i) the claimant’s qualifying income, and
 - (ii) the qualifying income of the claimant’s spouse or civil partner;
 - (ba) in the case of a claimant who is an eligible claimant by virtue of sub-paragraph (c) of the definition ‘eligible claimant’ in paragraph (5), the claimant’s qualifying income;”.
- (2) In Article 92B(5) for the definition “eligible claimant” there shall be substituted the following definition –
 - “ ‘eligible claimant’ means –
 - (a) an individual –
 - (i) in whose case the exemption threshold described in Article 92A(2) or (2A) applies,
 - (ii) who has qualifying income, and
 - (iii) whose spouse or civil partner has qualifying income;
 - (b) an individual –
 - (i) in whose case the exemption threshold described in Article 92A(2) or (2A) applies, and
 - (ii) who is entitled to an additional allowance under Article 98A; or
 - (c) an individual in whose case the exemption threshold described in Article 92A(6) applies and who has qualifying income;”.

- (3) In Article 92B(5) for the definition “qualifying income” there shall be substituted the following definition –
- “‘qualifying income’ means income arising from a trade, profession, office, employment or vocation chargeable to tax under Case I or II of Schedule D or under Schedule A pursuant to Article 51(1)(b) or (c), excluding –
- (a) the first £4,500 of such income for the year of assessment; and
 - (b) in the case of an individual who is married or in a civil partnership, earned income received or receivable by the individual from his or her spouse or civil partner;”.
- (4) This Article shall have effect for the year of assessment 2016 and ensuing years.

13 Non-residents – Article 106 substituted and Articles 118B and 129A amended

- (1) For Article 106 there shall be substituted the following Article –

“106 Non-residents

- (1) An individual who is not resident in Jersey shall only be entitled to allowances and reliefs under this Part for a year of assessment if the individual has profits or gains arising or accruing that are charged to tax for the year of assessment under Case I or Case II(a) or (b) of Schedule D.
 - (2) Such allowances and reliefs shall only be given in respect of the individual’s profits or gains described in paragraph (1).
 - (3) Article 129A provides for the apportionment of allowances and reliefs in the case of an individual who is not in Jersey for the whole year.”.
- (2) After Article 118B(1) there shall be inserted the following paragraph –
- “(1A) A person who is not resident in Jersey and who is paid a dividend from which tax is deducted at the rate of 10% under Article 88(3) shall be exempt from the balance of tax that would, apart from this paragraph, be due in respect of the dividend.”.
- (3) In Article 129A –
- (a) in paragraph (1) the words “Subject to paragraph (2),” shall be deleted;
 - (b) paragraphs (2) and (4) shall be deleted.
- (4) This Article shall have effect for the year of assessment 2016 and ensuing years.

*Distributions by companies***14 Preference shares – Articles 62 and 118B and Schedule 5 amended**

- (1) In Article 62(1) at the end of Case III(g) there shall be added the words “that are declared out of profits or gains chargeable to tax on the company at a rate other than the standard rate;”.
- (2) At the end of Article 118B(1)(ba) there shall be added the words “to the extent that such dividends were declared out of profits or gains charged on the company at the rate of 0%;”.
- (3) At the end of Schedule 5 there shall be added the following paragraph –

“19 Finance (2016 Budget) (Jersey) Law 201-: exemption for non-resident’s income

The amendment of Article 118B(1)(ba) by Article 14(2) of the Finance (2016 Budget) (Jersey) Law 201-³, which has effect for the year of assessment 2014 and ensuing years, shall not affect any claim for exemption from income tax that was made by virtue of Article 118B(1)(ba) before the day Article 14 was deemed to come into force.”.

- (4) This Article shall be deemed to have come into force on the day this Law is, in accordance with Standing Orders of the States of Jersey, lodged au Greffe.
- (5) Paragraph (1) shall apply to dividends paid on or after the day this Article is deemed to have come into force.
- (6) Paragraphs (2) and (3) shall have effect for the year of assessment 2014 and ensuing years.

