

# STATES OF JERSEY



## DRAFT FINANCE (2019 BUDGET) (JERSEY) LAW 201-

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Lodged au Greffe on 24th October 2018  
by the Minister for Treasury and Resources

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STATES GREFFE





Jersey

## **DRAFT FINANCE (2019 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 (2019 Budget) (Jersey) Law 201- are compatible with the Convention Rights.

Signed: **Deputy S.J. Pinel of St. Clement**

*Minister for Treasury and Resources*

Dated: 23rd October 2018

## REPORT

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This draft Law gives effect to the proposals described in the Draft Budget Statement 2019 ([P.114/2018](#) lodged *au Greffe* on 9th October 2018).

### **Financial and manpower implications**

The financial and manpower implications associated with this draft Law are identified within the Draft Budget Statement 2019.

### **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.

**Human Rights Notes on the Draft Finance (2019 Budget) (Jersey) Law 201-**

These Notes have been prepared in respect of the Draft Finance (2019 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.**

There are no issues of concern in respect of human rights. The only points to note for completeness are:

The civil non-compliance penalties in the new Article 17A of the Income Tax (Jersey) Law 1961 are entirely within what is to be expected in a tax system, and not qualitatively different to the existing Article 17A.

Article 19 creates additions to Schedule 5. Any system whereby a base year is used to deem income for a year of assessment may cause apparent anomalies. The potential problem is that a taxpayer’s 2019 income, for example, might be the basis for their 2019 return, and then (if they make an election) partially the basis for their 2020 return. However, this is not only attributable to them making an election, but the only reason for the use of any 2019 income would be that the whole of the 2020 income would not be measured. This is simply the nature of using basis years for taxation that do not match calendar years, and moving between different basis years.

Articles 15–17 come in effective of the date of announcement of the measures. This is fairly standard practice in taxation, and it is not unfair as people know as of the date of the announcement what they can expect. The tax is technically retrospective, although this is permitted under the European Convention for measures that are not criminal.

## Explanatory Note

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This Law gives effect to the proposals set out in the draft Budget Statement 2019 lodged *au Greffe* on 9th October 2018.

**Part 1** sets the standard rate of income tax and amends the Income Tax (Jersey) Law 1961 (“ITL”).

*Article 1* is an interpretation provision.

*Article 2* sets the standard rate of tax for the year 2019 at 20%.

*Article 3* increases the standard thresholds of exemption from income tax in Article 92A of the ITL by 3.5% in line with the increase in average earnings to June 2018.

### *Higher Child Allowance*

*Article 4* amends the provisions in Article 92A of the ITL relating to income tax exemption thresholds so as to delete references to the provisions in Article 95 which provide for the higher child allowance. This is explained further under *Article 5* below.

*Article 5* deletes the provisions in Article 95 of the ITL which provide for the higher child allowance (“HCA”). The HCA is an income tax exemption threshold and deduction in respect of a child over the age of 17 years who is receiving full-time higher education. Subject to exceptions the HCA is currently £6,000 with an additional allowance in certain cases.

*Article 6* amends the provisions in Article 98A of the ITL which provide for an additional allowance where, broadly, an individual does not have a spouse or civil partner or where an individual’s spouse or civil partner is incapacitated. The current references to the child allowance in Article 95 are deleted and replaced with provisions for a new income tax exemption threshold in such circumstances provided certain conditions are met with respect to the child. These conditions include the child being under the age of 25 years on August 31st in the year of assessment and, if 16 years of age or over, at school or receiving higher education.

### *Exemptions*

*Articles 7 and 8* make provision so that the current exemption from income tax in Article 115 of the ITL in respect of the income of United Kingdom and Guernsey charities is amended to refer instead to the broadly equivalent provision in the Charities (Jersey) Law 2014.

*Article 9* inserts a new exemption from income tax in the ITL in respect of benefits paid from an international savings scheme to a person who is not resident in Jersey. Broadly, an international savings scheme is a scheme which provides benefits arising from employment outside Jersey.

### *Non-residents*

*Article 10* repeals Article 106 in the ITL which entitles individuals not resident in Jersey to be given certain allowances and reliefs (mainly relating to income tax exemption thresholds) in respect of certain income, generally from trade and employment, under Schedule D. Allowances for such individuals are provided for under the new Article 129B, explained further under *Article 12*.

*Article 11* widens the exemption from income tax in the ITL in respect of the income of a person not resident in Jersey to include interest paid by any body of persons established under an enactment. “Body of persons” is defined in Article 3 of the ITL.

*Article 12* inserts a new provision which gives relief to persons not resident in Jersey (“non-residents”). There are 3 circumstances in which relief can arise. The first is where a non-resident has income from trade or employment in Jersey (“qualifying Schedule D income”). In such a case the individual is entitled to the allowances and reliefs referred to in the repealed Article 106 (see *Article 9*) without the limitation that the allowances and reliefs can only be given in respect of the qualifying Schedule D income.

The second circumstance is where a non-resident has no qualifying Schedule D income and his or her world-wide income (including Jersey income) is less than the relevant income tax exemption threshold under the ITL. In such a case the non-resident is taxed at 0%.

The third circumstance is where a non-resident has no qualifying Schedule D income and does not pay tax on some or all of his or her Jersey income in a country or territory outside Jersey or does not receive full or partial tax relief on his or her Jersey income in such a country or territory. In such circumstances the rate at which the non-resident is taxed on his or her Jersey income may be reduced from the standard rate of 20% according to a formula set out in the new provision.

#### *Pensions*

*Article 13* deletes a cross reference to paragraphs which have been repealed.

*Article 14* amends the calculation used for determining the amount of tax free lump sum that may be commuted from an approved Jersey scheme. The ITL exempts from income tax up to 30% of the net value of the fund which is commuted into a lump sum by a pension holder aged 50 years or over and under 75 years of age. The calculation of the “net value of the fund” includes deducting the amount of sums previously transferred into the approved Jersey scheme (“scheme A”). Under *Article 14* this calculation is amended where a previous transfer is itself from an approved Jersey scheme (“scheme B”). The effect of the amendment is to increase the “net value of the fund” of scheme A by amounts transferred into scheme A from scheme B less any commutations of lump sums previously made from scheme B.

*Article 15* makes provision for circumstances where a person who has a pension fund not exceeding £35,000 commutes the whole of it into a lump sum but has previously commuted up to 30% of the net fund value of his or her pension as a lump sum. Under the ITL, more than 30% of the total amount commuted in these circumstances can be treated as tax free. The amendment made by *Article 15* restricts the amount that is tax free when the later commutation is made so as to take account of the previous commutation.

#### *Large corporate retailers*

*Article 16* removes the restriction that the modification of Article 88 (dividends) of the ITL which applies to large corporate retailers (as defined in Article 123I of the ITL) applies only where the large corporate retailer is taxed at a rate that is greater than 0% and less than 20%. *Article 16* also makes consequential amendments as to how Article 88 applies in such circumstances.

*Article 17* makes provision so that all large corporate retailers (regardless of the rate of tax at which they are charged) are subject to the provisions in the ITL which require dividends and other distributions to be accompanied by a statement showing the gross and net amounts paid, including separately, the amounts of tax charged and deducted.

*Article 18* makes provision so as to modify the calculation of a large corporate retailer’s profits so that no account is taken of any credit given for tax relief under the ITL on foreign income.

*Article 19* amends the transitional provision in Schedule 5 which gives relief to large corporate retailers and companies who fall for the first time within the definition “financial services company” following the amendments made in the 2018 Budget. Under those amendments, companies that had previously been taxed at 0% could be liable to a higher rate of tax. Under the transitional provision, if such a company’s last accounting date for year of assessment 2018 is 31st December 2018, the Comptroller can give such relief as the Comptroller thinks fair, just and reasonable during such part of the company’s financial period that falls from 1st January 2016 to 31st December 2017 that is used for assessing the company’s liability to tax for the year of assessment 2018. The amendment made by *Article 19* allows a company’s accounting date to be treated for all purposes under the ITL as 31st December 2018 even if that is not its actual accounting date, if it makes a notification to that effect to the Comptroller. The accounting date is so treated for all subsequent years until the company notifies the Comptroller otherwise and is charged on the full 12 months of profits ending when the accounting date of 31st December ceases to have effect.

#### *High value residents*

*Article 20* amends Article 135A of the ITL so that Schedule A income, in addition to Schedule D income, is taken into account for the purpose of assessing whether a high value resident’s income exceeds the limit prescribed by Regulations for the purpose of assessing his or her tax liability and, where applicable, the amount of his or her “deemed” income.

