



**THE STATES assembled on Wednesday
29th November 2017, at 09.30 a.m. under
the Presidency of the Bailiff,
Sir William James Bailhache.**

All members were present at roll call with the exception of –

Senator Philip Francis Cyril Ozouf – en défaut (défaut raised at 9.48 a.m.)
Senator Sir Philip Martin Bailhache – en défaut
Senator Sarah Craig Ferguson – en défaut (défaut raised at 11.05 a.m.)
Connétable Stephen William Pallett of St. Brelade – en défaut (défaut raised at 9.37 a.m.)
Connétable Sadie Anthea Le Sueur-Rennard of St. Saviour – en défaut
Deputy Michael Roderick Higgins of St. Helier – en défaut (défaut raised at 9.48 a.m.)
Deputy Richard John Rondel of St. Helier – ill
Deputy Richard John Renouf of St. Ouen – en défaut
Deputy Louise Mary Catherine Doublet of St. Saviour – ill
Deputy Peter Derek McLinton of St. Saviour – en défaut (défaut raised at 9.48 a.m.)

Prayers read by the Greffier of the States

Documents presented

Referendum Commission and States Members' Remuneration Review Body: R.128/2017.
appointment of members.
Presented: 29th November 2017.
Privileges and Procedures Committee.

Draft Budget Statement 2018 P.90/2017

THE STATES resumed consideration of the proposition of the Minister for Treasury and Resources entitled 'Draft Budget Statement 2018' (P.90/2017), as amended, and, resuming consideration of an amendment of the Connétable of St. Helier (P.90/2017 Amd.), rejected an amendment of the Minister for Treasury and Resources (P.90/2017 Amd.Amd.(2)) to that amendment that, for all the inserted text after the words "In paragraph (b), at the end of the paragraph, add the words –", there should be substituted the following –

“except that the Council of Ministers and the Minister for Treasury and Resources are requested that the allocation for the payment of Parish Rates by the States as part of the Central Growth proposals in the 2019 Budget and beyond is confirmed subject to the introduction of a sustainable funding mechanism;”.

Members present voted as follows –

POUR: 10

Senator A.J.H. Maclean
Senator I.J. Gorst
Senator L.J. Farnham
Senator A.K.F. Green
Deputy of Trinity

CONTRE: 31

Senator P.F. Routier
Senator P.F.C. Ozouf
Senator S.C. Ferguson
Connétable of St. Helier
Connétable of St. Clement

ABSTAIN: 0

Deputy E.J. Noel (L)	Connétable of St. Lawrence
Deputy S.J. Pinel (C)	Connétable of St. Mary
Deputy of St. Martin	Connétable of St. Ouen
Deputy R.G. Bryans (H)	Connétable of St. Martin
Deputy G.J. Truscott (B)	Connétable of Grouville
	Connétable of St. John
	Connétable of Trinity
	Deputy J.A. Martin (H)
	Deputy G.P. Southern (H)
	Deputy of Grouville
	Deputy J.A. Hilton (H)
	Deputy J.A.N. Le Fondré (L)
	Deputy K.C. Lewis (S)
	Deputy M. Tadier (B)
	Deputy of St. John
	Deputy M.R. Higgins (H)
	Deputy J.M. Maçon (S)
	Deputy S.Y. Mézec (H)
	Deputy A.D. Lewis (H)
	Deputy R. Labey (H)
	Deputy S.M. Wickenden (H)
	Deputy S.M. Bree (C)
	Deputy M.J. Norton (B)
	Deputy T.A. McDonald (S)
	Deputy of St. Mary
	Deputy P.D. McLinton (S)

THE STATES, resuming consideration of the amendment of the Connétable of St. Helier (P.90/2017 Amd.), and adopting an amendment of the Comité des Connétables (P.90/2017 Amd.Amd.), agreed that in the second line of the proposed additional wording, for the figure “£978,000”, there should be substituted the figure “£1,894,000” and that in the sixth line and in the penultimate line, the word “Parish” should be deleted.

