

**THE STATES assembled on Friday,
13th May 2005 at 9.30 a.m. under
the Presidency of the Greffier of the States,
Mr. Michael Nelson de la Haye.**

All members were present with the exception of –

Senator Jean Amy Le Maistre– out of the Island
Senator Leonard Norman – out of the Island
Daniel Joseph Murphy, Connétable of Grouville – out of the Island
Alan Breckon, Deputy of St. Saviour– ill
Philip John Rondel, Deputy of St. John– out of the Island
Celia Joyce Scott Warren, Deputy of St. Saviour– ill
John Benjamin Fox, Deputy of St. Helier– out of the Island.

Prayers read by the Deputy Greffier of the States.

Shadow Scrutiny Panels – resignation of member

THE STATES noted the resignation of Deputy Gerard Clifford Lemmens Baudains of St. Clement from the Shadow Scrutiny Panels.

**Fiscal Strategy – P.44/2005
Amendment and Comments**

THE STATES resumed consideration of the proposition of the Finance and Economics Committee concerning a Fiscal Strategy as amended and, adopting paragraph (a)(i) and (ii), referred to their Act dated 29th June 2004, in which they approved the States Strategic Plan 2005 to 2010 and agreed that the States would take steps to maintain a strong and competitive economy and to provide high quality public services, and to their Act dated 7th July 2004, in which they approved the Fiscal Strategy and charged the Finance and Economics Committee to research measures to mitigate the loss of taxation revenues as a result of the agreed changes to the corporate taxation structure, and –

- (a) agreed that a progressive package of tax and benefits, capable of generating additional net annual tax revenue of £55 million, should be implemented, and that–
 - (i) a broad-based Goods and Services Tax (GST) would be introduced in 2008 at a rate of 3%, fixed for at least 3 years, as set out in the summary of proposals, page 40, of Section 2 of the accompanying report of the Finance and Economics Committee; and,
 - (ii) the proposals being brought forward for approval by the Employment and Social Security Committee, in liaison with the Finance and Economics Committee, would include provision to ensure that the effects of GST on those on low incomes would be mitigated through enhancements to benefits implemented prior to, or simultaneously with, the introduction of GST.

Members present voted as follows –

POUR: 31

CONTRE: 15

ABSTAIN: 0

Senator F.H. Walker
Senator T.A. Le Sueur

Senator S. Syvret
Senator W. Kinnard

Senator P.F. Routier
 Senator M.E. Vibert
 Senator P.F.C. Ozouf
 Connétable of St. Martin
 Connétable of St. Ouen
 Connétable of St. Saviour

 Connétable of St. Brelade
 Connétable of St. Mary
 Connétable of St. Peter
 Connétable of St. Clement
 Connétable of St. Helier
 Connétable of Trinity
 Connétable of St. Lawrence
 Connétable of St. John
 Deputy of Trinity
 Deputy J.J. Huet (H)
 Deputy T.J. Le Main (H)
 Deputy M.F. Dubras (L)
 Deputy J.L. Dorey (H)
 Deputy P.N. Troy (B)
 Deputy F.G. Voisin (L)
 Deputy L.J. Farnham (S)
 Deputy S.C. Ferguson (B)
 Deputy of St. Mary
 Deputy of St. Ouen
 Deputy P.J.D. Ryan (H)
 Deputy M.A. Taylor (C)
 Deputy of St. Peter
 Deputy G.W.J. de Faye (H)

Senator P.V.F. Le Claire
 Senator E.P. Vibert
 Senator R.J. Shenton
 Deputy R.C. Duhamel (S)
 Deputy of St. Martin
 Deputy G.C.L. Baudains (C)
 Deputy R.G. Le Hérissier (S)
 Deputy J-A. Bridge (H)
 Deputy J.A. Martin (H)
 Deputy G.P. Southern (H)
 Deputy J.A. Bernstein (B)
 Deputy of Grouville
 Deputy J.A. Hilton (H)

THE STATES, adopting paragraph (a)(iii), agreed that tax allowances for taxpayers on higher disposable incomes would be phased out over a period of 5 years in the manner set out in the summary of proposals, page 43, o Section 2 of the said report.

Members present voted as follows –

POUR: 30

Senator F.H. Walker
 Senator T.A. Le Sueur
 Senator P.F. Routier
 Senator M.E. Vibert
 Senator P.F.C. Ozouf
 Connétable of St. Martin
 Connétable of St. Ouen
 Connétable of St. Saviour
 Connétable of St. Brelade
 Connétable of St. Mary
 Connétable of St. Peter
 Connétable of St. Clement
 Connétable of St. Helier
 Connétable of Trinity
 Connétable of St. Lawrence
 Connétable of St. John
 Deputy of Trinity

CONTRE: 16

Senator S. Syvret
 Senator W. Kinnard
 Senator P.V.F. Le Claire
 Senator E.P. Vibert
 Senator R.J. Shenton
 Deputy R.C. Duhamel (S)
 Deputy of St. Martin
 Deputy T.J. Le Main (H)
 Deputy G.C.L. Baudains (C)
 Deputy P.N. Troy (B)
 Deputy J.A. Martin (H)
 Deputy G.P. Southern (H)
 Deputy J.A. Bernstein (B)
 Deputy of Grouville
 Deputy of St. Peter
 Deputy G.W.J. de Faye (H)