*Article 21* amends the Regulations which set out the prescribed limit so as to prescribe £725,000 as the limit in the circumstances referred to above.

#### *Regulation making power for legal entities*

*Article 22* makes provision for the States to make Regulations amending the ITL to make provision for any legal entity formed under an enactment to which there is no reference in the ITL immediately before the date such Regulations would come into force. *Article 22* also inserts a general provision relating to the power to make Regulations.

#### *Administrative matters*

*Article 23* makes provision for statements from tax payers of their income and profits required under Article 16 of the ITL for the purpose of assessing their liability to tax to be referred to as “returns”. Consequential amendments to other provisions in the ITL are made by *Articles 24, 25, 26, 27, 31, 32, 33, 39, 40, 43, 46, 49, 50, 51, 53, 54, and 55*.

*Article 23* also makes provision so that the Comptroller’s powers to require information are not limited to the information specified in Article 16 of the ITL.

*Article 27* amends the amount of penalty for late delivery of returns and also amends the dates by which returns are due. The penalty is £100 for monthly returns of information from employers and building contractors and £300 in every other case. The due date for a year of assessment is 31st May in the year a notice requiring a return is served unless the return is delivered electronically, in which case it is 31st July, or, in the case of a company, 31st December. Monthly returns by employers and building contractors are due no later than 15 days after the end of each month. New provisions are added so that if a return is not provided to the Comptroller within 3 months after the due date the person is liable to pay a further monthly penalty for each month that the return remains undelivered up to a maximum of 9 months. Exceptions apply where a person’s tax liability is less than £300.

*Article 28* amends Article 20 of the ITL relating to monthly returns from employers so that the Comptroller's powers to require information are not limited to the information specified in that Article and deletes some of the provisions in the list of the specified information.

*Article 29* amends Article 20A of the ITL relating to monthly returns from building contractors so that the Comptroller's powers to require information are not limited to the information specified in that Article. A similar provision is made by *Article 30* in respect of annual returns of information by companies required under Article 20B.

*Article 32* clarifies that the Comptroller's powers to make an assessment of a person's tax liability apply to any person required to provide a return, regardless of whether such a person is liable to be charged to tax.

*Article 33* amends the provisions in the ITL concerning when additional or amended assessments may be made. Such assessments may be made any time up to 5 years after the end of the year of assessment to which the additional or amended assessment relates. This time limit does not apply in cases of fraud or wilful default.

*Article 34* amends the provision in the ITL which allows for relief to be given when a person has over-paid tax by mistake. Currently, a claim can be made up to 5 years following the end of the year in which the assessment is made. This period is changed to the period ending 5 years after the end of the year of assessment in respect of which the tax is over-paid.

*Article 35* amends the date on which tax is due. Currently that is the day after the day on which an assessment is made. This is changed to midnight on 30th November in the year following the year of assessment, except in the case of a "large company" where the date is midnight on 30th September in the year following the year of assessment. ("Large company" is defined in the new Article 41AA(7): see *Article 37* below.)

*Article 36* amends Article 41A of the ITL which requires instalments to be paid by the last Friday in April in the year following a year of assessment. Instead, in the case of individuals and unincorporated bodies, the requirement is to pay an instalment by midnight on 31st May in the year following a year of assessment. Article 41A includes exceptions where the requirement does not apply.

*Article 37* inserts a new provision, Article 41AA, in the ITL requiring a company regarded as resident, or with a permanent establishment in Jersey, to pay an instalment of tax in the year immediately following the year of assessment. In the case of a "large company" (defined as a company whose liability to income tax exceeds £500,000 for each of the 2 years preceding the year of assessment) the due date is 31st March. In the case of any other company it is 31st May.

*Article 38* makes provision so that an employer which is company may, instead of remitting a monthly tax deduction in respect of its employees to the Comptroller, remit an annual tax deduction. The provision applies only where the Comptroller agrees and at least 25% of the ordinary share capital of the company is owned by each employee in respect of whom the deduction is made. Consequential amendments to other provisions in the ITL are made by *Articles 43 and 56*.

*Article 39* makes it clear that the provisions in the ITL which allow the Comptroller to calculate the rate at which an employer must deduct tax, include revising a provisional rate.

*Article 41* amends the provisions relating to when a person who is required to pay an instalment under Article 41A or 41AA (see *Articles 36 and 37* above) is liable to pay a late payment surcharge for failing tax in full by a specified time. The surcharge

becomes due if the tax is not paid by midnight on 30th November in the year immediately following the year of assessment or, in the case of a large company, 30th September of that year.

*Article 42* makes amendments to the provision allowing proceedings to be taken for recovery of tax which are consequential on the insertion of Article 41AA by *Article 37*.

*Article 44* amends Article 77A in the ITL to update the social security allowances which are exempt from income tax so that they are consistent with the Social Security (Jersey) Law 1974. Article 77A is also amended so that the circumstances in which the earned income of an individual's civil partner is treated as the earned income of the other civil partner is consistent with the provision which applies to husbands and wives.

*Article 45* deletes some obsolete numbering.

*Article 47* removes the requirement that a certificate must be provided to the Comptroller from an institution or registered carer providing nursery care before an increase in the income tax exemption threshold is allowed for child day care. Instead, the Comptroller may require the claimant to provide the information that is currently provided in the certificate.

*Article 48* repeals the provision which prevents an individual from being entitled to any exemption, allowances or reliefs under the ITL unless the individual has provided a statement of the individual's income from all sources.

*Article 52* updates a reference to the Statistics Unit in the Chief Minister's Department to "Statistics Jersey" within the meaning of the Statistics and Census (Jersey) Law 2018.

**Part 2** amends the Customs and Excise (Jersey) Law 1999.

*Articles 56 to 59* increase the excise duty payable on alcohol, tobacco and hydrocarbon oil.

**Part 3** amends the Goods and Services Tax (Jersey) Law 2007 and the Goods and Services Tax (International Services Entities) (Jersey) Regulations 2008.

*Article 60* is an interpretation provision.

*Article 61* increases the surcharge for failing to pay goods and services tax ("GST") from 2.5% to 10%. It also increases the penalty for failing to provide a return on time from £50 to £100. In addition it makes provision for a further penalty of £100 for each month that the return remains undelivered starting from the date that is 3 months after the date the return is due up to a maximum of 9 months.

*Article 62* makes an amendment to paragraph 5 of Schedule 5 (supplies by charities) which is consequential on the amendment made in relation to charities described above (see *Articles 7 and 8*).

*Article 63* amends the Goods and Services Tax (International Services Entities) (Jersey) Regulations 2008 to correct several minor errors.

**Part 4** amends the Stamp Duties and Fees (Jersey) Law 1998.

*Article 64* is an interpretation provision.

*Article 65* amends the stamp duty payable on contracts. In addition to increases, the threshold for exemption from stamp duty is increased for purchases of dwellings from £450,000 to £700,000. Amendments are also made that are consequential on the amendment made in relation to charities described above (see *Articles 7 and 8*).

In addition, *Article 65* amends Schedule 1 to include the amendments made by the Stamp Duties and Fees (No. 4) (Jersey) Regulations 2018 which were inadvertently substituted by the enactment of the Stamp Duties and Fees (Amendment) (Jersey) Law 2018. (See *Article 65(c) and (d)*.)

**Part 5** amends the Taxation (Land Transactions) (Jersey) Law 2009.

*Article 66* makes amendments to the Taxation (Land Transactions) (Jersey) Law 2009 which are equivalent to the amendments made to the Stamp Duties and Fees (Jersey) Law 1998 by **Part 4**.

**Part 6** is the closing provision.

*Article 67* sets out the title of the Law and provides that it has effect for year of assessment 2019 and subsequent years except where stated otherwise. These are *Articles 15, 16, 17, 19 and 61* as explained above.





Jersey

## DRAFT FINANCE (2019 BUDGET) (JERSEY) LAW 201-

### Arrangement

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Jersey

## **DRAFT FINANCE (2019 BUDGET) (JERSEY) LAW 201-**

**A LAW** to amend further the Income Tax (Jersey) Law 1961, the Goods and Services Tax (Jersey) Law 2007, the Customs and Excise (Jersey) Law 1999, and the Stamp Duties and Fees (Jersey) Law 1998

*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 2019 AND INCOME TAX (JERSEY) LAW 1961 AMENDED INCLUDING REGULATIONS UNDER THAT LAW**

##### **1 Interpretation of Part 1**

In this Part a reference to an Article or Schedule by number and without more is to the Article or Schedule of that number in the Income Tax (Jersey) Law 1961<sup>1</sup>.