15 Income arising from possessions out of Jersey – Article 62 and Schedule 5 amended

- (1) After Article 62(1) there shall be inserted the following paragraph –
 - “(1A) The income in respect of which a person is chargeable under Case V includes the full amount of any income arising from a dividend declared by a company, whether the dividend is paid out of revenue or capital of the company.”.
- (2) In Schedule 5 –
 - (a) at the beginning of paragraph 13 there shall be inserted the sub-paragraph number “(1)”;
 - (b) after sub-paragraph (1) of paragraph 13 there shall added the following sub-paragraph –
 - “(2) Sub-paragraph (1) shall not apply for any year of assessment after 2015.”.

16 Shareholder loans – Article 81O and Schedule 5 amended

- (1) Paragraphs (7) to (10) of Article 81O shall be deleted.
- (2) At the end of Schedule 5 there shall be added the following paragraph –

“20 Finance (2016 Budget) (Jersey) Law 201-: election in respect of shareholder loans for year of assessment 2015

The deletion of Article 81O(9) and (10) by Article 16(1) of the Finance (2016 Budget) (Jersey) Law 201-⁴, which has effect for the year of assessment 2016 and ensuing years, does not affect the right of a borrower to make an election, for the year of assessment 2015, under Article 81O(9) and (10) as those paragraphs were in force prior to their deletion.”.

- (3) This Article shall have effect for the year of assessment 2016 and ensuing years.

17 Dividends and distributions – Articles 88 and 133 amended

- (1) In Article 88 for paragraphs (5) to (5E) there shall be substituted the following paragraphs –

“(5) Where a deduction is made from a dividend pursuant to this Article –

- (a) the person chargeable to tax on the dividend shall, unless the person is a company to which Article 123C applies, be entitled to a credit; and
- (b) the amount of tax that person is liable to pay in respect of the dividend shall be reduced by the amount of the credit.

(5A) Subject to paragraph (5B), the credit shall be of an amount equal to the amount of the deduction.

(5B) If the person chargeable to tax on the dividend is a company to which Article 123D applies, the credit shall be of an amount equal to whichever is the lesser of –

- (a) 10% of the gross dividend; and
- (b) the amount of the deduction.”.

- (2) In Article 133(1), after sub-paragraph (aa) of the proviso there shall be inserted the following sub-paragraph –

“(ab) the company or bank shall not be entitled to repayment of any tax deducted under Article 88(2) or (3) from a dividend paid to the company or bank;”.

- (3) This Article –
 - (a) shall be deemed to have come into force on the day this Law is, in accordance with Standing Orders of the States of Jersey, lodged au Greffe; and
 - (b) shall apply to dividends paid on or after that date.

Companies

18 Companies regarded as resident in Jersey – Article 123 amended

- (1) In Article 123(1)(a)(i) for the amount “20%” there shall be substituted the amount “10%”.
- (2) This Article shall have effect for the year of assessment 2016 and ensuing years.

Pensions

19 Pensions – Article 62, Part 19 and Schedule 1A amended

- (1) In Article 62(1) for sub-paragraph (d)(ii) of Case III there shall be substituted the following clause –
 - “(ii) any lump sum paid from or under a pension scheme, annuity contract, retirement trust scheme or similar arrangement, whether the payment is made on the death of a pension holder, in commutation of or otherwise in lieu of a pension, by way of return of contributions paid by a pension holder, by way of transfer, or otherwise (other than a payment which is taxed under Case VI, in accordance with Article 131J(2)(a) or 131L(1));”.
- (2) In Article 130(2) –
 - (a) in sub-paragraph (a) the word “and” following clause (ii) shall be deleted and after clause (ii) there shall be added the following clause –
 - “(iii) the pension holder attaining the age of 75; and”;
 - (b) in sub-paragraph (b) for clause (i) there shall be substituted the following clause –
 - “(i) a pension holder transfers the whole or part of his or her fund value in an approved Jersey scheme, or in an equivalent scheme (within the meaning of Article 131CG(7)), to an approved Jersey scheme, and”.
- (3) In Article 131 –
 - (a) for paragraph (9) there shall be substituted the following paragraph –
 - “(9) The scheme may provide for the payment, following the death of a member, of either or both of –
 - (a) an income to one or more of the member’s dependants –
 - (i) in the case of a child of the member who is a dependant by reason of Article 130A(2)(a) but who, on attaining the age of 23, would not be a dependant

