

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES
BY DEPUTY M.B. ANDREWS OF ST HELIER NORTH
QUESTION SUBMITTED ON TUESDAY 2nd APRIL 2024
ANSWER TO BE TABLED ON TUESDAY 9th APRIL 2024**

Question

“Will the Minister advise how much additional tax revenue it is estimated would have been generated for the 2021 tax year from the application of a standard 20% rate of income tax on the entirety of High Value Residents’ income?”

Answer

No estimate has been made. It would be difficult and time-consuming to construct a meaningful estimate because of the five different versions of the HVR Tax Regime which apply to HVRs who have come to Jersey since 2005.

HVRs in the five versions of the HVR Tax Regime are subject to different rates of income tax on different prescribed amounts of taxable income. Only Versions 4 and 5 of the Tax Regime legally oblige HVRs to pay an amount of income tax prescribed by law with a “top up” mechanism in force for those who are unable to generate sufficient income to meet the prescribed amount. Any indication that we might “move the goalposts” beyond the statutory review of the minimum limit will reduce the Island’s competitiveness with other jurisdictions in attracting new HVRs.

It cannot be assumed that the application of a standard 20% rate of income tax on the entirety of an HVRs’ income would generate additional revenue. The legal obligation to pay a minimum sum – combined with the “top-up” mechanism - ensures that the Exchequer receives at least the amount expected from the operation of the HVR Tax Regime.