##### **2 Standard rate of income tax for 2019**

There shall be levied and charged in Jersey for the year 2019, in accordance with and subject to the provisions of the Income Tax (Jersey) Law 1961<sup>2</sup>, income tax at the standard rate of 20 pence in the pound.

*Allowances and reliefs – threshold exemption***3 Article 92A (threshold for exemption from income tax – personal allowance increases) amended**

In Article 92A –

- (a) in paragraphs (2)(ii) and (2A)(ii) for “£23,950” there is substituted “£24,800”;
- (b) in paragraphs (4)(i) and (4A)(i) for “£5,850” there is substituted “£6,000”;
- (c) in paragraph (6)(b) for “£14,900” there is substituted “£15,400”.

*Allowances and reliefs – higher child allowance***4 Article 92A (threshold exemption for income tax – child allowance) amended**

In Article 92A –

- (a) for paragraph (8) there is substituted –
  - “(8) 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 95.”;
- (b) paragraphs (8A), (8B) and (8C) are deleted.

**5 Article 95 (children) substituted**

For Article 95 there is substituted –

**“95 Children**

- (1) If an individual proves that the individual has living at any time within the year of assessment any child who –
  - (a) is under the age of 16 years, or
  - (b) if 16 years of age or over at the commencement of that year, was receiving full-time instruction at any school,the individual is, subject to the provisions of this Article, entitled in respect of each child to an increase in his or her exemption threshold of £3,000.
- (2) For the purposes of paragraph (1), “child” includes a step-child and a child whose parents have married each other after the child’s birth.
- (3) If an individual proves –
  - (a) that for the year of assessment the individual has the custody of and maintains at the individual’s own expense any child who –

- (i) is under the age of 16 years at the commencement of that year, or
  - (ii) if over the age of 16 years at the commencement of that year, is receiving full-time instruction at any school; and
- (b) that –
- (i) neither the individual nor any other individual is entitled to an exemption threshold increase in respect of the same child under paragraph (1) or under any of the other provisions of this Part, or
  - (ii) if any other individual is entitled to such an increase, that that other individual has relinquished the individual's claim thereto,

the individual shall be entitled in respect of the child to the same exemption threshold increase as if the child were a child of the individual's.

- (4) 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 under paragraph (1) is reduced by the amount of the excess.
- (5) For the purpose of paragraph (4) there is disregarded any income to which a child is entitled in the child's own right in a year of assessment being income that is earned income of the child.
- (6) Where, for any year of assessment, 2 or more individuals are entitled to an exemption threshold increase under this Article in respect of the same child, the increase shall be apportioned between them in such proportion as they agree, or, in default of agreement, in proportion to the amount or value of the provision made by them respectively (otherwise than by way of payments deductible in computing their respective total incomes) for the child's maintenance and education for the year of assessment.
- (7) An apportionment may be made under paragraph (6) even though an exemption threshold increase in respect of the child in question has already been allowed to any individual.
- (8) In this Article "receiving full-time instruction at any school" does not include receiving "higher education" within the meaning of the Education (Jersey) Law 1999<sup>3</sup>.

## 6 Article 98A (additional allowance in respect of children) amended

In Article 98A for paragraphs (1) and (1A) there is substituted –

- "(1) If, in the case of a year of assessment the individual is resident with a child as defined by paragraph (1AA), the individual is entitled to an increase in his or her exemption threshold as described in paragraph (1A) if either –
- (a) the individual –
    - (i) does not have a spouse or civil partner, or

- (ii) has a spouse or civil partner who is not living with him or her and whom the individual does not wholly maintain during the year of assessment; or
- (b) the individual is a person who –
  - (i) has a spouse or civil partner living with him or her, or
  - (ii) has a spouse or civil partner who is not living with him or her and whom the individual wholly maintains during the year of assessment,
 and, in either case, the spouse or civil partner was, throughout the year of assessment, totally incapacitated by physical or mental infirmity.
- (1AA) For the purposes of paragraph (1), “child” means a person who –
  - (a) is under the age of 25 years on 31st August in the year of assessment;
  - (b) if 16 years of age or over at the commencement of the year of assessment, was receiving, during that year of assessment, full time instruction at any school or full time “higher education” within the meaning of the Education (Jersey) Law 1999<sup>4</sup>;
  - (c) on 31st August in the year of assessment is not 21 years of age or over and married or in a civil partnership; and
  - (d) on 31st August in the year of assessment has not been living financially independently of his or her parents for the 3 year period immediately preceding that date.
- (1A) Subject to paragraphs (2) to (5), the individual is entitled to an increase in his or her exemption threshold of £4,500 (which may be additional to any exemption to which the individual is entitled under Article 95).”.

#### *Exemptions*

### **7 Article 87A (payments made under covenant) amended**

In Article 87(A)(3) “, (ab)” is deleted.

### **8 Article 115 (miscellaneous exemptions) amended**

For Article 115(aa) and (ab) there is substituted the following paragraph –

- “(aa) any income derived from the property of an excepted foreign charity within the meaning of Article 22 of the Charities (Jersey) Law 2014<sup>5</sup>.”.

### **9 Article 118D (exemption in respect of international saving schemes) inserted**

After Article 118C there is inserted –

**“118D Exemption in respect of international savings schemes**

- (1) In this Article “international savings scheme” means a scheme or arrangement, or part of a scheme or arrangement, which –
  - (a) has for its sole purpose the provision of benefits in respect of persons’ employment wholly outside Jersey in a trade or undertaking;
  - (b) is established under irrevocable trusts under Jersey law in connection with a trade or undertaking carried on –
    - (i) wholly or partly outside Jersey, and
    - (ii) by a person not resident in Jersey;
  - (c) has 2 or more trustees or a corporate trustee, subject to regulation by the Jersey Financial Services Commission under an enactment in respect of the carrying on of the business of trustee of the trust under which the scheme is established; and
  - (d) is not a scheme or arrangement approved under Part 19.
- (2) In paragraph (1), for the purpose of determining whether employment is wholly outside Jersey, duties performed in Jersey, the performance of which is merely incidental to the performance of other duties outside Jersey, is treated as performance outside Jersey.
- (3) Benefits paid from an international savings scheme to a person who is not resident in Jersey are exempt from income tax.
- (4) Income derived from the investments and deposits of an international savings scheme is exempt from income tax.
- (5) If only part of the scheme or arrangement has the purpose described in paragraph (1)(a), only that part must comply with the requirements of this Article.”.

*Allowances and reliefs – non-residents***10 Article 106 (non-residents) repealed**

Article 106 is repealed.

**11 Article 118B (exemption of certain income, profits or gains of a non-resident) amended**

After Article 118B(1)(g) there is inserted –

- “(h) interest paid by or on behalf of any body of persons established under an enactment.”.

**12 Articles 129B (relief for non-residents) inserted**

After Article 129A there is inserted –

**“129B Relief for non-residents**

- (1) In this Article –
  - (a) “Jersey income” means income which is chargeable to tax on a non-resident under Schedule A or Schedule D and which arises from an activity taking place in Jersey, or which is derived from a scheme or arrangement which is subject to approval by the Comptroller under this Law;
  - (b) “non-Jersey income” in relation to a non-resident means income (however derived and regardless of the jurisdiction in which it is derived) which is not Jersey income, including –
    - (i) income which is exempt from income tax under this Law, and
    - (ii) income of a spouse or civil partner which would be treated under this Law as the non-resident’s income if the non-resident were resident in Jersey;
  - (c) “qualifying Schedule D income” means income, profits or gains arising or accruing that are charged to tax under Case I or Case II(a) or (b) of Schedule D excluding income, profits or gains which are exempt from income tax under this Law;
  - (d) “relevant threshold exemption” means the amount specified in whichever of the circumstances described in Article 92A(2), (2A), (4), (4A) or (6) applies to the non-resident with the modification that Article 92A(2)(i), (2A)(i) and (6)(a) are disregarded.
- (2) A non-resident is entitled to allowances and reliefs under Part 12, subject to the provisions of this Part, for a year of assessment only if the non-resident has qualifying Schedule D income for that year of assessment.
- (3) A non-resident who does not have qualifying Schedule D income for a year of assessment is charged to income tax on Jersey income at 0% for that year of assessment if the aggregate of the amount of the non-resident’s Jersey income and non-Jersey income for that year of assessment is less than the amount of the relevant threshold exemption.
- (4) A non-resident who does not have qualifying Schedule D income for a year of assessment and who is not charged to income tax on Jersey income at 0% under paragraph (3) is entitled to the relief described in paragraph (7) or (8).
- (5) Paragraph (7) applies if, under the law of the country or territory outside Jersey in which the non-resident resides or is otherwise chargeable to tax, the non-resident –
  - (a) is not subject to tax on any of his or her Jersey income; or
  - (b) is subject to tax on some or all of his Jersey income and is not entitled to any tax relief on any of his or her Jersey income.