- by reason of Article 130A(2)(b), until the child attains the age of 23, or
- (ii) in the case of any other dependant, for the life of the dependant;
- (b) a lump sum to the member's estate or to any person.”;
- (b) after paragraph (15) there shall be inserted the following paragraph –
- “(15A) The scheme may permit payments other than a return of contributions to be made to the employer –
- (a) in exceptional circumstances, such as the winding up of the scheme; and
- (b) with the prior written approval of the Comptroller.”.
- (4) In Article 131B(7) for sub-paragraph (a) there shall be substituted the following sub-paragraph –
- “(a) an annuity to one or more of the individual's dependants –
- (i) in the case of a child of the individual who is a dependant by reason of Article 130A(2)(a) but who, on attaining the age of 23, would not be a dependant by reason of Article 130A(2)(b), until the child attains the age of 23, or
- (ii) in the case of any other dependant, for the life of the dependant;”.
- (5) For Article 131CA(6) there shall be substituted the following paragraph –
- “(6) The scheme may provide for the payment, following the death of the primary beneficiary, of either or both of –
- (a) subject to paragraph (6A), a sum by way of annuity equivalent to one or more secondary beneficiaries;
- (b) a lump sum commuting the whole of the fund value to the primary beneficiary's estate or to any person.”.
- (6) After Article 131CA(6) there shall be inserted the following paragraph –
- “(6A) Where a secondary beneficiary is a person who is a dependant of the primary beneficiary by reason of Article 130A(2)(a) but who, on attaining the age of 23, would not be a dependant by reason of Article 130(2)(b), the scheme must provide for the payment of the sum by way of annuity equivalent to end upon the secondary beneficiary attaining the age of 23.”.
- (7) For Article 131CG(6) there shall be substituted the following paragraph –
- “(6) The scheme manager of an approved Jersey scheme must notify the Comptroller, in writing, of –
- (a) the date of a transfer received in accordance with paragraph (5);
- (b) the amount of the transfer;
- (c) the name of the scheme from which it was transferred;
- (d) the jurisdiction in which that scheme is established; and

(e) whether benefits have commenced from that scheme.”.

(8) After Article 131J there shall be inserted the following Article –

“131JA Taxation relating to payment from a Jersey occupational pension scheme to the employer

Where a payment is made from a Jersey occupational pension scheme to the employer as permitted by Article 131(15A), the amount paid shall be treated for the purposes of this Law as a receipt of the trade, profession or vocation carried on by the employer upon whichever is the earlier of –

- (a) the payment falling due; and
- (b) the last day on which the trade, profession or vocation is carried on by the employer.”.

(9) In Article 131L –

- (a) in paragraph (1) the words “in commutation of or in lieu of pension income” shall be deleted;
- (b) in paragraph (4) for the word “commuted” there shall be substituted the word “paid”.

(10) For Article 131N there shall be substituted the following Article –

“131N Exemption from tax for transfer from approved Jersey scheme

The following transfers shall be exempt from tax –

- (a) a transfer, permitted under Article 131CG(2) and (3), of the whole or part of a fund value from an approved Jersey scheme to another approved Jersey scheme or an approved drawdown contract;
- (b) a transfer, permitted under Article 131CG(4), of the whole of a fund value from an approved Jersey scheme to an equivalent scheme established outside Jersey.”.

(11) After Article 131Q(1)(d) there shall be inserted the following subparagraph –

“(da) to refuse approval under Article 131(15A);”.

(12) This Article shall have effect for the year of assessment 2016 and ensuing years.

Collection and administration

20 Disclosure of information – Article 13 amended

(1) In the heading to Article 13 the word “statistical” shall be deleted.

(2) For Article 13(1) there shall be substituted the following paragraphs –

“(1) Notwithstanding anything in this Law, the Comptroller may, for any purpose described in paragraph (1A) –

- (a) disclose statistical information to the Minister or the Chief Minister; and
- (b) disclose any information to an officer in an administration of the States for which either the Minister or Chief Minister is assigned responsibility.