Members present voted as follows –

POUR: 23

Senator S.C. Ferguson
 Connétable of St. Helier
 Connétable of St. Clement
 Connétable of St. Lawrence
 Connétable of St. Mary
 Connétable of St. Ouen
 Connétable of St. Martin
 Connétable of Grouville
 Connétable of St. John
 Connétable of Trinity
 Deputy G.P. Southern (H)
 Deputy J.A. Hilton (H)
 Deputy J.A.N. Le Fondré (L)
 Deputy K.C. Lewis (S)
 Deputy M. Tadier (B)
 Deputy M.R. Higgins (H)
 Deputy J.M. Maçon (S)
 Deputy S.Y. Mézec (H)
 Deputy A.D. Lewis (H)

CONTRE: 19

Senator P.F. Routier
 Senator P.F.C. Ozouf
 Senator A.J.H. Maclean
 Senator I.J. Gorst
 Senator L.J. Farnham
 Senator A.K.F. Green
 Deputy J.A. Martin (H)
 Deputy of Grouville
 Deputy of Trinity
 Deputy E.J. Noel (L)
 Deputy of St. John
 Deputy S.J. Pinel (C)
 Deputy of St. Martin
 Deputy R.G. Bryans (H)
 Deputy of St. Peter
 Deputy R. Labey (H)
 Deputy M.J. Norton (B)
 Deputy T.A. McDonald (S)
 Deputy G.J. Truscott (B)

ABSTAIN: 0

Deputy S.M. Wickenden (H)
 Deputy S.M. Bree (C)
 Deputy of St. Mary
 Deputy P.D. McLinton (S)

THE STATES, resuming consideration of the amendment of the Connétable of St. Helier (P.90/2017 Amd.), as amended, agreed that in paragraph (b), at the end of the paragraph, there should be added the words –

“except that the Council of Ministers and the Minister for Treasury and Resources are requested either (a) to allocate the required sum of £1,894,000 to the Department for Infrastructure from Contingency in 2018, or (b) to prioritise the provision of that sum to the Department for Infrastructure from available underspends at the end of 2017, and carried forward to 2018, in order to provide for the payment of Rates on States’ properties to the Parishes, as agreed in the current Strategic Plan and the Medium Term Financial Plan, and that the allocation for the payment of Rates by the States as part of the Central Growth proposals in the 2019 Budget and beyond be reinstated.”.

Members present voted as follows –

POUR: 40

Senator P.F. Routier
 Senator P.F.C. Ozouf
 Senator I.J. Gorst
 Senator L.J. Farnham
 Senator A.K.F. Green
 Senator S.C. Ferguson
 Connétable of St. Helier
 Connétable of St. Clement
 Connétable of St. Lawrence
 Connétable of St. Mary
 Connétable of St. Ouen
 Connétable of St. Martin
 Connétable of Grouville
 Connétable of St. John
 Connétable of Trinity
 Deputy J.A. Martin (H)
 Deputy G.P. Southern (H)
 Deputy of Grouville
 Deputy J.A. Hilton (H)
 Deputy J.A.N. Le Fondré (L)
 Deputy of Trinity
 Deputy K.C. Lewis (S)
 Deputy M. Tadier (B)
 Deputy E.J. Noel (L)
 Deputy of St. John
 Deputy M.R. Higgins (H)
 Deputy J.M. Maçon (S)
 Deputy S.J. Pinel (C)
 Deputy R.G. Bryans (H)
 Deputy of St. Peter
 Deputy S.Y. Mézec (H)
 Deputy A.D. Lewis (H)
 Deputy R. Labey (H)
 Deputy S.M. Wickenden (H)
 Deputy S.M. Bree (C)

CONTRE: 2

Senator A.J.H. Maclean
 Connétable of St. Peter

ABSTAIN: 0

Deputy M.J. Norton (B)
 Deputy T.A. McDonald (S)
 Deputy of St. Mary
 Deputy G.J. Truscott (B)
 Deputy P.D. McLinton (S)

THE STATES rejected an amendment of Deputy Samuel Yves Mézec of St. Helier (P.90/2017 Amd.(3)) that, after paragraph (d), there should be inserted the following new paragraph –

“(e) to agree in principle that from year of assessment 2019 the 20% personal income tax rate should no longer be available (except for HVRs, for whom no change is proposed) and personal income tax should instead be charged at a rate of 25% (with all personal income taxpayers being entitled to the allowances/reliefs which are available to marginal rate taxpayers when calculating the amount of income taxable at the rate of 25%) and to direct the Minister for Treasury and Resources to bring forward the necessary legislative changes for debate by the Assembly during 2018.”.