- (6) Paragraph (8) applies if, under the law of the country or territory outside Jersey in which the non-resident resides or is otherwise chargeable to tax, the non-resident –
- (a) is subject to tax on some or all of his or her Jersey income; and
  - (b) is entitled to tax relief on any of his or her Jersey income.
- (7) The relief is that the Jersey income is taxed at a rate (“F%”) calculated as follows –
- (a) calculate “A”: the aggregate amount of the non-resident’s Jersey income and non-Jersey income;
  - (b) calculate “B”: the amount of A less the relevant threshold exemption;
  - (c) calculate “C”: either –
    - (i) the relevant threshold exemption less B or,
    - (ii) zero,
 whichever is higher;
  - (d) calculate “D”: A less C;
  - (e) calculate “E”: the standard rate of income tax x D;
  - (f) calculate “F%: E/A.
- (8) The relief is that the Jersey income is taxed at a rate (“H%”) calculated as follows –
- (a) calculate F% under paragraph (7);
  - (b) calculate as a percentage the amount that the non-resident is charged to tax in a country or territory outside Jersey (excluding any tax relief to which he or she is entitled in that country or territory) divided by the aggregate of the amount of the non-resident’s non-Jersey income and Jersey income notified to that country or territory for the purposes of assessment of liability to tax (“G%”);
  - (c) calculate “H%”: the higher of F% or G%.”.

*Pensions*

**13 Article 131 (approval of Jersey occupational pension schemes)**

For Article 131(11) there is substituted –

“(11) The scheme may permit a member to receive a return of contributions in accordance with paragraph (12).”.

**14 Article 131CF (permitted commutation – 30 percent of net fund value) amended**

In Article 131CF –

- (a) in paragraph (2) for “In this Article,” there is substituted “Subject to paragraph (4A), in this Article”;
- (b) in paragraph (3), for “paragraph (2)(a)” there is substituted “paragraphs (2)(a) and (4A)”;
- (c) in paragraph (4), for “paragraph (2)(b)” there is substituted “paragraphs (2)(a) and (4A)”;
- (d) after paragraph (4) there is inserted –
- “(4A) If a relevant amount previously transferred into the scheme (“Scheme A”) is from an approved Jersey scheme (“Scheme B”), there is added to the net fund value of Scheme A calculated under paragraph (2), the net fund value of Scheme B calculated as follows –
- E + F
- where –
- E is  $A - ((C \times 7)/3)$ ;
- A is the relevant amount previously transferred into Scheme A from Scheme B;
- C is each relevant amount previously commuted from Scheme B (if any);
- F is so much of the increase or decrease in the fund value of Scheme A as is attributable to E since the day on which the relevant amount was previously transferred into Scheme A from Scheme B.”.

**15 Article 131L (taxation of lump sum paid from approved Jersey scheme to pension holder or dependent) amended**

In Article 131L –

- (a) in paragraph (3)(b) before “30% of lump sums” there is inserted “subject to paragraph (3A),”;
- (b) after paragraph (3) there is inserted –
- “(3A) Where a pension holder who has commuted a lump sum as permitted by Article 131CE(1) from an approved Jersey scheme has previously commuted a lump sum as permitted by Article 131CF from the same scheme, paragraph (3B) applies instead of paragraph (3)(b).
- (3B) There is exempt from income tax 30% of the net value of the fund immediately prior to the commutation permitted by Article 131CE(1).
- (3C) For the purposes of paragraph (3B) the net value of the fund is the fund value immediately before the commutation permitted by Article 131CE(1) less, for each relevant amount previously commuted from the scheme, the sum of A and B where –

- (a) A is the relevant amount previously commuted, multiplied by 7 and then divided by 3; and
- (b) B is so much of the increase or decrease in the fund value since the day the election was made to commute the amount as is attributable to A.

(3D) In paragraph (3C) “relevant amount previously commuted” has the same meaning as in Article 131CF(3).”.

*Large corporate retailers*

**16 Article 123O (application of Article 88 (dividends)) amended**

In Article 123O –

- (a) paragraph (1) is deleted;
- (b) in paragraph (2) –
  - (i) for “Where this Article applies,” there is substituted “In the case of a large corporate retailer,”,
  - (ii) after sub-paragraph (a) there is inserted –
    - “(aa) the reference in Article 88(4) to profits or gains charged to tax on any body of persons at the rate of 0% includes profits or gains charged to tax on a large corporate retailer at 0%, and the reference to Article 123C is treated as omitted;”.

**17 Article 123OA (application of Article 89 (explanation of income tax deductions)) inserted**

After Article 123O there is inserted –

**“123OA Application of Article 89 (explanation of income tax deductions to be annexed to dividend warrants, other distributions, etc.)**

In the case of a large corporate retailer, Article 89 applies with the following modifications –

- (a) in paragraph (1) the reference to profits or gains charged on the body of persons at, respectively, the standard rate, the rate of 10% and the rate of 0% is deemed to refer to the rate charged under Article 123L;
- (b) in paragraph (1)(c), the reference to Article 88(2) is deemed to refer to Article 88(2) as modified by Article 123O(2)(a).”.

**18 Article 123Q (Application of Part 14A – Articles 114A to 114C (foreign company income relief)) substituted**

For Article 123Q there is substituted –

**“123Q Application of Part 14A (foreign company income relief)**

- (1) In Article 114A, the definition “qualifying company” shall be deemed to include a large corporate retailer and the remaining provisions of Part 14A shall be construed accordingly.
- (2) In respect of a qualifying company deemed to be a large corporate retailer under paragraph (1), in calculating the amount of its income, profits and gains for the purposes of Article 123L(1), in addition to any deductions and credits referred to paragraph (1)(a) and (b) of that Article, no account shall be taken of any credit under Article 114B or 114C.”.

**19 Schedule 5 (savings, transitional and similar provisions: general) amended**

In paragraph 21 (relief from taxation for large corporate retailers and certain financial services companies) after sub-paragraph (3) there is inserted –

- “(3A) Where a 0% company does not have an accounting date of 31st December 2018 for the year of assessment 2018, if a 0% company notifies the Comptroller on or before 31st December 2019 that it wishes to be treated as if it had an accounting date of 31st December 2018 even though it does not, the condition in paragraph (3) is deemed to be met.
- (3B) Where paragraph (3A) applies, for year of assessment 2018 and each subsequent year of assessment, the 0% company is treated for all purposes of this Law as if it had an accounting date of 31st December, even though it does not.
- (3C) A 0% company must notify the Comptroller if it no longer wishes paragraph (3B) to apply to it, before 31st December in the year immediately after the year of assessment in which it wishes paragraph (3B) to cease to apply.
- (3D) If a 0% company makes a notification under paragraph (3C), it must also notify the Comptroller of its accounting date for the year of assessment immediately following the last year of assessment in which paragraph (3B) applied.
- (3E) If the Comptroller receives a notification under paragraphs (3C) and (3D) –
  - (a) paragraph (3B) ceases to apply in accordance with the 0% company’s notification; and
  - (b) the Comptroller must charge the 0% company on the full amount of its profits or gains for the period of 12 months ending on the accounting date notified to the Comptroller under paragraph (3D).
- (3F) For the avoidance of doubt, where a notification is given to the Comptroller under paragraphs (3C) and (3D), 31st December is not treated as an accounting date for the purposes of Article 64B and no change of financial period is deemed to have taken place by reason of that notification.”.

*High value residents***20 Article 135A (persons granted 1(1)(k) housing consent or Regulation 2(1)(e) status) amended**

In Article 135A(3A)(b) for “a high value resident’s income chargeable to tax under Schedule D” there is substituted “the aggregate of a high value resident’s income chargeable to tax under Schedule A and Schedule D”.