(1A) The purposes are –

- (a) the preparation of the general estimate of the revenue of the States; and
- (b) any other purpose affecting the revenue of the States.”.

21 Time for delivery of company statement – Article 17A amended

In Article 17A(2)(b) for the words “6 p.m. on the last Friday in July in the year in which the notice is served;” there shall be substituted the words “midnight on 31st December in the year in which the notice is served;”.

22 Revised assessment following apportionment – Articles 24 and 92A amended

(1) In Article 24(1) –

- (a) the word “or” following sub-paragraph (b) shall be deleted; and
- (b) after sub-paragraph (c) there shall be added the word “or” and the following sub-paragraph –

“(d) that by reason of the apportionment, under this Law, of an exemption threshold increase or any allowance, relief or deduction between a person and one or more others, an amount is recoverable from the person,”.

(2) In Article 92A(8C) the words beginning “and, if it appears” and ending “recovered from the individual accordingly.” shall be deleted.

23 ITIS rate – Articles 41C, 41D, 41DA and 49B amended and Schedule 1A revised

(1) In Article 41C –

- (a) in paragraph (7B) the words “Subject to paragraph (9),” shall be deleted;
- (b) paragraph (8) shall be deleted;
- (c) in paragraph (9) after the words “The rate” there shall be inserted the words “determined by the Comptroller in accordance with paragraphs (2) to (7B)”;
- (d) after paragraph (9) there shall be inserted the following paragraphs –

“(9A) An employee may, at any time, make an election to the Comptroller to have a rate applied in the employee’s case that exceeds the rate determined in accordance with the foregoing provisions of this Article.

- (9B) If the Comptroller agrees the rate proposed in an election made under paragraph (9A), the Comptroller shall issue a notice in writing to the employee of the rate and the day from which the rate applies.”.
- (2) For Article 41D(3) there shall be substituted the following paragraphs –
- “(3) If the Comptroller agrees the adjusted rates proposed in an election made under paragraph (2), the Comptroller shall issue a notice in writing of the rates applicable to the husband and wife and the day from which the rates apply.
- (3A) Article 41C(11) to (13) shall apply to a refusal, by the Comptroller, to issue a notice under paragraph (3) of this Article as they apply to a refusal to issue a notice under Article 41C(9B).”.
- (3) For Article 41DA(3) there shall be substituted the following paragraphs –
- “(3) If the Comptroller agrees the adjusted rates proposed in an election made under paragraph (2), the Comptroller shall issue a notice in writing of the rates applicable to the civil partners and the day from which the rates apply.
- (3A) Article 41C(11) to (13) shall apply to a refusal, by the Comptroller, to issue a notice under paragraph (3) of this Article as they apply to a refusal to issue a notice under Article 41C(9B).”.
- (4) In Article 49B(4) –
- (a) clauses (i) and (j) shall be deleted;
- (b) for clause (k) there shall be substituted the following clause –
- “(k) in paragraph (9) for the words ‘The rate determined by the Comptroller in accordance with paragraphs (2)’ there shall be substituted the words ‘The combined effective rate determined by the Comptroller in accordance with paragraphs (3)’;”;
- (c) after clause (l) there shall be inserted the following clauses –
- “(la) in paragraph (9A) for the words ‘a rate’ there shall be substituted the words ‘a combined effective rate’;
- (lb) in paragraph (9B) for the words ‘the rate’ in the first place that they appear there shall be substituted the words ‘the combined effective rate,’;”.
- (5) Schedule 1A is revised to incorporate the amendments and modifications of the Articles reproduced in it.

PART 2

STAMP DUTIES AND FEES (JERSEY) LAW 1998 AND TAXATION (LAND TRANSACTIONS) (JERSEY) LAW 2009 AMENDED

24 Interpretation of Part 2

In this Part –

“1998 Law” means the Stamp Duties and Fees (Jersey) Law 1998⁵;

“2009 Law” means the Taxation (Land Transactions) (Jersey) Law 2009⁶.

