

STATES OF JERSEY



PROPOSED GOVERNMENT PLAN 2023-2026 (P.97/2022): EIGHTH AMENDMENT (P.97/2022 AMD.(8)) – AMENDMENT

STAMP DUTY ON WILLS OF IMMOVABLE ESTATE

**Lodged au Greffe on 13th December 2022
by Deputy M.B. Andrews of St Helier North
Earliest date for debate: 13th December 2022**

STATES GREFFE

PROPOSED GOVERNMENT PLAN 2023-2026 (P.97/2022): EIGHTH
AMENDMENT (P.97/2022 AMD.(8)) – AMENDMENT

PAGE 2 –

For the words “rate bands by one-third in addition to a 0.5 percent increase to the existing proportioned charges” substitute the words “by 50 pence on each £100 payable”.

Note: After this amendment, the amendment of Deputy Andrews would read as follows –

DEPUTY M.B. ANDREWS OF ST. HELIER NORTH

PAGE 2, PARAGRAPH (i) –

After the words “Appendix 3 to the Report” insert the words –

“, except that on page 33 of Appendix 3, after the words “relatively short period of time.” there should be inserted a new section as follows –

“Stamp Duty on immovable property

Stamp Duty is made payable on immovable property upon the discharge of a will in line with Item 46 of Schedule 1 (3) of the [Stamp Duty and Fees \(Jersey\) Law 1998](#), made payable on the net value of immovable property at the time of death of the Testator. The current proportioned Stamp Duty rates on immovable property range from £250 to £429,500 on market value bands ranging from £50,000 to £6,000,000. In appraising the current Stamp Duty rate against market values on immovable properties it has been proposed that the Stamp Duty rates remain disproportionately low to immovable property market values.

To ensure the broadening of revenue raising streams, Stamp Duty on immovable property upon the discharge of a will shall be increased, no later than 1st January 2024, by raising the Stamp Duty **by 50 pence on each £100 payable.**”

Note: After this amendment, the proposition would read as follows –

THE STATES are asked to decide whether they are of opinion –

to receive the Government Plan 2023–2026 specified in Article 9(1) of the Public Finances (Jersey) Law 2019 (“the Law”) and specifically –

- (a) to approve the estimate of total States income to be paid into the Consolidated Fund in 2023 as set out in Appendix 2 – Summary Table 1 to the Report, which is inclusive of the proposed taxation and impôts duties changes outlined in the Government Plan, in line with Article 9(2)(a) of the Law;
- (b) to approve the proposed Changes to Approval for financing/borrowing for 2023, as shown in Appendix 2 – Summary Table 2 to the Report, which may be obtained by the Minister for

Treasury and Resources, as and when required, in line with Article 9 (2)(c) of the Law, of up to those revised approvals;

- (c) to approve the transfers from one States fund to another for 2023 of up to and including the amounts set in Appendix 2 – Summary Table 3 in line with Article 9(2)(b) of the Law;
- (d) to approve each major project that is to be started or continued in 2023 and the total cost of each such project and any amendments to the proposed total cost of a major project under a previously approved Government Plan, in line with Article 9(2)(d), (e) and (f) of the Law and as set out in Appendix 2 - Summary Table 4 to the Report;
- (e) to approve the proposed amount to be appropriated from the Consolidated Fund for 2023, for each Head of Expenditure, being gross expenditure less estimated income (if any), in line with Articles 9(2)(g), 10(1) and 10(2) of the Law, and set out in Appendix 2 – Summary Tables 5(i) and (ii) of the Report;
- (f) to approve the estimated income, being estimated gross income less expenditure, that each States trading operation will pay into its trading fund in 2023 in line with Article 9(2)(h) of the Law and set out in Appendix 2 – Summary Table 6 to the Report;
- (g) to approve the proposed amount to be appropriated from each States trading operation’s trading fund for 2023 for each head of expenditure in line with Article 9(2)(i) of the Law and set out in Appendix 2 – Summary Table 7 to the Report;
- (h) to approve the estimated income and expenditure proposals for the Climate Emergency Fund for 2023 as set out in Appendix 2 – Summary Table 8 to the Report; and
- (i) to approve, in accordance with Article 9(1) of the Law, the Government Plan 2023-2026, as set out at Appendix 3 to the Report, after the words “relatively short period of time.” insert a new section as follows:

“Stamp Duty on immovable property

Stamp Duty is made payable on immovable property upon the discharge of a will in line with Item 46 of Schedule 1 (3) of the Stamp Duty and Fees (Jersey) Law 1998, made payable on the net value of immovable property at the time of death of the Testator. The current proportioned Stamp Duty rates on immovable property range from £250 to £429,500 on market value bands ranging from £50,000 to £6,000,000. In appraising the current Stamp Duty rate against market values on immovable properties it has been proposed that the Stamp Duty rates remain disproportionately low to immovable property market values.