**21 Income Tax (Prescribed Limit and Rate) (Jersey) Regulations 2013 amended**

In Regulation 2 of the Income Tax (Prescribed Limit and Rate) (Jersey) Regulations 2013<sup>6</sup> after paragraph (3) there is inserted –

“(3A) The limit prescribed for the purposes of Article 135A(3A)(b) other than where that sub-paragraph applies in the circumstances referred to in paragraph (3), is £725,000.”.

*Regulation making power for other legal entities***22 Articles 143 (power to make Regulations relating to other legal entities) and 143A (general provisions as to Regulations) inserted**

After Article 142 there is inserted –

**“143 Power to make Regulations relating to other legal entities**

- (1) In this Article –
  - (a) “body” means a body of persons whether corporate or unincorporated;
  - (b) “relevant time” means, in respect of a body, the date that Regulations under paragraph (2) applying to that body come into force.
- (2) The States may, by Regulations, amend this Law to make provision for any matter relating to the assessment and collection of income tax of a body formed under an enactment if, immediately before the relevant time, there is no provision in this Law which refers to that enactment.
- (3) For the purposes of paragraph (2), a body is formed under an enactment if the enactment makes provision for any of the following matters –
  - (a) its registration or equivalent;
  - (b) whether or not it is a body corporate;
  - (c) the circumstances in which it may cease to be a body under that enactment.

**143A General provisions as to Regulations**

Regulations made under this Law may contain such incidental, supplementary, transitional, transitory, consequential or savings provisions as appear to the States to be necessary or expedient.”

*Administrative matters***23 Article 16 (delivery of statements in pursuance of notices) amended**

In Article 16 –

- (a) in the heading for “statements” there is substituted “returns”;
- (b) in paragraph (1) for “statement containing such of the following particulars as may be required by the notice, namely” there is substituted “return containing such information as the Comptroller requires, including, but not limited to, any or all of the following”;
- (c) in paragraphs (2), (3) and (4) for “statement” in each place it appears there is substituted “return”.

**24 Article 16A (furnishing of documents and information in pursuance of notices) amended**

In Article 16A(1) for “statement” there is substituted “return”.

**25 Article 16B (keeping of records) amended**

In Article 16B(1) for “statement” in each place it appears there is substituted “return”.

**26 Article 17 (delivery of statements by persons acting for others) amended**

In Article 17 –

- (a) in the heading for “statements” there is substituted “returns”;
- (b) in paragraphs (1) and (2) for “statement” in each place it appears there is substituted “return”.

**27 Article 17A (penalty for late delivery of statement or return) amended**

In Article 17A –

- (a) in the heading “statement or” is deleted;
- (b) for paragraphs (1) to (5) there is substituted –
  - “(1) Where a person required to deliver to the Comptroller a true, complete and correct return does not do so by the specified time, the person is liable to pay to the Comptroller a penalty of –
  - (a) £100 in the case of a return under Article 20 or 20A; or
  - (b) £300 in any other case.

- (2) In this Article “specified time” means –
- (a) in relation to a requirement to deliver a return in respect of a year of assessment that is served by a notice in the following year –
    - (i) in the case of a return in respect of a company’s own charge to tax, midnight on 31st December in the year following the year of assessment,
    - (ii) in the case of a return delivered electronically other than a return referred to in clause (i), midnight on 31st July in the year following the year of assessment,
    - (iii) in the case of any other return not referred to in clause (i) or (ii), midnight on 31st May in the year following the year of assessment; or
  - (b) in relation to a requirement to deliver a return under Article 20 or 20A, midnight on the 15th day after the end of the month in respect of which the return is required to be made.
- (2A) Where a person required to deliver to the Comptroller a true, complete and correct return does not do so by midnight on the date that is 3 months after the specified time, the person is liable to pay to the Comptroller a penalty of an amount specified in paragraph (2B) for each month that the return remains undelivered up to a maximum of 9 months.
- (2B) Those amounts are –
- (a) in the case of a return under Article 16 by a person other than a body corporate, £50 per month;
  - (b) in the case of a return under Article 20, 20A or 20B or by a body corporate under Article 16, £100 per month.
- (3) In respect of a return under Article 16, paragraphs (1) and (2A) shall not apply to a person, not being a body corporate, who is not liable to pay any tax for the period to which the return relates.
- (4) Where a return under Article 16 is delivered after the specified time and the Comptroller is satisfied that, for the year of assessment to which the return relates, a person other than a body corporate is liable to pay tax of less than £300 –
- (a) the person’s liability under paragraph (1) must be abated to an amount equal to the tax that the person is liable to pay for that year of assessment; and
  - (b) the Comptroller must repay to the person any amount paid by the person in discharge of the person’s liability under paragraph (1) which exceeds the abated amount.
- (4A) Where a person, other than a body corporate, is liable to pay a penalty under paragraph (2A) in respect of a return under Article 16 and the Comptroller is satisfied that the person is liable to pay tax for the year of assessment to which the return relates of less than £50 –

- (a) the person's liability under paragraph (2A) is abated to an amount equal to the tax he or she is liable to pay; and
  - (b) the Comptroller must repay to the person any amount paid by the person in discharge of the person's liability under paragraph (2A) which exceeds the abated amount.
- (5) The Comptroller must issue a written notice to a person of his or her liability under paragraph (1) or (2A).";
- (c) in paragraph (7)(a) and (b) "statement or" is deleted;
  - (d) for paragraph (12A) there is substituted –
- "(12A) In this Article, "return" means a return required under Article 16, 20, 20A, or 20B."

### **28 Article 20 (returns of information regarding employees) amended**

In Article 20 –

- (a) in paragraph (1) after "as required by the notice," there is inserted "such information as the Comptroller may require, including, but not limited to";
- (b) in paragraph (2) –
  - (i) in sub-paragraph (a) "and place or places of residence" is deleted,
  - (ii) sub-paragraphs (b), (ba) and (f) are deleted.

### **29 Article 20A (returns of information regarding building sub-contractors) amended**

In Article 20A –

- (a) in paragraph (1) after "as required by the notice," there is inserted "such information as the Comptroller may require, including but not limited to";
- (b) in paragraph (2) –
  - (i) in sub-paragraph(a) "and place or places of residence" is deleted,
  - (ii) sub-paragraphs (b) and (ba) are deleted.

### **30 Article 20B (returns of information by companies) amended**

In Article 20B(1) after "as required by the notice," there is inserted "such information as the Comptroller may require, including but not limited to".

### **31 Article 21 (form and manner of returns) amended**

In Article 21(1) for "statement" in sub-paragraphs (a) and (b) there is substituted "return".

**32 Article 23 (provision for making assessments where no returns are received) amended**

For the text in Article 23 there is substituted –

“If the Comptroller does not receive from a person a return that the person is required to provide under this Law, the Comptroller may, to the best of the Comptroller’s information and judgement, make an assessment on that person of the amount at which the person ought to be charged under this Law and, if such an assessment is made, include it in the appropriate list.”.

**33 Article 24 (additional assessments) amended**

In Article 24 –

- (a) in paragraph (1)(b) for “statement” in each place it appears there is substituted “return”;
- (b) in paragraph (1A) for “statement” in each place it appears there is substituted “return”;
- (c) for paragraph (2) there is substituted –
  - “(2) Subject to paragraph (3), an assessment may be amended or an additional assessment may be made at any time not later than 5 years after the end of the year of assessment in respect of which the return was made.
  - (3) Where any form of fraud or wilful default has been committed by or on behalf of the person chargeable to income tax for the year of assessment, amended assessments and additional assessments on that person for that year may be made at any time.”.

**34 Article 38 (relief in respect of error or mistake) amended**

For Article 38(2) there is substituted –

“(2) A claim under this Article shall not be allowed unless it is made not later than 5 years after the end of the year of assessment in respect of which the return was made.”.

**35 Article 39 (tax when due) substituted**

For Article 39 there is substituted –

**“39 Tax when due**

Subject to Article 41A and 41AA, income tax contained in an assessment for any year shall be deemed to be due and payable –

- (a) on or before 30th November in the year following the year of assessment except where paragraph (b) applies;

- (b) in the case of a large company within the meaning of Article 41AA(7), on or before 30th September in the year following the year of assessment.”.

### **36 Article 41A (duty to pay instalment in April) amended**

In Article 41A –

- (a) for the heading there is substituted –

**“41A Duty to pay instalment in May (individuals and unincorporated bodies)”;**

- (b) in paragraph (2)(a) for “6 p.m. on the last Friday in April” there is substituted “midnight on 31st May”.