Members present voted as follows –

POUR: 10

Deputy G.P. Southern (H)
 Deputy of Grouville
 Deputy M. Tadier (B)
 Deputy M.R. Higgins (H)
 Deputy J.M. Maçon (S)
 Deputy S.Y. Mézec (H)
 Deputy S.M. Wickenden (H)
 Deputy S.M. Bree (C)
 Deputy T.A. McDonald (S)
 Deputy P.D. McLinton (S)

CONTRE: 34

Senator P.F. Routier
 Senator P.F.C. Ozouf
 Senator A.J.H. Maclean
 Senator I.J. Gorst
 Senator L.J. Farnham
 Senator A.K.F. Green
 Senator S.C. Ferguson
 Connétable of St. Helier
 Connétable of St. Clement
 Connétable of St. Peter
 Connétable of St. Lawrence
 Connétable of St. Mary
 Connétable of St. Ouen
 Connétable of St. Brelade
 Connétable of St. Martin
 Connétable of Grouville
 Connétable of St. John
 Connétable of Trinity
 Deputy J.A. Martin (H)
 Deputy J.A. Hilton (H)
 Deputy J.A.N. Le Fondré (L)
 Deputy of Trinity
 Deputy K.C. Lewis (S)
 Deputy E.J. Noel (L)
 Deputy of St. John
 Deputy S.J. Pinel (C)
 Deputy of St. Martin
 Deputy R.G. Bryans (H)
 Deputy of St. Peter
 Deputy A.D. Lewis (H)
 Deputy R. Labey (H)
 Deputy M.J. Norton (B)
 Deputy of St. Mary
 Deputy G.J. Truscott (B)

ABSTAIN: 0

THE STATES commenced consideration of an amendment of Senator Philip Francis Cyril Ozouf (P.90/2017 Amd.(5)) and, adopting an amendment of the Minister for Treasury and Resources to that amendment (P.90/2017 Amd.(5)Amd.), agreed that, for the inserted new paragraph (e), there should be substituted the following –

“(e) to request the Minister for Treasury and Resources: (i) to undertake a programme of engagement and awareness-raising with UK firms that charge Value Added Tax (VAT) on goods delivered to Jersey to encourage them to levy the correct sales tax; (ii) to explore with those businesses the opportunities for those businesses to collect any GST due from the consumer and remit that GST directly to the Taxes Office in order to expedite the delivery of the goods; (iii) to report on progress with this work by 10th April 2018; and (iv) to make available from the Contingency budget the resources required to ensure that this work is undertaken without affecting progress with other work-streams.”.

THE STATES, adopting the amendment of Senator Philip Francis Cyril Ozouf (P.90/2017 Amd.(5)), as amended, agreed that, after paragraph (d), there should be inserted the following new paragraph –

“(e) to request the Minister for Treasury and Resources: (i) to undertake a programme of engagement and awareness-raising with UK firms that charge Value Added Tax (VAT) on goods delivered to Jersey to encourage them to levy the correct sales tax; (ii) to explore with those businesses the opportunities for those businesses to collect any GST due from the consumer and remit that GST directly to the Taxes Office in order to expedite the delivery of the goods; (iii) to report on progress with this work by 10th April 2018; and (iv) to make available from the Contingency budget the resources required to ensure that this work is undertaken without affecting progress with other work-streams.”.

THE STATES commenced consideration of an amendment of Senator Philip Francis Cyril Ozouf (P.90/2017 Amd.(6)) and, adopting an amendment of the Minister for Treasury and Resources to that amendment (P.90/2017 Amd.(6)Amd.), agreed that, for the inserted new paragraph (e), there should be substituted the following –

“(e) to request the Minister for Treasury and Resources: (i) to undertake a review into the feasibility of extending the scope of GST to include the supply of digital services into Jersey by businesses with no establishment in Jersey; (ii) if it is feasible, to bring legislation to the Assembly no later than the 2020 Budget which seeks to extend the scope of GST to include the supply of digital services into Jersey by businesses with no establishment in Jersey; (iii) to undertake a programme of engagement and awareness-raising with UK or EU digital service suppliers to ensure that they levy the correct sales taxes; and (iv) to make available from the Contingency budget the resources required to ensure that this work is undertaken without affecting progress with other work-streams.”.