25 Schedules to 1998 Law and 2009 Law amended – secured debts and security interests on residential property

- (1) Item 1(a) of the Schedule to the 1998 Law is deleted.
- (2) In item 1(aa) of the Schedule to the 1998 Law –
 - (a) in clause (iv) for the amount “£400,000” there shall be substituted the amount “£450,000”;
 - (b) for the second clauses numbered (i) and (ii) there shall be substituted the following clauses –

	“(A) where the amount secured does not exceed £350,000	NIL	<i>Billet</i>	Greffier
	“(B) where the amount secured exceeds £350,000 but does not exceed £450,000	NIL in respect of the first £350,000 plus 25p for each £100 or part of £100 in excess thereof, subject to a minimum of £25	<i>Billet</i>	Greffier”.

- (3) In paragraph 3B of the Schedule to the 2009 Law –
 - (a) in sub-paragraph (1)(b), for the amount “£400,000” there shall be substituted the amount “£450,000”;
 - (b) for clauses (a) and (b) of sub-paragraph (2) there shall be substituted the following clauses –
 - “(a) where the amount secured by the security agreement does not exceed £350,000, nil;
 - (b) where the amount secured by the security agreement exceeds £350,000 but does not exceed £450,000, nil in respect of the first £350,000 plus 25p for each £100 or part of £100 in excess thereof, subject to a minimum of £25.”.
- (4) Paragraph 5 of the Schedule to the 2009 Law is repealed.

PART 3

CUSTOMS AND EXCISE (JERSEY) LAW 1999 AMENDED

26 Interpretation of Part 3

In this Part, except where the context otherwise requires, a reference to an Article or Schedule is to the Article or Schedule of that number in the Customs and Excise (Jersey) Law 1999⁷.

27 Small independent cider-makers and distillers of spirits – Article 1 amended

In Article 1(1) –

- (a) in sub-paragraph (a) of the definition “small independent cider-maker” for the amount “20,000 litres” there shall be substituted the amount “500,000 litres”;
- (b) for sub-paragraph (a) of the definition “small independent distiller of spirits” there shall be substituted the following sub-paragraph –
 - (a) during the period of 5 years ending on the day before excise duty is charged on spirits produced by the distiller, has not distilled more than 10,000 litres of alcohol”;

28 Excise duty (other than vehicle emissions duty) – Part 2 of Schedule 1 amended

In Part 2 of Schedule 1 –

- (a) for paragraph 1(a) and (b) there shall be substituted the following sub-paragraphs –
 - “(a) on all spirits, produced by a small independent distiller of spirits, which are imported into or produced or manufactured in Jersey, excise duty at the rate of £17.30 per litre of alcohol; and
 - (b) on all other spirits imported into or produced or manufactured in Jersey, excise duty at the rate of £34.57 per litre of alcohol.”;
- (b) for the table in paragraph 2 there shall be substituted the following table –

<i>“Strength of wines</i>	<i>Rate per hectolitre</i>
Wines exceeding 1.2% volume but not exceeding 5.5% volume	£74.70
Wines exceeding 5.5% volume but not exceeding 15% volume	£196.04
Wines exceeding 15% volume but not exceeding 22% volume	£240.23
	<i>Rate per litre of alcohol</i>
Wines exceeding 22% volume	£34.57”;

- (c) for paragraph 3(a)(ii) and (iii) there shall be substituted the following clauses –
 - “(ii) £30.67 per hectolitre of beer exceeding 2.8% volume but not exceeding 4.9% volume, and
 - (iii) £53.14 per hectolitre of beer exceeding 4.9% volume; and”;
- (d) for paragraph 3(b)(ii) and (iii) there shall be substituted the following clauses –