### **37 Article 41AA (duty to pay instalment companies) inserted**

After Article 41A there is inserted –

**“Article 41AA Duty to pay instalment (companies)**

- (1) This Article applies to a company regarded as resident in Jersey or which has a permanent establishment in Jersey.
- (2) A company shall, in accordance with this Article, pay an instalment of income tax for a year of assessment.
- (3) The instalment –
  - (a) shall be due and payable no later than –
    - (i) in the case of a large company, midnight on 31st March of the year immediately following the year of assessment, or
    - (ii) in the case of any other company, midnight on 31st May of the year immediately following the year of assessment; and
  - (b) subject to this Article, shall be of an amount equal to 50% of an estimate of the company’s liability to income tax for the year of assessment.
- (4) For the purposes of paragraph (3), the estimate is such amount as the company reasonably estimates.
- (5) A company must notify the Comptroller by the date referred to in paragraph (3)(a) if it estimates that the amount it is liable to pay under paragraph (3)(b) is zero.
- (6) Subject to a notification being given under paragraph (5), a company is liable to pay the instalment whether or not an assessment has been raised for the year of assessment for which instalment is due.

- (7) In this Article “large company” means a company whose liability to income tax is or exceeds £500,000 for each of the 2 years of assessment immediately preceding the year of assessment in which an instalment is payable under this Article.”.

### 38 Article 41B (duty of employer to deduct and account for tax) amended

In Article 41B –

- (a) in paragraph (5) for “An employer” there is substituted “Subject to paragraph (5AA), an employer”;
- (b) after paragraph (5) there is inserted –
- “(5AA) Provided that the conditions in paragraph (5AB) are met, in the case of an employer which is a company, the employer may, instead of complying with paragraph (5), remit to the Comptroller no later midnight on the 15th day after the end of each year, an amount equal to the aggregate of the amounts required to be deducted under paragraph (1) during the year in respect of each of the company’s employees.
- (5AB) Those conditions are that –
- (a) an application is made in writing to the Comptroller by a director of the company for paragraph (5AA) to apply;
- (b) at least 25% of the ordinary share capital of the company is owned by each employee in respect of whom the deduction is made; and
- (c) the Comptroller agrees to the application.”;
- (c) in paragraph (5A) after “paragraph (5)” in each place it appears there is inserted “or (5AA)”;
- (d) in paragraphs (9), (11), (12) and (13) after “paragraph (5)” in each place it appears there is inserted “or (5AA)”.

### 39 Article 41C (calculation of rate) amended

In Article 41C –

- (a) in paragraph (4) for “statement” there is substituted “return”;
- (b) in paragraph (6) for “statement” there is substituted “return”;
- (c) after paragraph (7B) there is inserted –
- “(7C) References to “rate” in paragraphs (7) to (7B) include “provisional rate”.”.

### 40 Article 41H (Arrangements for tax payers and certain exempt persons)

In Article 41H(1)(a), and (12)(b)(i) for “statement” there is substituted “return”.

**41 Article 41I (late payment surcharge) amended**

In Article 41I –

- (a) for paragraph (1) there is substituted –
  - “(1) In this Article “specified time” –
    - (a) in relation to a year of assessment, means –
      - (i) in the case of a person who must pay an instalment under Article 41A or 41AA (other than where clause (ii) applies), midnight on 30th November of the year immediately following the year of assessment; or
      - (ii) in the case of a large company within the meaning of Article 41AA(7), midnight on 30th September of the year immediately following the year of assessment;”;
- (b) in paragraph (2), for “Any person chargeable to tax,” there is substituted “A person who must pay an instalment under Article 41A or 41AA,”;
- (c) for paragraph (3) there is substituted –
  - “(3) Without prejudice to the proviso in paragraph (2), that paragraph does not apply in respect of a person required to pay an instalment under Article 41A(3) where 70% or more of the amount of tax the person is liable to pay is paid by the specified date.”.

**42 Article 42 (proceedings for recovery of tax) amended**

In Article 42 –

- (a) after paragraph (1A) there is inserted –
  - “(1AA) Notwithstanding paragraph (1), proceedings for the recovery of an instalment of income tax due under Article 41AA may be instituted by the Treasurer of the States at any time after the instalment falls due.”;
- (b) in paragraph (1B) after “Article 41B(5),” there is inserted “41B(5AA),”.

**43 Article 49B (general provision for collection of long-term care contributions) amended**

In Article 49B –

- (a) in paragraph (3)(d) in the modified paragraph (5A)(i) after “paragraph (5)” there is inserted “or (5AA)”;
- (b) in paragraph (4)(c) in the modified paragraph (4), for “statement” there is substituted “return”.

**44 Article 77AA (Social Security allowances) amended**

In Article 77AA –

- (a) in paragraph (1) for “maternity benefit, sickness benefit, accident benefit and death grant” there is substituted “adoptive parent grant, incapacity benefit, maternity benefit and death grant”;
- (b) after paragraph (3) there is inserted –
  - “(4) A payment of benefit to which this Article applies shall only be treated as the earned income of an individual’s civil partner B for the purposes of Article 92(4A) if it is –
    - (a) an old age pension payable to the civil partner B by virtue of civil partner B’s own insurance; or
    - (b) home carer’s allowance payable to civil partner B.”.

**45 Article 79 (pensions chargeable under Case III) amended**

In Article 79 “(2)” is deleted.

**46 Article 90 (relief in respect of interest paid to banks) amended**

In Article 90 in the proviso for “statement” there is substituted “return”.

**47 Article 92B (increase in exemption threshold for child day care) amended**

In Article 92B(3) for “No increase claimed under paragraph (1) shall be allowed unless the eligible claimant provides” there is substituted “The Comptroller may require an eligible claimant to provide”.

**48 Article 103 (no exemption or relief unless statement delivered) repealed**

Article 103 is repealed.

**49 Article 121B (effect of election for separate assessment) amended**

In Article 121B(9) for “statement” there is substituted “return”.

**50 Article 122D (effect of election for separate assessment) amended**

In Article 122D(9) for “statement” there is substituted “return”.

**51 Article 125 (personal representatives of a deceased person) amended**

In Article 125(1) for “statement” there is substituted “return”.

**52 Article 135A (persons granted 1(1)(k) housing consent or Entitled status under Regulation 2(1)(e)) amended**

In Article 135A(12B) for “Statistics Unit in the Chief Minister’s Department” there is substituted “Statistics Jersey (within the meaning assigned by Article 2 of the Statistics and Census (Jersey) Law 2018)”.

**53 Article 136 (penalties for failure to deliver statements, etc.) amended**

In Article 136 –

- (a) in the heading for “statements” there is substituted “returns”;
- (b) in paragraph (1) for “statement, list, return” there is substituted “return, list.”;
- (c) in paragraph (5) for “statement, list, return”, in each place it appears there is substituted “return, list”.

**54 Article 137 (penalties for fraudulently or negligently making incorrect statements, etc) amended**

In Article 137 –

- (a) in the heading for “statements” there is substituted “returns”;
- (b) in paragraph (1)(a) for “statement” there is substituted “return”;
- (c) in paragraph (1)(b) “statement,” is deleted;
- (d) in paragraph (2) for “statement, list, return,” there is substituted “return, list.”;
- (e) in paragraph (3) “statement,” in each place it appears is deleted.

**55 Schedule 1A (Articles as modified in relation to an LTC contribution) amended**

In Schedule 1A –

- (a) in the modified Article 41B –
  - (i) in paragraph (5) for “An employer” there is substituted “Subject to paragraph (5AA), an employer”;
  - (ii) after paragraph (5) there is inserted –
    - “(5AA) Provided that the conditions in paragraph (5AB) are met, in the case of an employer which is a company, the employer may, instead of complying with paragraph (5), remit to the Comptroller no later than 15 days after the end of each year an amount equal to the aggregate of the amounts required to be deducted under paragraph (1) during the year in respect of each of his or her employees.
  - (5AB) Those conditions are that –
    - (a) an application is made in writing to the Comptroller by a director of the company for paragraph (5AA) to apply;
    - (b) the director who makes the application owns at least 25% of the ordinary share capital of the company; and
    - (c) the Comptroller agrees to the application.”;
  - (iii) in paragraph (5A) after “paragraph (5)” in each place they appear there is inserted “or (5AA)”;
  - (iv) in paragraphs (9), (11), (12) and (13) after “paragraph (5)” in each place it appears there is inserted “or (5AA)”;

- (b) in the modified Article 41C –
- (i) in paragraph (4) for “statement” there is substituted “return”;
  - (ii) in paragraph (6) for “statement” there is substituted “return”;
  - (iii) after paragraph (7B) there is inserted –  
“(7C) References to “rate” in paragraphs (7) to (7B) include “provisional rate”.”.