THE STATES, adopting the amendment of Senator Philip Francis Cyril Ozouf (P.90/2017 Amd.(6)), as amended, agreed that, after paragraph (d), there should be inserted the following new paragraph –

“(e) to request the Minister for Treasury and Resources: (i) to undertake a review into the feasibility of extending the scope of GST to include the supply of digital services into Jersey by businesses with no establishment in Jersey; (ii) if it is feasible, to bring legislation to the Assembly no later than the 2020 Budget which seeks to extend the scope of GST to include the supply of digital services into Jersey by businesses with no establishment in Jersey; (iii) to undertake a programme of engagement and awareness-raising with UK or EU digital service suppliers to ensure that they levy the correct sales taxes; and (iv) to make available from the Contingency budget the resources required to ensure that this work is undertaken without affecting progress with other work-streams.”.

Members present voted as follows –

POUR: 36

Senator P.F. Routier
 Senator P.F.C. Ozouf
 Senator A.J.H. Maclean
 Senator L.J. Farnham
 Senator A.K.F. Green
 Connétable of St. Helier
 Connétable of St. Clement
 Connétable of St. Peter
 Connétable of St. Lawrence
 Connétable of St. Ouen
 Connétable of St. Martin
 Connétable of Grouville
 Connétable of St. John
 Connétable of Trinity
 Deputy J.A. Martin (H)
 Deputy G.P. Southern (H)
 Deputy of Grouville
 Deputy J.A. Hilton (H)
 Deputy of Trinity
 Deputy K.C. Lewis (S)
 Deputy E.J. Noel (L)
 Deputy of St. John
 Deputy M.R. Higgins (H)
 Deputy J.M. Maçon (S)
 Deputy S.J. Pinel (C)
 Deputy R.G. Bryans (H)
 Deputy of St. Peter
 Deputy S.Y. Mézec (H)
 Deputy A.D. Lewis (H)
 Deputy S.M. Wickenden (H)
 Deputy S.M. Bree (C)
 Deputy M.J. Norton (B)
 Deputy T.A. McDonald (S)
 Deputy of St. Mary
 Deputy G.J. Truscott (B)
 Deputy P.D. McLinton (S)

CONTRE: 3

Senator S.C. Ferguson
 Deputy M. Tadier (B)
 Deputy R. Labey (H)

ABSTAIN: 0

THE STATES commenced consideration of an amendment of Senator Philip Francis Cyril Ozouf (P.90/2017 Amd.(7)).

Changes in Presidency

The Bailiff retired from the Chamber during consideration of the amendment of Deputy Samuel Yves Mézec of St. Helier (P.90/2017 Amd.(3)) to the proposition of the Minister for Treasury and Resources entitled 'Draft Budget Statement 2018' (P.90/2017) and the meeting continued under the presidency of Mrs. Lisa-Marie Hart, Deputy Greffier of the States. The Bailiff returned to the Chamber during consideration of the same amendment and the meeting continued under his Presidency.

Arrangement of public business for the present meeting

THE STATES rejected a proposition of Senator Paul Francis Routier, M.B.E. that the Assembly adjourn.

Draft Budget Statement 2018 P.90/2017

THE STATES, resuming consideration of a proposition of the Minister for Treasury and Resources entitled ‘Draft Budget Statement 2018’ (P.90/2017), resumed consideration of an amendment of Senator Philip Francis Cyril Ozouf (P.90/2017 Amd.(7)) and adopted part (i) of the amendment that, after paragraph (d), there should be inserted the following new paragraph –

“(e) to request the Minister for Treasury and Resources to review the principle that income tax is not expected to be due on profits arising from mutuals or similar organisations which compete with other traders who are or will be subject to Corporation Tax on their trading profits.”.