- “(ii) £61.34 per hectolitre of beer exceeding 2.8% volume but not exceeding 4.9% volume, and
(iii) £106.26 per hectolitre of beer exceeding 4.9% volume.”;
- (e) for paragraph 4(a)(ii) and (iii) there shall be substituted the following clauses –
- “(ii) £30.67 per hectolitre of cider exceeding 2.8% volume but not exceeding 4.9% volume, and
(iii) £53.14 per hectolitre of cider exceeding 4.9% volume; and”;
- (f) for paragraph 4(b)(ii) and (iii) there shall be substituted the following clauses –
- “(ii) £61.34 per hectolitre of cider exceeding 2.8% volume but not exceeding 4.9% volume, and
(iii) £106.26 per hectolitre of cider exceeding 4.9% volume.”;
- (g) in paragraph 5 for the amount “£32.43” there shall be substituted the amount “£34.57”;
- (h) for the table in paragraph 6 there shall be substituted the following table –

<i>“Type of tobacco</i>	<i>Rate of excise duty per kilogramme</i>
(a) unprocessed tobacco	£280.85
(b) cigars	£303.88
(c) cigarettes	£379.98
(d) hand-rolling tobacco	£322.98
(e) processed tobacco other than types (b) to (d)	£294.11”;

- (i) for paragraph 7(1)(a) to (d) there shall be substituted the following clauses –
- “(a) on higher octane ultra low sulphur petrol £47.29 per hectolitre
(b) on all other ultra low sulphur petrol £45.47 per hectolitre
(c) on ultra low sulphur diesel £45.47 per hectolitre
(d) on all other types of hydrocarbon oil £49.14 per hectolitre.”.

29 Vehicle emissions duty – Part 2 of Schedule 1 amended

For paragraph 8 of Part 2 of Schedule 1 there shall be substituted the following paragraph –

“8 Motor vehicles

- (1) In this paragraph –

‘established CO₂ mass emission figure’ means, in relation to a vehicle, the grams per kilometre of carbon dioxide emitted by the vehicle, established in accordance with sub-paragraphs (2) and (3);

‘vehicle emissions duty’ means the excise duty payable as described in Article 38(3) or (5).

- (2) The CO₂ mass emission figure for a motor vehicle shall be established when the motor vehicle is first registered in Jersey and shall be the figure specified in a document produced in accordance with the requirements for registration that are prescribed under Part 2 of the Motor Vehicle Registration (Jersey) Law 1993⁸.
- (3) Where more than one CO₂ mass emission figure is specified in a document described in sub-paragraph (2), the CO₂ mass emission figure established for the motor vehicle shall be –
- (a) the figure specified as the combined figure or, if there is more than one combined figure, the lowest of them; or
 - (b) where there is no combined figure, the lowest figure specified.
- (4) The rate of vehicle emissions duty charged on a motor vehicle is –
- (a) in the case of a motor vehicle that has an established CO₂ mass emission figure, the rate specified in column 2 of Table 1 for the motor vehicle’s established CO₂ mass emission figure, specified in column 1 of Table 1;
 - (b) in the case of a motor vehicle that does not have an established CO₂ mass emission figure, the rate specified in column 2 of Table 2 for the cylinder capacity of the motor vehicle’s engine, specified in column 1 of Table 2.

1 Established CO ₂ mass emission figure in grams	2 Rate of vehicle emissions duty £
100 or less	0
101-125	50
126-150	150
151-175	250
176-200	400
201-225	750
226-250	1,250
251 or more	1,800

Table 2 Vehicles without an established CO ₂ mass emission figure	
1 Cylinder capacity of engine in cubic centimetres	2 Rate of vehicle emissions duty £
1,000 or less	0
1,001-1,400	200
1,401-1,800	350
1,801-2,000	500
2,001-2,500	700
2,501-3,000	1,000
3,001-3,500	1,300
3,501 or more	1,800".

PART 4

CLOSING

30 Citation and commencement

- (1) This Law may be cited as the Finance (2016 Budget) (Jersey) Law 201-.
- (2) Except as provided in Articles 5, 8, 9, 14 and 17, this Law shall come into force on 1st January 2016.

-
- 1 *chapter 24.750*
 - 2 *chapter 24.750*
 - 3 *P.129/2015*
 - 4 *P.129/2015*
 - 5 *chapter 24.960*
 - 6 *chapter 24.980*
 - 7 *chapter 24.660*
 - 8 *chapter 25.350*