## PART 2

### CUSTOMS AND EXCISE (JERSEY) LAW 1999 AMENDED

#### 56 Interpretation

In this Part, the “Law” means the Customs and Excise (Jersey) Law 1999<sup>7</sup>, and a reference to a paragraph by number only is a reference to the paragraph of that number in Part 2 of Schedule 1 to the Law.

#### 57 Excise duty: alcohol

- (1) In paragraph 1 (spirits) –
  - (a) in sub-paragraph (a) for “£18.00” there is substituted “£18.63”;
  - (b) in sub-paragraph (b) for “£39.97” there is substituted “£37.23”.
- (2) In paragraph 2 (wines) for the table there is substituted –

<i>“Strength of wines</i>	<i>Rate per hectolitre</i>
Wines exceeding 1.2% volume but not exceeding 5.5% volume	£80.27
Wines exceeding 5.5% volume but not exceeding 15% volume	£210.67
Wines exceeding 15% volume but not exceeding 22% volume	£258.16
	<i>Rate per litre</i>
Wines exceeding 22% volume	£37.23”.

- (3) In each of paragraphs 3 (beer) and paragraph 4 (cider) –
  - (a) in sub-paragraph (a)(i) to (iii) for “£16.15”, “£32.29” and “£55.33” there is substituted respectively “£16.72”, “£33.42” and “£57.27”;
  - (b) in sub-paragraph (b)(i) to (iii) for “£32.29”, “£64.59” and “£110.65” there is substituted respectively “£33.42”, “£66.85” and “£114.52”.
- (4) In paragraph 5 (other alcoholic beverages) for “£35.09” there is substituted “£37.23”.

**58 Excise duty: tobacco**

For the table in paragraph 6 there is substituted the following table –

<i>“Type of tobacco</i>	<i>Rate of excise duty per kilogramme</i>
(a) unprocessed tobacco	£359.03
(b) cigars	£386.54
(c) cigarettes	£483.34
(d) hand-rolling tobacco	£435.75
(e) processed tobacco other than types (b) to (d)	£374.12”.

**59 Excise duty: hydrocarbon oil**

In paragraph 7(1) –

- (a) in sub-paragraph (a) for “£50.42” there is substituted “£52.42”;
- (b) in sub-paragraphs (b) and (c) for “£48.55” in each place it appears there is substituted “£50.55”;
- (c) in sub-paragraph (d) for “£52.32” there is substituted the amount “£54.47”.

**PART 3**

**GOODS AND SERVICES (JERSEY) LAW 2007 AMENDED INCLUDING  
REGULATIONS UNDER THAT LAW**

**60 Interpretation of this Part**

In this Part a reference to an Article or Schedule by number only is a reference to the Article or Schedule of that number in the Goods and Services Tax (Jersey) Law 2007<sup>8</sup>.

**61 Article 74 (surcharge if GST not paid or return not made) amended**

In Article 74 –

- (a) in paragraph (1) for “2.5%” there is substituted “10%”;
- (b) in paragraph (2) for “£50” there is substituted “£100”;
- (c) after paragraph (2) there is inserted –

“(2A) If a person fails to furnish on time a return described in paragraph (2) by midnight on the specified date, the person is liable to pay a further surcharge of £100 in respect of each month after the specified date that the return is not furnished up to a maximum of 9 months.

- (2B) In paragraph (2A), the specified date is the date that is 3 months after the date on which a return is required by or under this Law.
- (2C) For the purposes of paragraph (2A) a return is not furnished in respect of a month if it has not been furnished by midnight on the final day of that month.”.

**62 Schedule 5 (Group 5 – supplies by charities) amended**

In paragraph 5(2) of Schedule 5 for “(a), (aa) or (ab)” there is substituted “(a) or (aa)”.

**63 Goods and Services Tax (International Services Entities) (Jersey) Regulations 2008**

In Regulation 4(1) (basis of fee) of the Goods and Services Tax (International Services Entities) (Jersey) Regulations 2008<sup>9</sup> –

- (a) in sub-paragraph (ca) for the words “managed entity” there is substituted “managed manager”;
- (b) in sub-paragraph (g)(ii) for “(f)” there is substituted “(fa)”;
- (c) in sub-paragraph (h)(ii) for “(f)” there is substituted “(fa)”.

**PART 4**

**STAMP DUTIES AND FEES (JERSEY) LAW 1998 AMENDED**

**64 Interpretation of this Part**

In this Part a reference to an Article or Schedule by number only is a reference to the Article or Schedule of that number in the Stamp Duties and Fees (Jersey) Law 1998<sup>10</sup>.

**65 Schedule 1 (judicial fees) amended**

In Schedule 1 –

- (a) in paragraph 2, in the table after clause (viii) of item 13 for the words “Provided that” to the end there is substituted –

“	Provided that in the case of a contract concerning land on which a dwelling is, or is to be, constructed, for clauses (iv) to (viii) there is substituted –			
	(iv) exceeds £500,000 but does not exceed £700,000	£8,000 in respect of the first £500,000, plus £3 for each £100 or part of £100 in excess thereof	Contract	Greffier

(v)	exceeds £700,000 but does not exceed £1,000,000	£14,000 in respect of the first £700,000, plus £3.50 for each £100 or part of £100 in excess thereof	Contract	Greffier
(vi)	exceeds £1,000,000 but does not exceed £1,500,000	£24,500 in respect of the first £1,000,000 plus £4.50 for each £100 or part of £100 in excess thereof	Contract	Greffier
(vii)	exceeds £1,500,000 but does not exceed £2,000,000	£47,000 in respect of the first £1,500,000 plus £5.50 for each £100 or part of £100 in excess thereof	Contract	Greffier
(viii)	exceeds £2,000,000 but does not exceed £3,000,000	£74,500 in respect of the first £2,000,000 plus £6.50 for each £100 or part of £100 in excess thereof	Contract	Greffier
(ix)	exceeds £3,000,000 but does not exceed £6,000,000	£139,500 in respect of the first £3,000,000 plus £8.50 for each £100 or part of £100 in excess thereof	Contract	Greffier”;
(x)	exceeds £6,000,000	£394,500 in respect of the first £6,000,000 plus £9.50 for each £100 or part of £100 in excess thereof		

- (b) in paragraph 3, in items 1(b), 13(d1), 13(t) and 46(2)(AA) of the table for “(a), (aa) or (ab)” there is substituted “(a) or (aa)”;
- (c) in paragraph 3, in item 1(aa) of the table –
- (i) in sub-paragraph (iv) for “, is £450,000 or less” there is substituted “, is £700,000 or less”;

(ii) for (A) and (B) of sub-paragraph (iv) there is substituted –

“	(A) where the value of the property does not exceed £600,000	NIL	<i>Billet</i>	Greffier
	(B) where the value of the property exceeds £600,000 but does not exceed £700,000	0.5% x ((Y – 600,000) /100,000) where Y is the gross value of the property or, where the dwelling has not been constructed, the notional gross value of the property once the dwelling has been constructed, calculated on the basis of market values obtaining at the time of sale	<i>Billet</i>	Greffier”;

(d) in paragraph 3 in item 2 of the table for paragraph (1)(da) there is substituted –

“(da) Where the claim exceeds £5,000 but does not exceed £10,000	rate G	Claim Summary	Greffier
(db) Where the claim exceeds £10,000, but does not exceed £15,000	rate H	Claim Summary	Greffier
(dc) Where the claim exceeds £15,000, but does not exceed £25,000	rate I	Claim Summary	Greffier
(dd) Where the claim exceeds £25,000, but does not exceed £30,000	rate J	Claim Summary	Greffier”;

