

21.03.23

9 Senator K.L. Moore of the Minister for Treasury and Resources regarding the tax liability of people who had left Jersey to reside in a country that had a reciprocal tax agreement with the Island (OQ.88/2021):

Will the Minister explain under what circumstances, if any, Revenue Jersey is able to continue to request payment of Jersey tax when a person has left the Island to reside in a country which has a reciprocal tax agreement with Jersey and provides its new immigrants with a 4-year overseas income exemption?

Deputy S.J. Pinel of St. Clement (The Minister for Treasury and Resources):

Certain Jersey-sourced income, principally pensions other than the States old-age pension and income from property, is taxable in the hands of non-residents. Tax reliefs are available to non-residents who have a low worldwide income, whether or not they reside in a country that has a tax reciprocal agreement. It is important to recognise that double taxation agreements are only a mechanism whereby jurisdictions agree the allocation of taxing rights between them. In some cases, this may mean that particular types of income may be taxed in both jurisdictions. In some cases, the income will only be taxed in one jurisdiction. Finally, the domestic tax law in the other jurisdiction will be relevant. If the person is not considered to be resident in that other country for the first 4 years, then they will not be able to attain benefits under a double tax agreement. If a non-resident needs help or assistance in respect of Jersey tax charges, they can approach Revenue Jersey for help.

3.9.1 Senator K.L. Moore:

Noting the final point made by the Minister there, and I will not go into the detail, but I am not clear on some of the facts that she has portrayed in her answer. As the reciprocal agreement with New Zealand that was signed in 2010 I believe clearly states that, with regards pensions, remuneration paid to an individual who is a resident of a party, therefore New Zealand, in consideration of past employment, shall be taxable only by that party. So I would contend some of the facts that she has given. However, the supplementary question is: does the Minister consider it reasonable that Revenue Jersey should have claimed £8,000 in overpayments over a period of years and refuses to respond to that person for over 9 months and refuses to repay the sums that they have claimed as overpayments?

Deputy S.J. Pinel:

As the questioner will know, I cannot possibly respond to any personal tax situations.

Senator K.L. Moore:

The question is: does the Minister consider it reasonable that Revenue Jersey cannot respond to a person who has tried to contact them for a prolonged period of time and they have not received any response for over 9 months?

Deputy S.J. Pinel:

If the person in question emails me, I will make sure they will get a response. I cannot discuss any personal tax details of any person.