ABSTAIN: 0

Deputy J.J. Huet (H)
Deputy M.F. Dubras (L)
Deputy J.L. Dorey (H)
Deputy F.G. Voisin (L)
Deputy L.J. Farnham (S)
Deputy R.G. Le Hérisssier (S)
Deputy J-A. Bridge (H)
Deputy S.C. Ferguson (B)
Deputy of St. Mary
Deputy of St. Ouen
Deputy P.J.D. Ryan (H)
Deputy M.A. Taylor (C)
Deputy J.A. Hilton (H)

THE STATES, having recalled that the President of the Finance and Economics Committee had been granted leave to withdraw paragraph (b) of the proposition on 12th May 2005, adopted paragraph (c) of the proposition and agreed that enhanced anti-avoidance measures and new information powers as outlined in the summary of proposals, page 50, of Section 2 of the said report should be introduced no later than 1st January 2009.

Members present voted as follows –

POUR: 38

Senator F.H. Walker
Senator W. Kinnard
Senator T.A. Le Sueur
Senator P.F. Routier
Senator M.E. Vibert
Senator P.F.C. Ozouf
Senator R.J. Shenton
Connétable of St. Martin
Connétable of St. Ouen
Connétable of St. Saviour
Connétable of St. Brelade
Connétable of St. Mary
Connétable of St. Peter
Connétable of St. Clement
Connétable of St. Helier
Connétable of Trinity
Connétable of St. Lawrence
Connétable of St. John
Deputy of Trinity
Deputy R.C. Duhamel (S)
Deputy J.J. Huet (H)
Deputy T.J. Le Main (H)
Deputy M.F. Dubras (L)
Deputy J.L. Dorey (H)
Deputy F.G. Voisin (L)
Deputy L.J. Farnham (S)
Deputy R.G. Le Hérisssier (S)
Deputy J-A. Bridge (H)
Deputy J.A. Bernstein (B)
Deputy S.C. Ferguson (B)
Deputy of St. Mary
Deputy of St. Ouen
Deputy P.J.D. Ryan (H)

CONTRE: 8

Senator S. Syvret
Senator P.V.F. Le Claire
Senator E.P. Vibert
Deputy of St. Martin
Deputy G.C.L. Baudains (C)
Deputy P.N. Troy (B)
Deputy J.A. Martin (H)
Deputy G.P. Southern (H)

ABSTAIN: 0

Deputy M.A. Taylor (C)
Deputy of Grouville
Deputy of St. Peter
Deputy J.A. Hilton (H)
Deputy G.W.J. de Faye (H)

THE STATES, adopting paragraph (d) of the proposition, as amended, charged the Finance and Economic Committee, working with the Environment and Public Services Committee and the Parishes, to undertake further research, and bring forward for consideration proposals relating to the introduction of environmental taxes and other taxes, primarily aimed at meeting the environmental objectives of the States Strategic Plan 2005 to 2010, including –

- (i) additional taxes on the ownership and use of motor vehicles, on the production and disposal of waste, and on the consumption of energy;
- (ii) a development gains tax to be considered in conjunction with the development of a planning gain policy; and,
- (iii) a land value tax.

Members present voted as follows –

POUR: 40

Senator S. Syvret
Senator F.H. Walker
Senator W. Kinnard
Senator T.A. Le Sueur
Senator P.V.F. Le Claire
Senator P.F. Routier
Senator M.E. Vibert
Senator P.F.C. Ozouf
Senator R.J. Shenton
Connétable of St. Martin
Connétable of St. Ouen
Connétable of St. Saviour
Connétable of St. Brelade
Connétable of St. Peter
Connétable of St. Clement
Connétable of St. Helier
Connétable of Trinity
Connétable of St. Lawrence
Connétable of St. John
Deputy of Trinity
Deputy R.C. Duhamel (S)
Deputy J.J. Huet (H)
Deputy T.J. Le Main (H)
Deputy M.F. Dubras (L)
Deputy J.L. Dorey (H)
Deputy F.G. Voisin (L)
Deputy L.J. Farnham (S)
Deputy R.G. Le Hérisssier (S)
Deputy J-A. Bridge (H)
Deputy J.A. Martin (H)
Deputy J.A. Bernstein (B)

CONTRE: 5

Senator E.P. Vibert
Connétable of St. Mary
Deputy of St. Martin
Deputy G.C.L. Baudains (C)
Deputy G.P. Southern (H)

ABSTAIN: 0

Deputy S.C. Ferguson (B)
Deputy of St. Mary
Deputy of St. Ouen
Deputy P.J.D. Ryan (H)
Deputy M.A. Taylor (C)
Deputy of Grouville
Deputy of St. Peter
Deputy J.A. Hilton (H)
Deputy G.W.J. de Faye (H)

Adjournment

The States then adjourned, having agreed to consider the outstanding matters of public business on Tuesday 17th May 2005.

THE STATES rose at 3.55 p.m.

A.H. HARRIS

Deputy Greffier of the States.