(e) in paragraph 3, for item 2(2) of the table there is substituted –

“(2) In the Royal Court (excluding acknowledgement of debt) on			
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<i>Table or au Greffe –</i>				
(a)	First <i>billet</i> in the proceedings or counterclaim in an action	rate J	<i>Billet</i> or Counterclaim	Greffier
(b)	Before the Superior Number	rate J	<i>Billet</i>	Greffier
(c)	Appeal to the Inferior Number	rate J	Notice of Appeal	Greffier
(d)	Setting down for hearing	rate J	Application	Greffier
(e)	Hearing of the action in a case, or any interlocutory matter therein, where the court appoints a special day for judging a dispute between parties, whether or not witnesses are heard, for each half day or part of a half day –		<i>Billet</i> or application	Greffier
	(i) where the claim does not exceed £2 million	rate J		
	(ii) where the claim exceeds £2 million	rate M		
(f)	Each intervention or opposition made during the course of an action	rate E	Intervention or Opposition	Greffier”;

(f) in paragraph 3, item 13(b) and (m) of the table for sub-paragraphs (i), (ii) and (iii) there is substituted –

“	(i)	does not exceed £350,000	NIL	Contract	Greffier
	(ii)	exceeds £350,000 but does not exceed £450,000	NIL in respect of the first £350,000 plus £1 for each £100 or part of £100 in excess thereof	Contract	Greffier
	(iii)	exceeds £450,000 but does not exceed £500,000	the amount of stamp duty that would have been payable if paragraph (a) had applied reduced by the following formula:	Contract	Greffier”;

		6,000 – ((V-450,000) x 12%) Where V is the gross value of the property or, where the dwelling has not been constructed, the notional gross value of the property once the dwelling has been constructed, calculated on the basis of market values obtaining at the time of the sale		
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(g) in paragraph 3 for item 13(d) of the table there is substituted –

“(d)	Of creation of <i>rente nouvelle</i> , or of one or more simple <i>conventionnel</i> hypothecs, in association with a contract of purchase or a contract of lease or transfer of lease, of land on which a dwelling is, or is to be, constructed for occupation by the purchaser, where –			
	(i) the contract of creation of the <i>rente nouvelle</i> , hypothec or hypothecs and the contract of purchase, lease or transfer of lease relate to the same property,			
	(ii) both contracts were registered in the Public Registry and passed before the Royal Court on the same day, and			
	(iii) the capital value of the <i>rente nouvelle</i> or the capital sum hypothecated, in respect of duty due before 1st January 2015, does not exceed £450,000			

	or, in respect of duty due on or after that date, does not exceed £700,000, if that value or sum –			
	(A) does not exceed £600,000	NIL	Contract	Greffier
	(B) exceeds £600,000 but does not exceed £700,000	$0.5\% \times ((Y - 600,000) / 100,000)$ where Y is the gross value of the property or, where the dwelling has not been constructed, the notional gross value of the property once the dwelling has been constructed, calculated on the basis of market values obtaining at the time of sale	Contract	Greffier”;

(h) in paragraph 3, in item 46 of the table for sub-paragraphs (d) to (j) there is substituted –

“	(d) exceeds £500,000 but does not exceed £700,000	£8,000 in respect of the first £500,000, plus £3 for each £100 or part of £100 in excess thereof	Application	Greffier
	(e) exceeds £700,000 but does not exceed £1,000,000	£14,000 in respect of the first £700,000, plus £3.50 for each £100 or part of £100 in excess thereof	Application	Greffier
	(f) exceeds £1,000,000 but does not exceed £1,500,000	£24,500 in respect of the first £1,000,000	Application	Greffier

		plus £4.50 for each £100 or part of £100 in excess thereof		
(g)	exceeds £1,500,000 but does not exceed £2,000,000	£47,000 in respect of the first £1,500,000 plus £5.50 for each £100 or part of £100 in excess thereof	Application	Greffier
(h)	exceeds £2,000,000 but does not exceed £3,000,000	£74,500 in respect of the first £2,000,000 plus £6.50 for each £100 or part of £100 in excess thereof	Application	Greffier
(i)	exceeds £3,000,000 but does not exceed £6,000,000	£139,500 in respect of the first £3,000,000 plus £8.50 for each £100 or part of £100 in excess thereof	Application	Greffier
(j)	exceeds £6,000,000	£394,500 in respect of the first £6,000,000 plus £9.50 for each £100 or part of £100 in excess thereof	Application	Greffier”.

## PART 5

### TAXATION (LAND TRANSACTIONS) (JERSEY) LAW 2009 AMENDED

#### 66 Schedule (value of transaction and rate of LTT applicable) amended

In the Schedule to the Taxation (Land Transactions) (Jersey) Law 2009<sup>11</sup> –

- (a) for the table in paragraph 2(1) (basic amount charged on the value of a transaction described in Article 3(1)(a) or (b)) there is substituted –

“(a) does not exceed £50,000	50p each £100 or part of £100 subject to a minimum of £10
(b) exceeds £50,000 but does not	£250 in respect of the first £50,000,

	exceed £300,000	plus £1.50 for each £100 or part of £100 in excess thereof
(c)	exceeds £300,000 but does not exceed £500,000	£4,000 in respect of the first £300,000, plus £2 for each £100 or part of £100 in excess thereof
(d)	exceeds £500,000 but does not exceed £700,000	£8,000 in respect of the first £500,000, plus £3 for each £100 or part of £100 in excess thereof
(e)	exceeds £700,000 but does not exceed £1,000,000	£14,000 in respect of the first £700,000, plus £3.50 for each £100 or part of £100 in excess thereof
(f)	exceeds £1,000,000 but does not exceed £1,500,000	£24,500 in respect of the first £1,000,000 plus £4.50 for each £100 or part of £100 in excess thereof
(g)	exceeds £1,500,000 but does not exceed £2,000,000	£47,000 in respect of the first £1,500,000 plus £5.50 for each £100 or part of £100 in excess thereof
(h)	exceeds £2,000,000 but does not exceed £3,000,000	£74,500 in respect of the first £2,000,000 plus £6.50 for each £100 or part of £100 in excess thereof
(i)	exceeds £3,000,000 but does not exceed £6,000,000	£139,500 in respect of the first £3,000,000 plus £8.50 for each £100 or part of £100 in excess thereof
(j)	exceeds £6,000,000	£394,500 in respect of the first £6,000,000 plus £9.50 for each £100 or part of £100 in excess thereof”;

- (b) in paragraph 3B (lower value residential property: security interests) –
- (i) in sub-paragraph (1)(b) for “£450,000” there is substituted “£700,000”,
  - (ii) for sub-paragraph (2) there is substituted –
 

“(2) The rate of LTT applicable to a transaction to which this paragraph applies is £80 plus –

    - (a) where the value of the property does not exceed £600,000, nil;
    - (b) where the value of the property exceeds £600,000 but does not exceed £700,000 –
 
$$0.5\% \times ((Y - 600,000)/100,000)$$
 where Y is the value of the property.

- (3) For the purposes paragraph (2) “value of the property” is construed in accordance with paragraph (1)(b).”;
- (c) for paragraph 4(3) (first-time buyers purchase) there is substituted –
- “(3) The rate of LTT applicable to a transaction to which this paragraph applies is £80, plus –
- (a) where the value of the transaction does not exceed £350,000, nil;
- (b) where the value of the transaction exceeds £350,000 but does not exceed £450,000, nil in respect of the first £350,000, plus £1 for each £100 or part of £100 in excess thereof;
- (c) where the value of the transaction exceeds £450,000 but does not exceed £500,000, the amount of LTT that would have been payable if paragraph (2) had applied reduced by the following formula:
- $$6,000 - ((V - 450,000) \times 12\%)$$
- where V is the value of the transaction.”;
- (d) in paragraph 8 (charitable occupier or secured party), for the words “(a), (aa) or (ab)” there is substituted “(a) or (aa)”.

## PART 6

### CLOSING

#### 67 Citation and commencement

- (1) This Article may be cited as the Finance (2019 Budget) (Jersey) Law 201-.
- (2) Subject to paragraph (3), Part 1 has effect for year of assessment 2019 and subsequent years.
- (3) In Part 1 –
- (a) Articles 15, 16 and 17 come into force on 9th October 2018;
- (b) Article 19 has effect for year of assessment 2018 and subsequent years.
- (4) Subject to paragraph (5), Parts 2, 3, 4 and 5 come into force on 1st January 2019.
- (5) In Part 3, Article 61 comes into force on 1st January 2020.

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- 1 *chapter 24.750*
  - 2 *chapter 24.750*
  - 3 *chapter 10.800*
  - 4 *chapter 10.800*
  - 5 *chapter 15.070*
  - 6 *chapter 24.750.38*
  - 7 *chapter 24.660*
  - 8 *chapter 24.700*
  - 9 *chapter 24.700.25*
  - 10 *chapter 24.960*
  - 11 *chapter 24.980*