Members present voted as follows –

POUR: 34

Senator P.F. Routier
 Senator P.F.C. Ozouf
 Senator A.J.H. Maclean
 Senator A.K.F. Green
 Connétable of St. Clement
 Connétable of St. Peter
 Connétable of St. Lawrence
 Connétable of St. Mary
 Connétable of St. Ouen
 Connétable of St. Brelade
 Connétable of St. Martin
 Connétable of Trinity
 Deputy J.A. Martin (H)
 Deputy of Grouville
 Deputy J.A. Hilton (H)
 Deputy J.A.N. Le Fondré (L)
 Deputy of Trinity
 Deputy E.J. Noel (L)
 Deputy of St. John
 Deputy M.R. Higgins (H)
 Deputy J.M. Maçon (S)
 Deputy S.J. Pinel (C)
 Deputy of St. Martin
 Deputy R.G. Bryans (H)
 Deputy of St. Peter
 Deputy A.D. Lewis (H)
 Deputy R. Labey (H)
 Deputy S.M. Wickenden (H)
 Deputy S.M. Bree (C)
 Deputy M.J. Norton (B)
 Deputy T.A. McDonald (S)
 Deputy of St. Mary
 Deputy G.J. Truscott (B)
 Deputy P.D. McLinton (S)

CONTRE: 5

Connétable of Grouville
 Deputy G.P. Southern (H)
 Deputy K.C. Lewis (S)
 Deputy M. Tadier (B)
 Deputy S.Y. Mézec (H)

ABSTAIN: 0

THE STATES rejected part (ii) of the amendment of Senator Philip Francis Cyril Ozouf (P.90/2017 Amd.(7)) that, after paragraph (d), there should be inserted the following new paragraph –

“(e) to request the Minister for Treasury and Resources to bring forward legislation no later than the time of the 2019 Budget to provide for the taxation of profits (or rebates, discounts, or other equivalent terms used by mutuals) which arise from mutual trading (other than by not-for-profit or religious entities set up for charitable purposes) in the 2019 year of assessment, to ensure that such entities are ordinarily subject to income tax, whatever their legal status.”.

Members present voted as follows –

POUR: 3

Senator P.F.C. Ozouf
Deputy J.A. Hilton (H)
Deputy S.M. Wickenden (H)

CONTRE: 36

Senator P.F. Routier
Senator A.J.H. Maclean
Senator A.K.F. Green
Connétable of St. Clement
Connétable of St. Peter
Connétable of St. Lawrence
Connétable of St. Mary
Connétable of St. Ouen
Connétable of St. Brelade
Connétable of St. Martin
Connétable of Grouville
Connétable of Trinity
Deputy J.A. Martin (H)
Deputy G.P. Southern (H)
Deputy of Grouville
Deputy J.A.N. Le Fondré (L)
Deputy of Trinity
Deputy K.C. Lewis (S)
Deputy M. Tadier (B)
Deputy E.J. Noel (L)
Deputy of St. John
Deputy M.R. Higgins (H)
Deputy J.M. Maçon (S)
Deputy S.J. Pinel (C)
Deputy of St. Martin
Deputy R.G. Bryans (H)
Deputy of St. Peter
Deputy S.Y. Mézec (H)
Deputy A.D. Lewis (H)
Deputy R. Labey (H)
Deputy S.M. Bree (C)
Deputy M.J. Norton (B)
Deputy T.A. McDonald (S)
Deputy of St. Mary
Deputy G.J. Truscott (B)
Deputy P.D. McLinton (S)

ABSTAIN: 0**Arrangement of public business for future meetings**

THE STATES rejected a proposition of Senator Philip Francis Cyril Ozouf that it begin its meeting on 30th November 2017 at 9.00 a.m. and that it shorten the lunchtime adjournment on that day.

Adjournment

THE STATES adjourned, having agreed to reconvene on Thursday 30th November 2017 to continue consideration of the proposition of the Minister for Treasury and Resources entitled 'Draft Budget Statement 2018' (P.90/2017) and accompanying amendments, and other outstanding items of public business.

THE STATES rose at 5.49 p.m.

DR. M. EGAN

Greffier of the States