To ensure the broadening of revenue raising streams, Stamp Duty on immovable property upon the discharge of a will shall be increased, no later than 1st January 2024, by raising the Stamp Duty by 50 pence on each £100 payable”.

REPORT

Stamp Duty is made payable on immovable property upon the discharge of a will in line with Item 46 of Schedule 1 (3) of the [Stamp Duty and Fees \(Jersey\) Law 1998](#) (“the Law”), this is made payable on the net value of immovable property at the time of death of the Testator.

My original amendment to the Government Plan sought the agreement of the Assembly to increase Stamp Duty rate bands by one-third in addition to a 0.5 percent increase to the existing proportioned charges. It has since become clear that this could cause an income decrease on the upper bands.

The amendment to my amendment to the Government Plan therefore seeks the Assembly’s in principle agreement to increase Stamp Duty payable by 50 pence on each £100 payable on immovable property upon the discharge of a will, removing the rate band increase.

The below table sets out the proposed increases for reference –

| (1) Application for registration and furnishing copy of will to applicant, where the net value of the immovable property devised – | Existing | | Amended | |
|--|---|--|---|--|
| | (a) does not exceed £50,000 | 50p each £100 or part of £100, with a minimum fee of £12 | (a) does not exceed £50,000 | £1 each £100 or part of £100, with a minimum fee of £12 |
| | (b) exceeds £50,000 but does not exceed £300,000 | £250 in respect of the first £50,000, plus £1.50 for each £100 or part of £100 in excess thereof | (b) exceeds £50,000 but does not exceed £300,000 | £500 in respect of the first £50,000, plus £2 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 | (c) exceeds £300,000 but does not exceed £500,000 | £5,500 in respect of the first £300,000 plus £2.50 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 | (d) exceeds £500,000 but does not exceed £700,000 | £10,500 in respect of the first £500,000, plus £3.50 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 | (e) exceeds £700,000 but does not exceed £1,000,000 | £17,500 in respect of the first £700,000, plus £4 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 | (f) exceeds £1,000,000 but does not exceed £1,500,000 | £29,500 in respect of the first £1,000,000 plus £5 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 | (g) exceeds £1,500,000 but does not exceed £2,000,000 | £54,500 in respect of the first £1,500,000 plus £6 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 £7 for each £100 or part of £100 in excess thereof | (h) exceeds £2,000,000 but does not exceed £3,000,000 | £84,500 in respect of the first £2,000,000 plus £7.50 for each £100 or part of £100 in excess thereof |
| | (i) exceeds £3,000,000 but does not exceed £6,000,000 | £144,500 in respect of the first £3,000,000 plus £9.50 for each £100 or part of £100 in excess thereof | (i) exceeds £3,000,000 but does not exceed £6,000,000 | £159,500 in respect of the first £3,000,000 plus £10 for each £100 or part of £100 in excess thereof |
| | (j) exceeds £6,000,000 | £429,500 in respect of the first £6,000,000 plus £10.50 for each £100 or part of £100 in excess thereof | (j) exceeds £6,000,000 | £459,500 in respect of the first £6,000,000 plus £11 for each £100 or part of £100 in excess thereof |

The arguments set out in the report to my amendment remain, and I maintain that it is justified to increase Stamp Duty by 50 pence on each £100 of stamp duty payable under the Law to ensure that revenue can be broadened and to decrease the over-reliance on personal income tax.

Financial and manpower implications

As detailed in my amendment, I have been informed that it is not possible to cost the financial impact of this amendment, as Stamp Duty on the registration of wills of immovable estate is based on each individual application, with the different number and types compounding the difficulty of calculation. However, it has been confirmed that there would be no change to either the LTT or EPTT forecasts as a result of this amendment.